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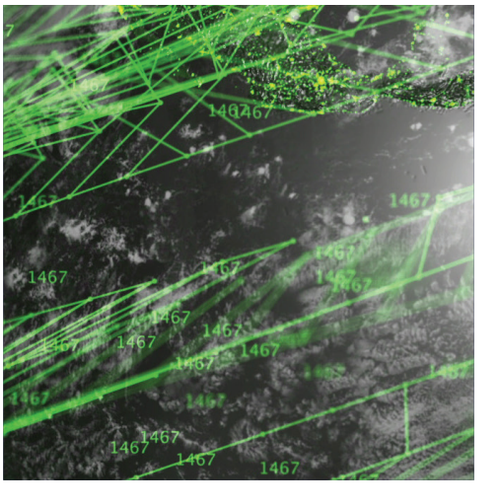
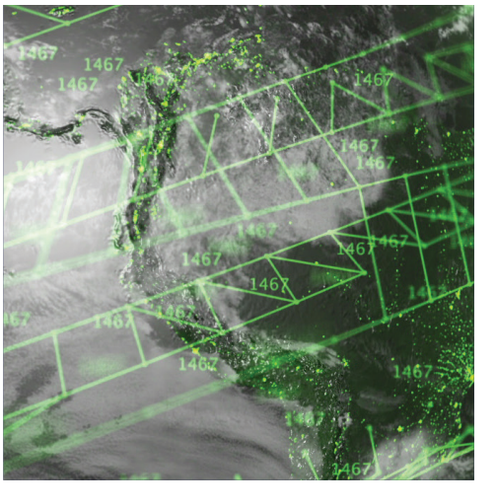
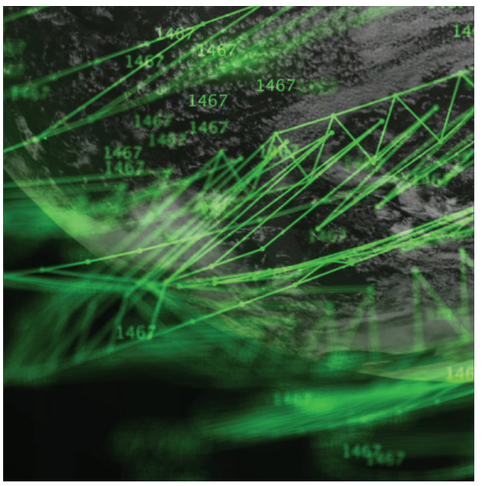
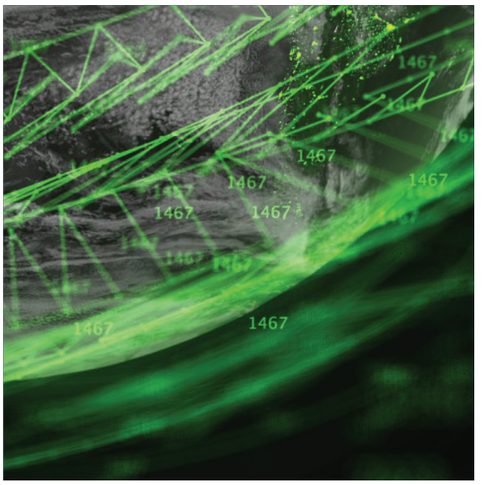
FCPA & Anti-Bribery

2025 Alert









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Introduction

"It's all happening."
—Penny Lane, *Almost Famous*

We are pleased to bring you our 2025 FCPA & Anti-Bribery Alert. Coming up with a theme for this year's Alert was as difficult as any year in recent memory. It was challenging to identify a common thread in a year of so many twists and turns. The Trump Administration's decision in February to "pause" enforcement of the Foreign Corrupt Practice Act ("FCPA") turned the anti-corruption world on its head. For the first time in 25 years, the U.S. was signaling that it was no longer prepared to lead the global fight against corruption. Others on the world stage appeared ready to step up. In March, in an apparent direct response to the Trump Administration's pause, French, U.K., and Swiss authorities announced the creation of a task force to fight corruption. Multilateral development banks continued or increased efforts to investigate corruption on development projects. But then, just as we were preparing for a potential new world order, the U.S. Department of Justice ("DOJ") lifted the pause and announced new enforcement principles. Since then, DOJ leaders have repeatedly emphasized that they remain committed to investigating and prosecuting FCPA violations, so long as those investigations are consistent with U.S. interests. And, although the new enforcement principles demonstrate slightly different priorities, overall, they would cover many of the DOJ's actions over the past 10 years. Are we back where we started? Not by a long shot, but we are significantly closer than most expected after the pause was announced in February 2025.

Penny Lane's words in *Almost Famous*—a cult-classic film set against the backdrop of the music industry in the 1970s—capture the whirlwind of anti-bribery enforcement this year: pauses, reversals, and renewed commitments. In anti-corruption, "it's all happening"—sometimes faster than companies can adapt. The challenge is not just to keep up, but to anticipate the next turn in the ride.

The Alert details anti-corruption developments from the past 12+ months, including a deep dive into FCPA enforcement, as well as anti-bribery enforcement and developments in France, Brazil, and the U.K., and by multilateral development banks.

The Alert is divided into four chapters. Chapter 1 is devoted to analysis of critical enforcement and policy highlights and trends, and lessons from recent settlements and prosecutions. As has become tradition, we have some fun in Chapter 1 trying to incorporate this year's overall theme (music-centered movies) into some of the trends and lessons. Chapter 2 is dedicated to the FCPA and provides a description of FCPA-related charges and settlements from the past 12 months. Chapter 3 includes updates for selected countries: France, Brazil, and the U.K. Chapter 4 provides an update on the enforcement activities of multilateral development banks.

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Chapter

1 Highlights, Trends & Lessons

Recent Highlights

The past year has seen several noteworthy developments in anti-corruption enforcement. Below are Hughes Hubbard's top highlights from the past twelve months. Additional details on each of these highlights can be found in Chapter 2.

Trump Administration Pauses FCPA Enforcement

On February 10, 2025, President Donald Trump issued an executive order pausing new FCPA enforcement actions and investigations for 180 days. The order also directed Attorney General Pam Bondi to review existing cases, update enforcement guidelines to prioritize U.S. companies' global competitiveness, and personally approve future FCPA actions. The White House stated the pause was necessary to protect national security and economic strength, citing concerns that existing enforcement was excessive and unpredictable, and disadvantaged American firms compared to international competitors. Although the pause was short-lived (see next highlight), it upended the global order in terms of the fight against corruption and became the seminal moment of the year, not just with respect to anti-corruption enforcement but white-collar enforcement more generally.

New FCPA Enforcement Guidelines

On June 9, 2025, Deputy Attorney General Todd Blanche released a memo (the "Blanche Memo") lifting the enforcement pause on FCPA investigations and enforcement actions, and outlining revised FCPA enforcement guidelines. The Blanche Memo served to reset FCPA enforcement under the second Trump Administration, setting out specific enforcement priorities for the DOJ:

Targeting Cartels and TCOs • The DOJ will prioritize FCPA investigations and enforcement actions involving misconduct associated with the criminal operation of cartels and/or transnational criminal organizations ("TCOs"). This includes misconduct involving money laundering through shell companies linked to cartels and TCOs, or

involving foreign officials who have received bribes from these entities.

Protecting U.S. Business Interests • The DOJ will focus on misconduct that harms U.S. companies or individuals by depriving them of fair business competition. In doing so, prosecutors will consider whether the alleged misconduct deprived U.S. entities of fair access to competition or whether it resulted in economic injury to U.S. companies or individuals.

Advancing National Security • Prosecutors will further prioritize investigations into foreign bribery where the misconduct relates to sectors critical to U.S. national security, including corruption related to the defense, intelligence, or critical infrastructure sectors.

Prioritizing Serious Misconduct • Prosecutors will focus on serious misconduct that involves substantial bribe payments, sophisticated efforts to conceal bribe payments, fraud, and efforts to obstruct justice, and focus less on misconduct involving routine business practices or de minimis or low-dollar, generally accepted business practices.•

AAR CORP. Resolution with DOJ and SEC

In the last enforcement action of 2024, on December 19, 2024, AAR CORP. entered into an 18-month Non-Prosecution Agreement ("NPA") with the DOJ and a cease-and-desist order with the U.S. Securities Exchange Commission ("SEC") to resolve allegations that it conspired to violate the FCPA's anti-bribery provisions through schemes in Nepal and South Africa. Between 2015 and 2018, AAR paid approximately $2.5 million in disguised commission payments to a UAE-based company to bribe Nepali officials and secure a contract with Nepal Airlines, earning $6 million in profits. From 2016 to 2020, AAR paid over $5.3 million to a South African intermediary to bribe officials at South African Airways and its subsidiary, South African Airways Technical, in exchange for securing a lucrative five-year airline component support contract that generated $17.9 million in profits. Under the NPA, AAR agreed to pay a $26 million criminal penalty and $19 million in forfeiture, reflecting a 45% discount for cooperation and remediation, and committed to enhancing compliance and reporting to the DOJ. The SEC ordered AAR to pay $23.5 million in disgorgement and $5.8 million in interest but imposed no civil penalty. The AAR resolution is noteworthy for several reasons. First, given the SEC's apparent de-prioritization of FCPA enforcement, the AAR resolution could serve as the last SEC enforcement action for some time (12 months and counting by time of publication). Second, this enforcement action, the last under the Biden administration, will serve as an interesting point of comparison for enforcement under the DOJ's revised Corporate Enforcement and Voluntary Self-Disclosure Policy.•

