

BRIBERY, CORRUPTION AND THIRD PARTY RISKS:

WHAT YOU CAN DO.

Factors that Magnify FCPA Risk¹

Only 59%

of respondents report using an approved supplier database.



When presented with a list of possibly questionable actions that may help the business survive,

47% of CFOs

felt one or more could be justified in an economic downturn.

15% of CFOs

surveyed would be willing to make cash payments to win or retain business and 4% view misstating a company's financial performance as justifiable to help a business survive.



46% of total

respondents agree that management is likely to cut corners to meet targets; CFOs have an even more pessimistic view (52%).



Cost of Corruption

\$260 Million

in fines levied for violating the FCPA/UK Bribery Act in 2012²



FCPA violations form nearly half (at 45%) of all economic crime prosecuted by the DOJ³.

DPA or NOT?

Factors that influence a prosecutor in a Deferred Prosecution Agreement decision³



Seriousness of the offence



Extent of wrongdoing



Remedial action taken



History of similar misconduct



Full and timely disclosure of wrongdoing



Caused by a bad individual or bad culture



Existence of an effective compliance program



Potential collateral damage of enforcement action



Adequacy of civil or administrative actions

What can you do to help?

1

Review due diligence policies that apply to your relationships with third parties.



Know our expectations of ethical conduct.

2

3

Look for signs of change, and let the appropriate people know of changes in process, quality or ownership.



Be aware of specific requests or actions that could suggest problems.

4

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The Ethics and Compliance Experts

Source:

- <http://www.ey.com/GL/en/Services/Assurance/Fraud-Investigation---Dispute-Services/Global-Fraud-Survey---a-place-for-integrity---Preparing-to-meet-new-challenges>
- <http://www.shearman.com/Shearman--Sterling-Report-Examines-FCPA-Prosecutions-and-Penalties-Analyzes-Impact-of-New-DOJSEC-Guidance-12-28-2012/>
- <http://www.briberylibrary.com/compliance-programmes/deferred-prosecution-agreements-to-be-introduced-as-a-bill-in-the-next-parliament/>
- <http://www.briberylibrary.com/compliance-programmes/deferred-prosecution-agreements-to-be-introduced-as-a-bill-in-the-next-parliament/>