

Decline in FCPA Bribery Enforcement Appears Short-Lived

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There was a significant decline in 2012 in enforcement actions under the Foreign Corrupt Practices Act ("FCPA"), legislation that outlaws bribery of foreign officials by U.S. companies or individuals. According to a [study](#) by TRACE International, Inc., an association that provides anti-bribery compliance solutions for multinational companies, foreign bribery enforcement actions under the FCPA declined by 52 percent between 2011 and 2012, a remarkable drop in just one year. According to TRACE's senior directory of advisory services, [Julie Coleman](#), however, the decline may prove to be short-lived: "We don't think 2012 is a harbinger of what's going to happen in 2013," she said. "Originally, it was off to a slow start, but there are a lot of things percolating."

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank"), [whistleblowers who voluntarily provide original information](#) regarding bribes paid to foreign officials in violation of the FCPA may be entitled to 10 to 30 percent of any monetary recovery of over \$1 million that the SEC obtains from an offending party through enforcement actions.

Of the misconduct identified in the 2012 enforcement actions, roughly 25 percent of the bribery payments occurred in Iraq, China, Nigeria and India. No other countries were the location for more than 2.7 percent of the bribe payments. The leading industry targeted by enforcement actions continues to be extractive industries.