Material Revisions to CEP

On May 12, 2025, DOJ Criminal Division Chief Matthew R. Galeotti issued a memo (the "Galeotti Memo"), which among other things announced changes to the DOJ's Corporate Enforcement and Voluntary Self-Disclosure Policy ("CEP"). Specifically, the Galeotti Memo laid out a three-part plan for prosecutors to use when determining which corporate resolution—a non-prosecution agreement ("NPA"), deferred prosecution agreement ("DPA"), or guilty plea—is most appropriate. Part One of the revised CEP indicates that the DOJ will decline criminal prosecution against companies who voluntarily self-disclose misconduct, fully cooperate with the DOJ's investigation, appropriately remediate the misconduct including making appropriate forfeiture, and who have no aggravating factors. Part Two allows companies who narrowly miss qualifying under Part One to receive an NPA of less than three years, a 75% reduction off of the low end of the U.S. Sentencing Guidelines (U.S.S.G.) fine range, and no monitorship requirement. Finally, Part Three grants prosecutors discretion to determine the appropriate form and length of a resolution for companies who do not qualify for the two prior categories, with a caveat that the DOJ will not recommend more than a 50% reduction in criminal penalties for these companies.•

Changes to Monitorships

The Galeotti Memo also called for a review of all existing monitorships and announced changes to the standards for imposing monitorships in criminal matters. The Galeotti Memo instructed prosecutors to consider the nature of the misconduct, whether other government oversight exists, the effectiveness of a company's compliance program and culture, as well as the maturity of a company's controls in determining whether to impose a monitorship. The goal of these revisions is to create a balance between ensuring the need for effective compliance programs with the need to eliminate unnecessary burden on companies. In this vein, the DOJ will cap monitors' hourly rates, and monitors must submit budgets for approval and meet with the company and Criminal Division to maximize alignment.•

Additions to Whistleblower Pilot Program

The Galeotti Memo also announced additional subject matter areas that qualify under the Criminal Division's Corporate Whistleblower Pilot Program. For example, covered subject areas now include information related to corporate violations involving international cartels or transnational criminal organizations (including money laundering, narcotics, the Controlled Substances Act, etc.), corporate violations of immigration law, material support for terrorism, sanctions offenses, trade, tariff, and customs fraud, and corporate procurement fraud.

Early Terminations During the FCPA Pause

In 2025, the DOJ called for the dismissal of charges against ABB, Honeywell, and Stericycle, ending their DPA agreements early and also ending its monitorship of Glencore more than a year early. These actions, any of which would have been noteworthy in the past, came amidst the DOJ's review of existing FCPA enforcement actions pursuant to President Trump's February 10, 2025 executive order (a review that appears to be ongoing). More detail regarding each is below.

Honeywell • On July 8, 2025, the U.S. District Court for the Southern District of Texas dismissed, with prejudice, the criminal information against Honeywell UOP after finding that the company fully complied with its three-year DPA entered in December 2022. The DPA resolved allegations that Honeywell UOP paid approximately $4 million in bribes to a Petrobras executive between 2010 and 2014 to secure a $425 million refinery contract, generating $106 million in profits. As part of the DPA, Honeywell UOP agreed to pay $79.2 million in criminal fines and forfeit the $106 million in profits it earned from the scheme. On July 2, 2025, the DOJ moved to dismiss the criminal information against Honeywell UOP, noting that Honeywell UOP had met all of its obligations, including establishing enhanced compliance measures and timely paying its criminal penalty and forfeiture.

ABB • On June 20, 2025, a federal judge granted the DOJ's motion to dismiss foreign bribery charges against ABB six months early, ending its three-year DPA. The 2022 DPA resolved allegations that ABB bribed a senior official at Eskom Holdings, South Africa's state-owned energy company, between 2014 and 2017 to secure engineering contracts worth about $160 million. Pursuant

to the DPA, ABB agreed to pay $327 million. Prosecutors cited ABB's "proactive and thorough" compliance and risk assessments as grounds for early termination under a clause allowing for dismissal when reporting obligations were no longer necessary.

Stericycle • In 2022, Stericycle (an Illinois-based medical waste disposal company) resolved parallel DOJ and SEC investigations, agreeing to pay roughly $59 million related to corrupt conduct in Brazil, Mexico, and Argentina. Stericycle entered into a three-year DPA with the DOJ, initially set to expire in November 2025. In April 2025, the DOJ moved to dismiss the charges against Stericycle, ending the DPA early, citing the fact that Stericycle had met the conditions for termination of the DPA.

Glencore • On March 19 and 20, 2025, the DOJ announced it would end the three-year compliance monitorships of Glencore Ltd. and Glencore International AG more than a year early. The monitorships were imposed in May 2022 after Glencore pleaded guilty to commodity price manipulation and Glencore International admitted to conspiring to violate the FCPA by paying over $100 million in bribes to officials in multiple countries to secure oil contracts and avoid audits and lawsuits between 2007 and 2018. The plea agreements required two independent monitors to oversee compliance and internal controls until 2026, but the DOJ exercised its discretion to terminate early after all obligations were met.•

Smartmatic Indictment

On October 16, 2025, a federal grand jury in the Southern District of Florida issued a superseding indictment charging Smartmatic Corp., three of its executives, and the former Chairman of the Philippines' Commission on Elections ("COMELEC") with FCPA and money laundering offenses for a bribery scheme tied to the 2016 Philippine elections. The indictment alleges that Smartmatic and its executives paid approximately $1 million in bribes to the then-Chairman of COMELEC, Juan Andres Doñato Bautista, to secure three contracts worth $182.3 million and the release of value-added tax ("VAT") payments. The scheme involved inflated invoices, sham agreements, and laundering funds through global bank accounts and shell companies. Smartmatic faces five counts, including conspiracy to violate the FCPA and money laundering, while the individuals—who were initially indicted in April 2024—face similar charges. The trial for the individual defendants is scheduled for April 2026. The decision to indict Smartmatic on FCPA charges represents a potentially significant change in approach from the DOJ. Indictments against companies for FCPA violations are rare, especially where the company claims to have been actively cooperating with the DOJ's investigation. Given the rarity of the action and the DOJ's

otherwise company-friendly approach to FCPA enforcement so far (*e.g.,* focusing on the burden of investigations and increasing incentives of companies that cooperate), the decision to indict Smartmatic has been clouded in allegations of politically-motivated bias.

If *not* politically motivated, the Smartmatic indictment could signal that the DOJ has an increased appetite to indict companies for FCPA violations, significantly increasing the risks for companies facing FCPA investigations.•

Conviction in Honduran Police Uniform Scheme

On September 15, 2025, a federal jury in the Southern District of Florida convicted Carl Zaglin, former CEO and majority owner of a U.S. law enforcement uniform manufacturer, of conspiracy and substantive violations of the FCPA and money laundering for bribing Honduran officials to secure $10 million in supply contracts with the Honduran National Police. From 2015 to 2019, Zaglin and co-conspirator Aldo Nestor Marchena paid over $166,000 in bribes through sham contracts and front companies to officials at TASA, including its Executive Director Francisco Roberto Consenza Centeno. On December 2, 2025, Zaglin was sentenced to eight years in prison and ordered to forfeit more than $2 million after his motions for acquittal and a new trial were denied.•

Comcel DPA in connection with Guatemalan Bribery Scheme

On November 10, 2025, Millicom International Cellular S.A. announced that its subsidiary, Comunicaciones Celulares S.A. ("Comcel"), agreed to pay $118.2 million pursuant to a two-year DPA with the DOJ for paying bribes to Guatemalan officials between 2012 and 2018. Operating as TIGO Guatemala, Comcel made monthly cash payments—funded through fraudulent contracts, shell companies, and laundered funds—to members of the Guatemalan Congress in exchange for favorable legislation, including laws enabling TIGO Guatemala to renew its radio-frequency rights and expand its infrastructure. Under the DPA, Comcel will pay a $60 million criminal

penalty and forfeit $58.2 million. The criminal fine reflected a 50% reduction off of the U.S.S.G. range for Millicom's cooperation and remediation. Although Millicom self-reported in 2015, the disclosure did not meet full DOJ criteria; the investigation reopened in 2020. However, after acquiring Comcel in 2021, Millicom implemented extensive remedial measures, including terminating involved personnel, strengthening compliance programs, and improving third-party controls, leading the DOJ to forgo imposing an independent compliance monitor.•

Liberty Mutual Declination

In the first public declination issued under the revised Corporate Enforcement and Voluntary Self-Disclosure Policy, on August 7, 2025, the DOJ informed insurance company Liberty Mutual that it was declining to prosecute Liberty Mutual for violations of the FCPA despite evidence of bribery in India. According to the declination letter, Liberty Mutual's Indian subsidiary, Liberty General Insurance (LGI), paid bribes totaling approximately $1.47 million to officials at Indian state-owned banks from about 2017 to 2022. The payments were made in exchange for the banks' referring their customers to LGI, and LGI employees allegedly attempted to conceal the purpose of the payments by classifying the transactions as marketing expenses and by using third-party intermediaries. In its letter, the DOJ highlighted several factors that informed the declination decision, including Liberty Mutual's timely and voluntary self-disclosure of the misconduct, cooperation with the investigation, remediation actions and improvements to its compliance program, and agreement to disgorge the profits from the scheme, totaling $4,699,088. The letter also noted the absence of aggravating factors and the nature and seriousness of the offense as additional factors informing the declination decision.•

Trends & Lessons

TRENDS

Below we highlight several trends gleaned from the last 24 months of anti-bribery enforcement actions and policy decisions. This year, playing off of the theme from *Almost Famous* in the introduction, we tried to draw parallels between these trends and some of our favorite movies about music.

Prioritizing American Competitiveness/*Walk the Line* • Protecting U.S. business interests will be a key priority in FCPA enforcement, made clear in President Trump's February 2025 executive order, which stated that FCPA enforcement had made American companies less competitive abroad. The focus on American business interests is also evident in the DOJ Criminal Division's white collar enforcement priorities, which include a focus on bribery and money laundering that impacts and harms the competitiveness of American businesses, and by the new FCPA enforcement guidelines, which direct prosecutors to focus on misconduct that harms U.S. companies or deprives them of fair business competition. Johnny Cash's story in *Walk the Line* is about authenticity—playing the song *so people can feel it*. The DOJ's emphasis on protecting U.S. business interests channels that same idea: center enforcement where the market's "true voice" has been drowned out by bribery or unfair advantages, irrespective of the actor's nationality. How exactly FCPA enforcement will prioritize American competitiveness remains uncertain. While foreign entities may be concerned that this signals an intention to focus FCPA enforcement on non-U.S. entities (a complaint that has persisted for many years), the DOJ has indicated that it intends to focus on cases where American interests were harmed, regardless of whether the interests were harmed by a U.S. or foreign entity.

Cartels and TCOs in Focus/*Straight Outta Compton* • The DOJ has made it clear that it will focus FCPA enforcement efforts on corporate misconduct associated with the criminal operation of cartels or TCOs, which includes misconduct involving money laundering through shell companies linked to cartels and TCOs or involving foreign officials who have received bribes from these entities. Recent cases shed some light on this new focus. The statement of facts attached to the Comcel DPA states that some of the cash involved in the scheme came from "drug trafficking and persons who had obtained a significant amount of cash through corruption." In its initial press release regarding its prosecution of Alexandro Rovirosa, the DOJ alleged ties to Mexican cartel members, although these cartel references were later removed. If Comcel and Rovirosa are indicative, prosecutors will be looking for any potential angle to make a cartel connection. *Straight Outta Compton* spotlights how systems, street level pressure, and money flows intertwine around the music. DOJ's new focus on misconduct linked to cartels/TCOs (including laundering via shells or bribery involving officials tied to those networks) is the compliance analog: follow the cash, map the network, and expect heightened scrutiny where criminal organizations are in the soundtrack.

Burden to the Business Takes Center Stage/*This is Spinal Tap* • The DOJ has signaled a focus on ensuring a balance between effective FCPA enforcement and minimizing the cost and burden of FCPA investigations on businesses. The revised CEP, monitorship policy, and priorities and principles identified in the Blanche Memo all contain an effort to prosecute corrupt activity while reducing potentially unnecessary burdens on business in the process. This intent to reduce enforcement burdens is illustrated by the DOJ's decision to terminate ABB's and Honeywell's DPAs and Glencore's monitorship early. It is otherwise unclear how this intentional shift will play out in practice. The decision to indict Smartmatic suggests that reducing the burden does not necessarily mean a light touch in all circumstances. In *This Is Spinal Tap*, the band learns—often the hard way—that louder and flashier isn't always better. Over-engineered stagecraft (think the infamous miniature "Stonehenge") distracts from the music and burdens the crew, while "turning the amps to eleven" invites avoidable chaos. DOJ's recent posture on FCPA enforcement sounds similar: keep the volume high enough to deter and punish corruption, but avoid overbuilt enforcement machinery that swallows business operations.

Self-Disclosure Incentives Continue to Grow/*8 Mile* • The DOJ has used the prospect of prosecutorial declination to encourage companies to self-disclose past misconduct and cooperate with investigators for almost a decade. Since the FCPA pilot program first introduced the concept in 2016 of systematic declinations for companies that self-disclose, the DOJ has been simultaneously increasing the incentives for voluntary self-disclosure and attempting to increase the risk that violative conduct will be discovered otherwise (e.g., by adding incentives for whistleblowers). As a result, more companies seem to be obtaining declinations than ever before. In 2024, the DOJ declined to prosecute Boston Consulting Group and Lifecore Biomedical when those companies voluntarily self-disclosed misconduct, fully cooperated with the investigation, and disgorged illicitly obtained profits. In 2025, under the revised CEP, the DOJ declined to prosecute Liberty Mutual, citing Liberty Mutual's timely self-disclosure, proactive cooperation with the DOJ's investigation, and the fact that no aggravating factors were present.

While the self-disclosure decision is never an easy one, as more and more companies obtain declinations, these outcomes could serve as a feedback loop, leading to even more self-disclosures. In the final rap battle in *8 Mile*, the film's protagonist, B-Rabbit, disarms the opponent by owning his flaws first—controlling the narrative. DOJ's declination track (from the pilot program through CEP refinements) works similarly: timely self-disclosure, full cooperation, and disgorgement can flip the script. The feedback loop is visible—BCG and Lifecore (2024) and Liberty Mutual (2025) obtained declinations—making preemptive disclosure a strategic verse more companies may be willing to sing.

Focus on Individual Prosecutions and Trials/*Whiplash* • Enforcement authorities continue to be focused on individual accountability in anti-corruption investigations. 2024 saw the criminal trials and convictions of Javier Aguilar, for his role in Vitol's bribery schemes in Ecuador and Mexico, and Glenn Oztemel, for his part in Freepoint's schemes to bribe Brazilian public officials. This trend continued in 2025, with the criminal trial of Carl Zaglin for his role in a scheme to bribe the Honduran National Police, resulting in a sentence of eight

years in prison. "Not quite my tempo," was a favorite phrase of Terence Fletcher, a ruthless music instructor portrayed by J.K. Simmons in the 2014 film Whiplash. Precision and personal accountability are the whole drill. Post- or pre-corporate resolutions, DOJ's follow-through on individual culpability—as demonstrated by the actions summarized above—reinforces that the soloist does not escape critique just because the band settled. The tempo for individuals is getting faster—and stricter.

Significant International Cooperation Continues/*The Blues Brothers* • "We're putting the band back together." Despite the rumblings of the U.S.'s retreat from the world order in anti-corruption enforcement, complex FCPA matters continue to rely on ensemble performances by authorities worldwide. DOJ's credits since 2022 span dozens of jurisdictions, and 2025 was no different (*e.g.,* assistance from Japan in BIT Mining, South Africa in McKinsey, and the Philippines in Smartmatic).

End of an Era for the SEC?/*A Star Is Born* • The SEC has played a central role in FCPA enforcement since the FCPA was enacted. However, 2025 was not a banner year. Senior leadership in the SEC's FCPA unit left the SEC, the FCPA unit is no longer listed as a separate unit on the SEC's website, and the SEC did not conclude an FCPA enforcement action for the first time since 1999. While this may be just a blip for the long-term role of the SEC in FCPA enforcement, it does appear to be a clear signal that the SEC may not play a central role in FCPA enforcement during the Trump administration. In *A Star is Born*, the main characters, played by Bradley Cooper and Lady Gaga in the latest version, learn that stardom ebbs and flows; the spotlight shifts. But as the film reminds us, a quieter phase is not the end of the story—roles can be re-scored and return in a different key. Issuers should plan for a DOJ-forward chorus, with the SEC possibly humming a subtler harmony for now.

LESSONS

Conduct thorough M&A due diligence and implement risk-based compliance programs • Pre-acquisition, or at least post-acquisition, anti-corruption due diligence is now a regular part of most corporate acquisitions. The pressure to ensure that such due diligence is effective in identifying potential misconduct is as high as ever. The DOJ's M&A Safe Harbor Policy makes clear that acquiring entities may be able to avoid prosecution for misconduct committed by an acquired entity if they uncover the misconduct through timely due diligence or post-acquisition audits, and voluntarily report the misconduct to the DOJ. It is likewise equally critical that, following an acquisition, the acquiring company timely implement a risk-based compliance program at the acquired entity (another requirement for obtaining a declination), and that compliance improvements following an acquisition are adequately tailored to the entity's new risk profile and effectively implemented. The DOJ decided in 2024 to decline to prosecute Lifecore Biomedical for misconduct by a Mexican subsidiary that took place both before and after it was acquired by Lifecore; Lifecore identified the misconduct through post-acquisition due diligence and voluntarily self-disclosed to the DOJ. In the DOJ's 2025 DPA with Millicom subsidiary Comcel, the DOJ highlighted Millicom's cooperation and remediation efforts after it acquired

Comcel in 2021, including conducting a root cause analysis, terminating the individuals involved, and hiring new compliance personnel. Alternatively, Deere & Co's 2024 settlement with the SEC is instructive of the dangers of not conducting sufficient pre- or post-acquisition due diligence or integrating the acquired entity into a sufficient compliance program. With respect to Deere, the SEC found that Deere failed to timely integrate Wirtgen Thailand into its existing compliance and controls environment following a 2017 acquisition, allowing the illicit scheme used by Wirtgen Thailand to continue undetected post-acquisition.

Ensure strong "internal accounting controls" are in place • Year after year, the DOJ and SEC rely on the FCPA's accounting and internal controls provisions to bring cases against issuers, even (and perhaps especially) when the actual bribe is difficult to prove. 2024 and 2025 were no exception. Deere & Co., Moog Inc., and BIT Mining entered into settlement agreements with the SEC related to violations of the accounting and internal controls provisions. Both the DOJ and SEC have taken a very broad view of the term "internal accounting controls" as used in the FCPA's internal accounting controls provisions. The internal accounting controls provisions require issuers to devise and maintain a system of internal accounting controls sufficient to provide certain assurances regarding accounting for assets, enabling the preparation of financial statements, and ensuring appropriate management authorization of transactions and assets The SEC, in particular, has historically been aggressive in using the accounting provisions, including the internal controls provision, to prosecute FCPA violations. Although the SEC appears to be taking a step back from FCPA enforcement, the internal controls provision remains a central and flexible tool for the DOJ or SEC to pursue misconduct uncovered in FCPA investigations.

Good-faith disclosures may be rewarded, even if imperfect • Changes in DOJ policy and recent enforcement actions indicate that good-faith efforts to self-disclose, even if not qualifying for full credit, may result in a significant reduction in applicable penalties. Under the revised CEP, where an attempted voluntary self-disclosure does not qualify as such under the CEP (*e.g.* the conduct was already known to the DOJ) or where aggravating factors may prevent a declination, companies can still receive an NPA for a period of less than three years and up to a 75 percent reduction off of the U.S.S.G. fine range. Even where a company may not initially qualify for a declination, it may be able to obtain one as a matter of prosecutorial discretion depending on the facts of the case. In 2025, Comcel received credit (a 50 percent reduction from the bottom of the appliable U.S.S.G. fine range) despite the fact that Millicom's disclosure of the misconduct did not constitute a voluntary disclosure under the CEP because Comcel and its parent company, Millicom, cooperated with the DOJ's investigation and instituted extensive remedial measures.

Beware of privilege waiver in cooperation with authorities • For the past several years, the international legal community has been grappling with how and whether the attorney-client privilege applies to investigations, and how that privilege might be affected when a company begins cooperating with government investigators. Discovery disputes that arose in the prosecution of former Cognizant Technology Solutions ("Cognizant") President Gordon Coburn and Chief Legal Officer Steven Schwartz have resulted in decisions that the

privilege waiver resulting from such cooperation could be broader than intended by the company. As part of Cognizant's cooperation with the DOJ into potential FCPA violations, it provided DOJ investigators with "detailed accounts" of employee interviews conducted by Cognizant's outside counsel. In part based on these efforts, the DOJ ultimately declined to prosecute Cognizant. However, during the prosecution of Coburn and Schwartz, the defendants sought all records related to those interviews, including notes, memoranda, summaries, or records of discussion of the interviews. Judge Kevin McNulty of the U.S. District Court for the District of New Jersey ruled that by sharing detailed accounts of the interviews, Cognizant had waived attorney-client privilege and work product protection as to these records. For these purposes, it did not matter than Cognizant shared the information with the DOJ only orally rather than in writing. In addition, Judge McNulty ruled that the waiver also applied to any documents and communications that formed the basis of any presentations made by Cognizant or its counsel to the DOJ as part of its cooperation. Although we are now several years removed from Judge McNulty's decision, it remains an important reminder for both companies and counsel as they consider steps to be proactive with government investigations.

Conduct appropriate due diligence and monitoring of business partners • Risk-based due diligence of third parties is a foundational component of an effective corporate compliance program. The DOJ's Evaluation of Corporate Compliance Programs specifically recognizes the corruption risks that accompany the use of third parties and directs prosecutors to evaluate whether companies have in place risk-based controls for engaging and monitoring third parties. The importance of effective risk-based due diligence has also been noted by the international community. OECD guidance on internal controls, ethics, and compliance programs counsels towards the adoption of a risk-based approach to due diligence. The World Bank Integrity Compliance Guidelines and African Development Bank Integrity Compliance Guidelines likewise require that companies have in place a process for risk-based due diligence on all third parties. The importance of due diligence on third parties also continues to be demonstrated in FCPA enforcement actions. Almost every corporate FCPA resolution in 2024 and 2025 involved third-party agents or other intermediaries. In almost every one of those cases, the DOJ or SEC criticized the company for failing to conduct appropriate due diligence on their third-party agents or intermediaries, or for ignoring red flags that suggested that there was a high probability that the payments to such entities would be passed on to government officials. Most critically, a company's due diligence and third-party monitoring procedures should include the following:

- Identify Beneficial Owners. Shell companies and other similar entities can easily be used to conceal the identities and locations of their beneficial owners, and thus the true source or destination of funds. Due diligence procedures must seek to learn the identities of all beneficial owners and actual control persons of shell companies, holding companies, and trusts that maintain an ownership interest in an agent or third party.

- **Examine Carefully the Qualifications of Agents, Distributors, and Other Third Parties.** Companies must understand the background and qualifications of agents and intermediaries. A third party's lack of qualifications is a critical red flag suggesting that the third party is being retained for improper purposes. In its 2024 settlement with SAP, the DOJ found that SAP paid millions in fees to intermediaries that had no expertise or skills to provide services related to the deal.

- **Ensure That Compensation Is Commensurate with Services.** Companies must also ensure that proposed compensation is commensurate with the envisioned services. Even absent other risk factors, excessive compensation can be a significant red flag, particularly in high-risk jurisdictions. This is not limited to third-party agents or consultants. The DOJ and SEC have in the past pointed to excessive discounts to distributors and uneven share distributions to joint venture partners as red flags.

- **Examine the Tasks to Be Performed by Third Parties and Confirm Such Tasks Are Necessary and Are Performed.** Companies must examine the specific tasks that a third party will perform, and the justification for retaining the third party to perform those tasks. During the course of the relationship, companies must also confirm that such tasks are actually performed by obtaining adequate proof of services. For example in Gunvor's 2024 plea agreement, Gunvor admitted that it paid millions to purported "consultants" without any evidence they performed any services. Even after these consultants had failed to respond to Gunvor's request for documentation of their services, Gunvor continued making payments to the third party for years.

- **Ensure the Arrangement Is Properly Documented.** Third parties should be engaged through a written contract before they begin providing services. The contract should also accurately describe the services to be provided and the third party's compensation, and should include appropriate anti-corruption provisions. In several cases in recent years, including the 2023 resolutions with Rio Tinto and Flutter Entertainment, U.S. regulators have highlighted missing or deficient contracts with third parties as a significant red flag.

Continue to carefully monitor gifts, hospitality, sponsorships, and donations • The June 2025 revised FCPA Enforcement Guidelines and statements by DOJ leadership suggest that FCPA enforcement will focus on "serious misconduct" and less on routine business practices. Some have interpreted this to mean that the DOJ will not focus on misconduct involving gifts, hospitality, sponsorships and donations. However, in almost all FCPA resolutions that have involved misconduct related to gifts, hospitality, sponsorships, or donations, such misconduct was part of a broader course of intentionally corrupt or improper conduct or an example of a lax control environment that allowed corrupt conduct to occur. For example, in its 2024 settlement

with Deere & Company, the SEC identified that Deere's Thai subsidiary requested, and received, approval for expense reports that did not comply with the company's approval process, and showed, on their face, the provision of high-value hospitality to senior Thai officials without any description of the services provided. Similarly, in its 2024 DPA with BIT Mining, the DOJ noted that BIT Mining (then known as 500.com) provided Japanese officials with luxury travel and goods, and that false invoices were issued to make it appear as though the officials had reimbursed the company for these costs when they had not. In both cases, the abuse of gifts and hospitality expenses was part of a larger pattern of corrupt behavior. If nothing else, risk-based gifts, hospitality, donations and sponsorships controls and monitoring can potentially help identify and stop "serious misconduct" to ensure that they are not being undertaken for improper purposes and are not an element of a broader scheme or improper course of conduct.

Identify and respond to red flags • Enforcement actions demonstrate time and again the importance of having in place compliance systems that can both identify and address red flags. In its 2023 settlement with Rio Tinto, for example, the SEC noted that Rio Tinto retained an investment banker to represent the company in negotiations with the Guinean government despite numerous red flags suggesting that the banker could engage in misconduct. The SEC indicated that Rio Tinto conducted only a cursory background check on the consultant and ignored numerous warning signals that arose during his work for the company. Similarly, in its 2023 settlement with Albemarle, the DOJ and SEC noted that Albemarle engaged a number of agents that presented significant compliance red flags, such as known ties to government officials, without taking adequate steps to further investigate or otherwise address these concerns.

Undertake swift and thorough remediation after uncovering misconduct • It is essential that companies undertake swift and thorough remediation after uncovering evidence of misconduct This is even more crucial given the significant benefits that can accrue to companies in the context of corporate resolutions. Appropriate remedial measures serve as acknowledgement of the misconduct and are viewed as a sign of a functioning compliance program. Comcel, a subsidiary of Millicom, was able to avoid the imposition of a monitor in its DPA as a result of Millicom's remediation efforts, which included hiring new compliance personnel and enhancing its compliance program. Similarly, the DOJ declined to prosecute Liberty Mutual due to its remedial efforts, which included terminating those involved in the conduct and making numerous improvements to its compliance program.

Put in place controls governing personal devices and the use of messaging applications commensurate with employees' actual practices • The DOJ's Evaluation of Corporate Compliance Programs guidance instructs prosecutors to evaluate whether companies have in place adequate controls over the use of personal devices, communications platforms, and messaging applications as part of their assessment of a compliance program's ability to adequately investigate potential misconduct. The guidance makes clear that companies should have in place policies commensurate with their specific risk profile and business needs that can ensure, to the greatest extent possible, that all business-related communications are accessible and can be preserved. It is

increasingly common for corporate resolutions, including SAP's 2024 DPA, to note that employees and third parties acting on behalf of the company were communicating through text or WhatsApp messages regarding the bribery scheme. While the DOJ under the current Trump administration has not explicitly reaffirmed this position, prosecutions and enforcement actions continue to highlight instances where individuals use messaging applications to evade detection. For example, the indictment against three Smartmatic executives noted that they regularly communicated through personal email accounts and WhatsApp when carrying out their alleged scheme to bribe officials in the Philippines.

Balance data protection regulations with compliance needs • Data protection regulations in the European Union and elsewhere include a number of protections and requirements that impact internal investigations and certain compliance activities. Companies must be careful to adhere to these requirements and should have in place appropriate policies and mechanisms to ensure that they are in compliance with all data protection requirements.

Agreeing on conditions of resolutions may just be the beginning • Before entering into a resolution, a company should carefully review the terms to ensure that any representations it contains are accurate. Any continuing obligations resulting from a resolution must likewise be carefully monitored, with appropriate resources allocated to ensure full compliance. Ericsson's 2023 resolution demonstrates the potential consequence of failing to ensure compliance with the terms of a resolution. The DOJ found that, following Ericsson's 2019 DPA, the company failed to promptly and fully cooperate with the DOJ's investigations—as it had committed to in the DPA—by delaying its disclosure of relevant information related to its internal investigations regarding misconduct in multiple countries. As a result of this, the DOJ declared the company in breach of its DPA, ultimately leading to Ericsson pleading guilty to the two charges deferred under the DPA, serving a term of probation, paying an additional criminal penalty of more than $206 million, and extending the term of its compliance monitorship by a year. Conversely, in 2025, both ABB and Honeywell were released from their DPAs early after the DOJ had determined that their conditions had been fulfilled and reporting was no longer necessary.

Chapter

2 FCPA

FCPA Elements and Penalties

The FCPA has two fundamental components: (1) the Anti-Bribery Provisions in Section 30A of the Securities Exchange Act of 1934 ("Exchange Act")[1] and in Title 15, United States Code,[2] and (2) the Books and Records and Internal Accounting Control Provisions in Sections 13(b)(2)(A)[3] and 13(b)(2)(B)[4] of the Exchange Act, respectively (collectively, the "Accounting Provisions"). The DOJ has exclusive jurisdiction to prosecute criminal violations of the FCPA, while the DOJ and the SEC share jurisdiction over civil enforcement actions.

ANTI-BRIBERY PROVISIONS

The FCPA's Anti-Bribery Provisions prohibit: (i) an act in furtherance of (ii) a payment, offer or promise of, (iii) anything of value, (iv) to a foreign official,[5] or any other person while knowing that such person will provide all or part of the thing of value to a foreign official, (v) with corrupt intent, (vi) for the purpose of either (a) influencing an official act or decision, (b) inducing a person to do or omit an act in violation of his official duty, (c) inducing a foreign official to use his influence with a foreign government to affect or influence any government decision or action, or (d) securing an improper advantage, (vii) to assist in obtaining or retaining business.[6]

The term "foreign official" is broadly defined to mean any officer or employee of a foreign government, agency, or instrumentality thereof, or of a public international organization, or any person acting in an official capacity on behalf of such government, department, agency, or instrumentality, or public international organization.[7] The term foreign official has been construed by federal prosecutors to include employees, even relatively low-level employees, of state-owned institutions.

Under the FCPA, "a person's state of mind is 'knowing' with respect to conduct, a circumstance, or result" if he or she has actual knowledge of the conduct, circumstance, or result, or "a firm belief that such circumstance exists or that such result is substantially certain to occur."[8] In addition, knowledge of a circumstance can be found when there is a "high probability" of the existence of such circumstance.[9] According to the legislative history,

1 Codified at 15 U.S.C.§ 78dd 1-(a).
2 15 U.S.C.§§ 78dd-2(a), 78dd 3-(a).
3 Codified at 15 U.S.C.§ 78m(b)(2)(A).
4 Codified at 15 U.S.C.§ 78m(b)(2)(B).
5 The FCPA further prohibits payments to foreign political parties and officials thereof.
6 *See* 15 U.S.C.§ 78dd 1-(a).
7 15 U.S.C.§ 78dd-1(f)(1).
8 *Id.*
9 *See* 15 U.S.C.§ 78dd-1(f)(2)(B).

> [T]he Conferees agreed that "simple negligence" or "mere foolishness" should not be the basis for liability. However, the Conferees also agreed that the so-called "head in the sand" problem—variously described in the pertinent authorities as "conscious disregard," "willful blindness," or "deliberate ignorance"—should be covered so that management officials could not take refuge from the Act's prohibitions by their unwarranted obliviousness to any action (or inaction), language or other "signaling [*sic*] device" that should reasonably alert them of the "high probability" of an FCPA violation.[10]

Since the 1977 enactment of the FCPA, the Anti-Bribery Provisions have applied to U.S. and foreign issuers of securities that registered their securities with or reported to the SEC and to domestic concerns, such as U.S. citizens and companies organized under U.S. law or with a principal place of business in the United States, if the U.S. mails or means or instrumentalities of U.S. interstate commerce (such as an interstate wire transfer) were used in furtherance of the anti-bribery violation.[11] In 1998, amendments to the Anti-Bribery Provisions generally extended U.S. jurisdiction to cover acts outside of U.S. territory in furtherance of an anti-bribery violation by U.S. issuers and domestic concerns, and acts inside U.S. territory in furtherance of an anti-bribery violation by other persons, such as foreign non-issuers and foreign nationals, who were not previously subject to the FCPA.[12] Such extended jurisdiction is not dependent upon the use of U.S. mails or means or instrumentalities of U.S. interstate commerce.[13]

The FCPA also applies to officers, directors, employees, or agents of any organization subject to the FCPA and to stockholders acting on behalf of any such organization.[14]

THE EXCEPTION AND DEFENSES TO ALLEGED ANTI-BRIBERY VIOLATIONS

Under the FCPA, facilitating payments "to expedite or to secure the performance of a routine governmental action" are excepted from the Anti-Bribery Provisions.[15] This is a narrow exception, only applying to non-discretionary acts such as obtaining official documents or securing utility service, and not applying to any decision to award or continue business with a particular party.[16] Also, its practical effect is limited because many other jurisdictions and international conventions do not permit facilitation payments.

There are two affirmative defenses to an FCPA charge. Under the "written law" defense, it is an affirmative defense to an FCPA prosecution if the payment, gift, offer, or promise of anything of value that is at issue

10 H.R. Rep. No. 100-576, at 920 (1987) (Conf. Rep.), *reprinted* in 1988 U.S.C.C.A.N. 1547, 1953.
11 15 U.S.C.§§ 78dd-1(a), 78dd-2(a).
12 15 U.S.C.§§ 78dd-1(g), 78dd-2(i), 78dd-3(a).
13 *Id.*
14 15 U.S.C.§§ 78dd-1(a), (g), 78dd-2(a), (i), 78dd-3(a).
15 15 U.S.C.§§ 78dd-1(b), 78dd-2(b), 78dd-3(b).
16 15 U.S.C.§§ 78dd-1(f)(3)(B), 78dd-2(h)(4)(B), 78dd-3(f)(4)(B).

was lawful under the written laws and regulations of the recipient's country.[17] It is also an affirmative defense if the payment, gift, offer, or promise of anything of value was a reasonable, *bona fide* expenditure directly related either to the promotion, demonstration, or explanation of products or services, or to the execution or performance of a contract with a foreign government or agency.[18] Both defenses, however, are narrow in practice, and, because they are affirmative defenses, it would be the defendant's burden to prove their applicability in the face of an FCPA prosecution.

ACCOUNTING PROVISIONS

The FCPA's Accounting Provisions apply to issuers who have securities registered with the SEC or who file reports with the SEC.[19] The Books and Records Provisions compel such issuers to make and keep books, records and accounts which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer.[20] The Internal Accounting Controls Provisions require such issuers to devise and maintain a system of internal accounting controls regarding accounting for assets, enabling the preparation of financial statements, and providing reasonable assurances that management authorizes transactions and controls access to assets.[21] As used in the Accounting Provisions, "reasonable detail" and "reasonable assurances" mean a level of detail and degree of assurance as would satisfy prudent officials in the conduct of their own affairs.[22]

PENALTIES

The FCPA imposes both criminal and civil penalties. Willful violations of the Anti-Bribery Provisions carry maximum criminal fines of $2 million for organizations and $250,000 for individuals, per violation.[23] Under U.S. criminal law, alternative fines of up to twice the pecuniary gain from the offense apply instead, if the alternative fine exceeds the maximum fine under the FCPA.[24] Individuals also face up to five years' imprisonment for willful violations of the Anti-Bribery Provisions.[25] Anti-bribery violations also carry civil

17 15 U.S.C.§§ 78dd-1(c)(1), 78dd-2(c)(1), 78dd-3(c)(1).

18 15 U.S.C.§§ 78dd-1(c)(2), 78dd-2(c)(2), 78dd-3(c)(2).

19 15 U.S.C.§ 78m(b)(2). The Accounting Provisions were passed as part of the original 1977 FCPA legislation out of concern over companies improperly recording payments on their books and records and failing to fully account for illicit "slush" funds, from which improper payments could be made. These provisions, however, have broader application than simply within the context of the FCPA. For purposes of this Alert, when violations of these provisions are alleged in the context of improper payments to foreign officials or similar conduct, they are referred to as violations of the FCPA's Accounting Provisions. When violations occur in situations not involving improper payments, they are described as violations of the Exchange Act's books and records and/or internal controls provisions.

20 15 U.S.C.§ 78m(b)(2)(A).

21 15 U.S.C.§ 78m(b)(2)(B).

22 15 U.S.C.§ 78m(b)(7).

23 15 U.S.C.§§ 78ff(c), 78dd-2(g), 78dd-3(e); 18 U.S.C.§ 3571(b)(3), (e) (fine provision that supersedes FCPA-specific fine provisions).

24 18 U.S.C.§ 3571(d), (e) (fine provision that supersedes FCPA specific fine provisions).

25 15 U.S.C.§§ 78ff(c)(2)(A), 78dd-2(g)(2)(A), 78dd-3(e)(2)(A).

penalties of up to $16,000 for organizations or individuals, per violation.[26] These fines may not be paid by a person's employer or principal.[27]

Willful violations of the Accounting Provisions carry maximum criminal fines of $25 million for organizations and $5 million for individuals, or, if greater, the alternative fine of twice the pecuniary gain.[28] Individuals face up to 20 years' imprisonment for willful violations of the Accounting Provisions.[29] Civil penalties for violations of the Accounting Provisions include disgorgement of any ill-gotten gains and penalties for organizations and individuals that are updated annually based on inflation.

26 15 U.S.C.§§ 78ff(c), 78dd-2(g), 78dd-3(e); *see* DOJ & SEC, A RESOURCE GUIDE TO THE FOREIGN CORRUPT PRACTICES ACT (2012) (indicating that the maximum civil penalty for an anti-bribery provision violation is $16,000, but citing the SEC's announcement of the adjustment for issuers subject to SEC enforcement without citing a parallel DOJ announcement for domestic concerns and other persons).

27 15 U.S.C.§§ 78ff(c)(3), 78dd-2(g)(3), 78dd-3(e)(3).

28 15 U.S.C.§ 78ff(a); 18 U.S.C.§ 3571(d), (e).

29 15 U.S.C.§ 78ff(a).

Policy/Legal Updates

During the course of 2025, the FCPA enforcement landscape was impacted by policy adjustments more than in any single year in modern history. In February, President Trump issued an executive order imposing a 180-day pause on all FCPA enforcement to assess FCPA enforcement efforts and realign them with new priorities focused on American competitiveness abroad. In May, the DOJ issued revisions to the corporate enforcement guidelines and the corporate whistleblower awards pilot program. Finally, in June, the DOJ issued new FCPA enforcement guidelines, centering FCPA investigations and enforcement around new guiding principles, and lifted the earlier pause of FCPA enforcement. These developments are summarized below.

PAUSE OF FCPA ENFORCEMENT

On February 10, 2025, President Donald Trump issued an executive order titled *Pausing the Foreign Corrupt Practices Act Enforcement to Further American Economic and National Security* (the "Order") that directed U.S. Attorney General Pam Bondi to "cease initiation" of any new FCPA enforcement actions or investigations for at least 180 days and to conduct a policy review of FCPA enforcement guidelines and policies.

Specifically, the Order directed the Attorney General to: (1) pause the initiation of any new FCPA enforcement actions or investigations for 180 days, unless the Attorney General determined an exception was appropriate; (2) review all existing FCPA enforcement actions or investigations and take appropriate action to preserve Presidential foreign policy prerogatives; and (3) issue updated guidelines or policies that prioritize American companies' economic competitiveness abroad. The Order gave the Attorney General the option to extend the pause period for an additional 180 days if she deemed it appropriate. In addition, the Order stated that once new guidelines went into effect, the Attorney General would (1) personally approve all new FCPA enforcement actions and investigations brought by the DOJ and (2) determine whether additional actions, including remedial measures as they relate to past FCPA investigations and enforcement actions considered inappropriate under the new policies, were warranted.

In a fact sheet accompanying the Order, the White House stated that the pause and review were necessary to preserve American national security and economic strength because FCPA enforcement has been "excessive" and "unpredictable," and has made American companies less competitive by prohibiting them from engaging in "practices common among international competitors." As noted below, the pause remained in place until new FCPA enforcement guidelines were announced in June 2025.

REVISIONS TO CORPORATE ENFORCEMENT GUIDELINES

On May 12, 2025, the head of the DOJ's Criminal Division, Matthew R. Galeotti, issued a memorandum titled *Focus, Fairness, and Efficiency in the Fight Against White-Collar Crime* (the "Galeotti Memo"). The

Galeotti Memo announced new white-collar enforcement priorities, as well as revisions to the DOJ's Corporate Enforcement and Voluntary Self-Disclosure Policy ("CEP"), Monitor Selection Policy, and Corporate Whistleblower Awards Pilot Program ("Whistleblower Pilot Program").

Enforcement Priorities

The Galeotti Memo identified ten areas the Criminal Division will prioritize when investigating and prosecuting white-collar crimes. These areas of focus include:

1. Waste, fraud, and abuse, including healthcare fraud and federal program and procurement fraud;

2. Trade and customs fraud, including tariff evasion;

3. Fraud perpetrated through variable interest entities ("VIEs," which the Galeotti Memo defines as "typically Chinese-affiliated companies listed on U.S. exchanges that carry significant risks to the investing public"), including "ramp and dumps," elder fraud, securities fraud, and other market manipulation schemes;

4. Market and investor fraud, including Ponzi schemes, investment fraud, servicemember fraud, and fraud threatening consumer health and safety;

5. Conduct threatening U.S. national security, with a focus on entities that commit sanctions violations or enable transactions by cartels, "TCOs", hostile nation-states, and/or foreign terrorist organizations;

6. Corporations who support foreign terrorist organizations, including cartels and TCOs;

7. Complex money laundering, particularly as it relates to "Chinese Money Laundering Organizations" and laundered funds used in the manufacturing of illegal drugs;

8. Violations of the Controlled Substances Act and the federal Food, Drug, and Cosmetic Act ("FDCA");

9. Bribery and associated money laundering that impacts U.S. national security and interests and harms the competitiveness of American businesses; and

10. Crimes involving digital assets either to victimize investors and consumers or in furtherance of criminal activity, particularly those involving cartels, TCOs, terrorist groups, drug money laundering, or sanctions evasion.

Revisions to the CEP

The Galeotti Memo announced that the DOJ's "first priority" would be to prosecute individual criminals, as opposed to corporations. Where corporate criminal resolutions are necessary, the Galeotti Memo stressed that prosecutors should consider carefully what corporate resolution is most appropriate—a non-prosecution agreement, deferred prosecution agreement, or a guilty plea—based on the particular facts of the case and to ensure fairness. To assist prosecutors in making this determination, the Galeotti Memo announced revisions to the CEP, organized into three parts.

Under Part One of the revised CEP, companies can receive a declination if they (1) voluntarily self-disclose misconduct, (2) fully cooperate with the Criminal Division's investigation, (3) timely and appropriately remediate the misconduct, and (4) where there are no aggravating circumstances regarding the seriousness of the offense, pervasiveness of the misconduct, harm caused, or a criminal adjudication or resolution within the last five years based on similar misconduct. While the CEP does not define aggravating circumstances, companies can still receive a declination even when aggravating circumstances are present depending on the severity of the circumstances and the company's cooperation and remediation efforts.

Under Part Two of the revised CEP, companies that narrowly miss qualifying for a declination under Part One—either because their good-faith self-disclosure does not qualify as a voluntary self-disclosure or because aggravating factors warrant a criminal resolution—will be offered a non-prosecution agreement with a term of less than three years, a 75 percent reduction off of the low end of the U.S. Sentencing Guidelines fine range, and no monitorship requirement.

Under Part Three of the revised CEP, companies that do not fall within the two prior groups may be eligible for a plea agreement, DPA, NPA, or even a declination as a matter of prosecutorial discretion. However, the DOJ will not recommend more than a 50 percent reduction in criminal penalties for such companies. For companies that fully cooperate and timely and appropriately remediate misconduct, there will be a presumption that any reduction will be taken from the low end of the U.S.S.G. range. For companies that fail to fully cooperate and remediate, prosecutors will determine the reduction range based on the facts and circumstances of the case.

Limitations on Monitorships

The Galeotti memo also announced that the Criminal Division would review all existing monitorships and determine whether those monitorships are still necessary. In a related memo released the same day as the Galeotti Memo titled *Memorandum on Selection of Monitors in Criminal Division Matters* (the "Monitorship Memo"), Galeotti outlined several changes to the standards and policies for imposing, selecting, and managing monitors in criminal matters, with an eye towards balancing the need for effective compliance programs with the need to eliminate unnecessary burdens on companies.

According to the Monitorship Memo, prosecutors should consider the following factors when determining the appropriateness of a monitor: (1) whether, given the nature and seriousness of the misconduct, the imposition of a monitor would mitigate the risk of recurrence that significantly impacts U.S. interests; (2) whether other effective government oversight exists; (3) the effectiveness of the company's compliance program and culture of compliance at the time of the resolution, including whether the company has taken action against employees involved in the misconduct or taken steps to revise its compliance program (*e.g.,* engaged consultants, auditors, and other third parties); and (4) the maturity of the company's controls and its ability to independently test and update its compliance program.

Second, the Monitorship Memo stressed that monitorships must be appropriately tailored to address the risk of recurrence of the underlying misconduct while avoiding unnecessary burdens or costs on the company. To strike this balance, prosecutors must ensure that the monitor's costs are proportionate to the severity of the underlying misconduct, the company's revenue, and the company's size and risk profile. To address the costs of monitorships, the DOJ announced that it will cap monitors' hourly rates, and that monitors must submit a proposed budget to the Criminal Division for approval before beginning their review. Finally, monitors must meet with the company and the Criminal Division twice a year to maximize alignment on the overall compliance approach.

The Monitorship Memo also noted that corporate monitorships should be "collaborative" endeavors in which the Criminal Division, the monitor, and the company work to achieve the "single goal" of "an appropriately tailored and effective, risk-based corporate compliance program designed to detect and prevent the recurrence of the misconduct underlying the agreement." If a monitorship is imposed, it is because "there was a demonstrated need for and benefit to be derived from the monitorship that outweighed the costs and burden."

Expansion of Whistleblower Program

The Galeotti Memo also announced revisions to the Whistleblower Pilot Program expanding the subject areas covered to reflect the Criminal Division's priority areas of focus. The following subject areas were added under the revised Whistleblower Pilot Program:

1. Violations by corporations related to international cartels or transnational criminal organizations, including money laundering, narcotics, Controlled Substances Act, and other violations.

2. Violations by corporations of federal immigration law.

3. Violations by corporations involving material support of terrorism.

4. Corporate sanctions offenses.

5. Trade, tariff, and customs fraud by corporations.

6. Corporate procurement fraud.

Whistleblowers who come forward with information pertaining to a covered subject area, and where that information leads to forfeiture, will be eligible under the Whistleblower Pilot Program if they meet the remaining requirements.

NEW FCPA ENFORCEMENT GUIDELINES

On June 9, 2025, the Deputy Attorney General Todd Blanche released a memorandum titled *Guidelines for Investigations and Enforcement of the Foreign Corrupt Practices Act (FCPA)* (the "Blanche Memo"). The Blanche Memo lifted the enforcement pause imposed by President Trump's Executive Order dated February 10, 2025, although it noted that the 180-day review of FCPA investigations and enforcement actions was still ongoing.

The Blanche Memo also established revised FCPA enforcement guidelines to better align with U.S. economic and national security interests. The revised guidelines identified two goals: (1) to limit undue burdens on American companies that operate abroad; and (2) to target enforcement actions against conduct that undermines U.S. national interests. To reach these goals, the Blanche Memo stated that prosecutors would focus on individuals involved in criminal misconduct rather than attributing misconduct to corporate structures. Prosecutors will also assess the disruption an investigation might have on lawful business activities.

The Blanche Memo also identified a non-exhaustive list of factors for prosecutors to consider in evaluating whether to pursue an FCPA investigation. These factors include the following:

- **Targeting Cartels and TCOs.** Referencing President Trump's January 20, 2025, executive order *Designating Cartels and Other Organizations as Foreign Terrorist Organizations And Specially Designated Global Terrorists*, the Blanche Memo stated that Cartels and TCOs "threaten the stability of the international order in the Western Hemisphere" and "present an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States." With this in mind, the DOJ will prioritize FCPA investigations and enforcement actions involving misconduct associated with the criminal operation of cartels and/or TCOs. This includes misconduct involving money laundering through shell companies linked to cartels and TCOs or involving foreign officials who have received bribes from these entities. This focus on the cartels and TCOs also follows a memorandum dated February 5, 2025 issued by Attorney General Bondi titled *Total Elimination of Cartels and Transnational Criminal Organizations*, which ordered the FCPA Unit to prioritize investigations that facilitate the criminal operations of cartels and TCOs.

- **Protecting U.S. Business Interests.** Under the revised guidelines, the DOJ will focus on misconduct that harms U.S. companies or individuals by depriving them of fair business competition, as ensuring the competitiveness of U.S. companies is "critical to safeguarding U.S. national security and economic prosperity." In doing so, prosecutors will consider whether the alleged misconduct deprived U.S. entities of fair access to competition or whether it resulted in economic injury to U.S. companies or individuals.

  The revised guidelines also instruct prosecutors investigating misconduct under the Foreign Extortion Prevention Act, which criminalizes the "demand side" of foreign bribery, to consider whether the foreign official's demand for bribes harmed U.S. companies or individuals. The Blanche Memo expressly stated that this enforcement priority does not mean prosecutors should focus on the nationality of the company or individual involved, but rather on whether a U.S. company was harmed by the corrupt act.

- **Advancing National Security.** Prosecutors will further prioritize investigations into foreign bribery where the misconduct relates to sectors critical to U.S. national security. This includes corruption related to the defense, intelligence, or critical infrastructure sectors.

- **Prioritizing Serious Misconduct.** The Blanche Memo instructs prosecutors to focus on serious misconduct that involves substantial bribe payments, sophisticated efforts to conceal bribe payments, fraud, and efforts to obstruct justice, and to focus less on misconduct involving routine business practices or de minimis or low-dollar, generally accepted business practices. Prosecutors must also consider the likelihood that foreign enforcement authorities will investigate and prosecute the misconduct. In laying out this shift in focus, the Blanche Memo notes that FCPA enforcement should not penalize American businesses and citizens for "routine business practices in other nations."

The Blanche Memo emphasized that the above list is non-exhaustive and notes that prosecutors are bound by other applicable policies including, for example, the Principles of Federal Prosecution, which requires consideration of both the seriousness of the offence and also the deterrent effect of prosecution. The Department of Justice retains prosecutorial discretion based on its assessment of the totality of the circumstances.

FCPA Settlements and Enforcement Actions: Corporate Resolutions

BIT Mining Ltd.

Overview

On November 18, 2024, cryptocurrency mining platform BIT Mining Ltd. ("BIT Mining"), formerly known as 500.com, entered into a three-year DPA to resolve charges that it violated the books and records provision of the FCPA and conspired to violate the anti-bribery and books and records provisions of the FCPA. BIT Mining also entered into a settled cease-and-desist order agreement under which it agreed to charges that it violated the anti-bribery, recordkeeping, and internal accounting controls provisions of the FCPA based on the same misconduct.

KEY FACTS

U.S. AGENCIES: DOJ & SEC

COUNTRIES INVOLVED: China, Japan

MEANS OF CORRUPTION: Third-party intermediaries, travel, gifts, and entertainment, false invoices

Also on November 18, 2024, the DOJ unsealed an indictment against BIT Mining's former CEO, Zhengming Pan, a Chinese national, for his role in the misconduct. Pan was indicted on one count of conspiracy to violate the anti-bribery and books and records provisions of the FCPA, one count of violating the anti-bribery provisions of the FCPA, and two counts of violating the books and records provisions of the FCPA.

Conduct

According to the DPA, between 2017 and 2019, BIT Mining, then known as 500.com, paid approximately $1.9 million in bribes to Japanese government officials in an effort to win a contract to open an Integrated Resort—a hotel and casino—in Okinawa, Japan. In an effort to secure the contract for the resort, Zhengming Pan caused 500.com to create a wholly owned subsidiary in Japan, 500.com Nihon, and to retain three consultants to act as intermediaries for the bribe payments.

Some of the bribes took the form of cash payments which were falsely recorded as consulting payments. Other cash payments were disguised as lecture fees for Japanese officials who spoke at an Integrated Resort symposium arranged by 500.com. In addition to cash payments, 500.com provided Japanese officials with travel, entertainment, and gifts. For example, in 2017, 500.com paid for several Japanese officials to take a luxury trip to Macao, China, which included flights on private jets, free meals and luxury goods, payments for sex workers and gambling chips, and access to five-star accommodations. In 2018, 500.com also paid for several Japanese officials to take an all-expenses-paid ski trip to Hokkaido, Japan, where it paid for lift tickets,

ski equipment, snowmobiles, and hot springs visits, among other entertainment. Pan and 500.com concealed these payments using false invoices to make it appear as though the Japanese officials had reimbursed 500.com for certain costs when no reimbursement actually occurred.

The scheme was ultimately unsuccessful, and 500.com was not awarded the resort contract.

Resolution

Pursuant to the DPA, BIT Mining was charged with one count of conspiracy to violate the anti-bribery provisions of the FCPA and one count of violating the books and records provisions of the FCPA. BIT Mining also admitted to knowing that the consultant payments would be used to bribe Japanese government officials. The DPA imposed a criminal penalty of $54 million, which reflected a ten percent reduction off of the bottom of the U.S. Sentencing Guidelines range. BIT Mining received credit for its cooperation efforts, which included voluntarily producing documents to the Government, sharing findings from its internal investigation, and timely accepting responsibility; however, this credit was limited as the DOJ deemed these efforts to be reactive. BIT Mining also received credit for timely implementing remedial measures, which included terminating contracts with third parties involved in the scheme, increasing oversight of compliance risks and audit findings, promoting compliance throughout the company, evaluating senior management on compliance criteria, conducting annual risk assessments, and transitioning its business model to an industry with a lower corruption risk.

The DOJ ultimately determined that BIT Mining had demonstrated its inability to pay the $54 million penalty. As a result, the criminal penalty was reduced to $10 million. Under the terms of the DPA, BIT Mining was instructed to maintain a robust compliance program that includes periodic risk assessments with a focus on foreign bribery risks, and to develop written corporate policy on FCPA violations and other anti-corruption laws. BIT Mining must also provide periodic reports to the DOJ over the three-year term of the DPA, which will provide updates on the implementation of BIT Mining's compliance program and internal controls.

Under the cease-and-desist order, BIT Mining consented to the order's finding that it violated the books and records provisions of the FCPA and agreed to pay a $4 million civil penalty. The SEC recognized BIT Mining's cooperation and remedial efforts, which included ending its lottery-related business, terminating the executives involved in the misconduct, cooperating with the SEC's investigations, and revising its anti-corruption and procurement policies. The DOJ credited the $4 million civil penalty against the criminal penalty.

MCKINSEY & CO. AFRICA (PTY) LTD.

Overview

On December 5, 2024, McKinsey & Company Africa (Pty) Ltd. ("McKinsey Africa"), a subsidiary of McKinsey & Company ("McKinsey"), entered into a three-year DPA related to allegations that McKinsey Africa conspired to violate the anti-bribery provisions of the FCPA by using third-party intermediaries to pay bribes to South African government officials in exchange for confidential information and assistance in winning contracts with state-owned entities.

KEY FACTS

U.S. AGENCIES: DOJ

COUNTRIES INVOLVED: Africa

MEANS OF CORRUPTION: Third-party Intermediaries

Conduct

According to the DPA, from 2012 through 2016, Vikas Sagar, a McKinsey senior partner who worked in McKinsey Africa's Johannesburg office, engaged third-party intermediaries to facilitate the payment of bribes to officials at Transnet SOC Ltd. ("Transnet"), a South African state-owned infrastructure company, and Eskom Holdings SOC Ltd. ("Eskom"), a South African state-owned power company. McKinsey Africa paid bribes to officials at Transnet and Eskom in exchange for confidential information that McKinsey Africa then used to help it win consulting contracts with Transnet and Eskom. McKinsey Africa earned approximately $85 million from the scheme.

Under South Africa's Broad-Based Black Economic Empowerment Act of 2003 and various government policies implementing the law, including the Supplier Development & Localization Plan (collectively, the "BEE Program"), McKinsey Africa was required to engage certain local South African subcontractors in order to obtain business from state-owned enterprises, including Transnet and Eskom. McKinsey Africa made corrupt payments to officials at Transnet and Eskom through local subcontractors it engaged to meet the requirements of the BEE Program.

First, in 2012, at the suggestion of a Transnet board member, McKinsey Africa engaged a certain local subcontractor (Local Company 1) as its BEE Program partner. As part of this engagement, McKinsey Africa and Local Company 1 entered a fee-division arrangement wherein McKinsey Africa understood that a portion of all consulting fees going to Local Company 1 would be paid to, or for the benefit of, the Transnet board member. Over time, the fee split between McKinsey Africa and Local Company 1 shifted, increasing the share of fees being paid to Local Company 1, despite its diminishing contributions to the work being done for Transnet. In exchange for these payments, the Transnet board member acted as McKinsey Africa's "inside man" at Transnet, providing confidential information, and influencing the award of multiple lucrative consulting contracts to McKinsey Africa over multiple years. Throughout the scheme, Sagar and his co-conspirators at Local Company 1 took steps to avoid detection, including by conducting meetings at coffee shops, restaurants, and

other locations rather than at McKinsey Africa's or Transnet's offices, and using personal email addresses or otherwise limiting the use of written communications.

Second, in 2015, multiple Transnet executives who had worked with McKinsey Africa transitioned to leadership positions with Eskom. In pursuit of new business with Eskom, McKinsey Africa engaged a second local subcontractor (Local Company 2) affiliated with the individuals working for Local Company 1, with the understanding that the bribery scheme then in place at Transnet would continue at Eskom through Local Company 2. As McKinsey Africa negotiated with Eskom for a highly lucrative contract, potentially worth hundreds of millions of dollars in revenues, McKinsey Africa agreed to a near 50/50 fee division between it and Local Company 2. Again, McKinsey Africa understood that part of the consulting fees going to Local Company 2 would be paid to, or for the benefit of, the Eskom official. In December 2015, Eskom awarded McKinsey Africa the contract. McKinsey Africa then began working with Local Company 2 on the Eskom contract before completing its due diligence process. In March 2016, McKinsey Africa rejected Local Company 2 as a BEE Program partner because of its failures to respond to due diligence inquiries. Eskom, in response, notified McKinsey Africa that the previously awarded contract would be terminated in June 2016.

Resolution

Under the DPA, McKinsey Africa agreed to pay a criminal penalty of $122,850,000, although the DOJ agreed to credit up to $61,425,000 against amounts McKinsey Africa agreed to pay to authorities in South Africa. The DOJ indicated that it agreed to resolve this matter through a deferred prosecution agreement because, among other things, McKinsey Africa and McKinsey cooperated with the DOJ's investigation, including promptly reporting its discovery of Sagar's document deletion efforts, and took prompt remedial measures, including conducting anti-corruption trainings for South African employees and ceasing all work with state-owned entities during the internal investigation. McKinsey Africa and McKinsey did not receive voluntary self-disclosure credit because they did not voluntarily and timely disclose the violative conduct. The criminal penalty imposed by the DOJ reflected a 35% reduction off the fifth percentile of the applicable U.S. Sentencing Guidelines range.

McKinsey Africa and McKinsey voluntarily repaid all revenues received from potentially tainted contracts that were won as a result of the corrupt payments scheme to the implicated South African state-owned enterprises. Accordingly, the DOJ did not impose any disgorgement requirements.

As part of the resolution with the DOJ, both McKinsey Africa and McKinsey agreed to annually report on their compliance improvements and efforts to the DOJ for the three-year term of the agreement.

Sagar, whom McKinsey placed on leave and ultimately terminated, pleaded guilty to participating in a conspiracy to violate the anti-bribery provisions of the FCPA on December 16, 2022. On September 24, 2025, Sagar was sentenced to time served and three years' supervised release for his role in the scheme. Sagar was also ordered to pay a fine of $250,000.

AAR CORP.

Overview

On December 19, 2024, AAR CORP. ("AAR"), a publicly traded aviation services company headquartered in Illinois, entered into an 18-month NPA with the DOJ to resolve allegations that it conspired to violate the anti-bribery provisions of the FCPA. The same day, AAR entered into a settled cease-and-desist order with the SEC to resolve a parallel investigation of the same conduct. According to the DOJ and SEC, between 2015 and 2020, AAR participated in schemes to pay bribes to government officials in Nepal and South Africa to secure business with the state-owned airlines of those countries.

KEY FACTS

U.S. AGENCIES: DOJ & SEC

COUNTRIES INVOLVED: Nepal, South Africa

MEANS OF CORRUPTION: Third-party intermediaries, consultant payments

Conduct

Nepal

Pursuant to the NPA and cease-and-desist order, between late 2015 and 2018, AAR, acting through its agent Deepak Sharma (a senior executive at an AAR subsidiary) and others, paid bribes to at least one Nepali government official to secure a contract to sell two Airbus A330-200 aircraft to Nepal Airlines Corporation ("NAC"), Nepal's state-owned airline. According to the allegations, Sharma and others engaged a Nepali intermediary on the advice of a Nepali government official to lobby the government of Nepal in connection with the aircraft procurement. The AAR subsidiary facilitated payments totaling approximately $2.5 million to a UAE-based company used by the Nepali intermediary. The payments were disguised as commission payments in consideration of services provided related to the preparation of the bid. However, the payments were made with Sharma's knowledge that part of the monies would be used for paying bribes to the Nepali official and others for securing improper advantages in the procurement process. The Nepali official provided Sharma with confidential drafts of the Request for Proposal before its public release and promised to arrange favorable treatment for AAR. AAR won the contract, earning approximately $6 million in profits from the transaction.

South Africa

According to the DOJ and the SEC, between 2016 and 2020, AAR conspired to pay bribes to officials at South Africa's state-owned airline, South African Airways ("SAA") and its subsidiary, South African Airways Technical ("SAAT"), to secure a five-year aircraft component support contract from SAAT. An AAR subsidiary, through its officer Sharma, disguised the payments as a success fee and an advance, which were made to a South African company controlled by Julian Aires, who acted as a third-party agent of AAR in the bribery scheme. The AAR

subsidiary entered into a joint venture with the South African company as its Broad-Based Black Economic Empowerment ("B-BBEE") partner in preparation for a bid for a contract to provide aircraft component support services to SAAT. Sharma knew that the payments made to Aires' company would be used to bribe three SAAT officials who controlled the contract award process.

Through Aires, AAR obtained confidential information about the bidding process that was improperly provided to him by the SAAT officials. AAR used this information to modify its bid and was eventually awarded the SAAT contract.

Over the course of the SAAT contract, between 2016 and 2020, the AAR subsidiary paid over $5.3 million to Aires' company in commissions, success fees, and advance payments in connection with the contract, a portion of which was used to bribe the SAAT officials. Aires and his associates referred to the SAAT officials by code names and referred to the payments as "consultancy fees." Moreover, proceeds from the SAAT contract were divided between Aires, one of his associates, and the South African officials. The scheme yielded approximately $17.9 million in profits for AAR.

Resolutions

NPA

Under the NPA, AAR agreed to pay a $26 million criminal penalty and approximately $19 million in administrative forfeiture. The penalty reflects a 45 percent discount off of the applicable U.S. Sentencing Guidelines Range. In determining the penalty, the DOJ recognized that AAR self-reported the conduct. However, the self-report did not qualify as a "voluntary self-disclosure" under the Criminal Division's Corporate Enforcement and Voluntary Self-Disclosure Policy because prior to the self-report, several articles about the conduct had been published in Nepal and South Africa, and because Nepalese authorities were already aware of the conduct.

AAR received credit for its cooperation with the DOJ's investigation, which included promptly providing information to the DOJ, preserving documents, making presentations to the DOJ, and making employees available for interviews. AAR also received credit for its timely remedial measures, which included conducting a review of high-risk third-party representatives, reducing its use of international sales agents, enhancing its protocols pertaining to third-party representatives, and disciplining employees involved in the conduct, among other things.

Pursuant to the terms of the NPA, AAR also agreed to improve its compliance program and report to the DOJ about its implementation of compliance measures during the 18-month term of the NPA.

Cease-And-Desist Order

Under a stipulated cease-and-desist order, the SEC did not impose a civil penalty, but AAR was ordered to pay approximately $23.5 million in disgorgement and another $5.8 million in prejudgment interest. In reaching this agreement, the SEC considered AAR's reporting of the misconduct after media reports raised questions in Nepal. The SEC also recognized AAR's cooperation and remedial efforts, which included preserving documents, producing information from its internal investigation, terminating the employees responsible for the misconduct, and improving its compliance programs.

Sharma and Aires were both charged by the DOJ and pleaded guilty to a conspiracy to violate the FCPA for their roles in the Nepal and South Africa schemes, respectively. Sharma received 3 years' probation and was ordered to forfeit a $130,835 and pay a fine of $150,000. Sharma also consented to an SEC cease-and-desist order ordering him to pay $184,597 in disgorgement and prejudgment interest, with the forfeited $130,835 counted towards that amount.

On November 17, 2025, Aires was sentenced to three years' probation, the first year of which he will be subject to home confinement. Aires was also ordered to forfeit the $5,397,677 in earnings he obtained from the scheme.

LIBERTY MUTUAL INSURANCE COMPANY

Overview

On August 7, 2025, the DOJ issued a letter announcing its decision to decline prosecution of Liberty Mutual Insurance Company ("Liberty Mutual") after Liberty Mutual disclosed that an internal investigation identified that certain employees of its Indian subsidiary had paid approximately $1.47 million in bribes to officials at Indian state-owned banks. The declination marked the first major FCPA-related action under the DOJ's revised Corporate Enforcement and Voluntary Self-Disclosure Policy, which was issued in May 2025.

KEY FACTS

U.S. AGENCIES: DOJ

COUNTRIES INVOLVED: India

MEANS OF CORRUPTION: Falsified documents; third-party intermediaries.

Conduct

According to the declination letter, from 2017 to 2022, employees of Liberty Mutual's Indian subsidiary, Liberty General Insurance ("LGI"), paid approximately $1.47 million in bribes to officials at six state-owned banks in India. These payments, which were made through third-party intermediaries and concealed as marketing expenses, were made in exchange for the banks' referring customers to LGI's insurance products. Liberty Mutual earned approximately $9.2 million in revenue and $4.7 million in profits from the scheme.

Resolution

The DOJ's declination comes after Liberty Mutual voluntarily self-disclosed the conduct to the DOJ Fraud Section in March 2024, after an internal investigation revealed evidence of the conduct. Pursuant to the factors set forth in the DOJ's revised Corporate Enforcement and Voluntary Self-Disclosure Policy, the DOJ declined to criminally prosecute Liberty Mutual due to Liberty Mutual's timely self-disclosure of the conduct, proactive cooperation with the DOJ's investigation, and the nature and seriousness of the offense—no aggravating circumstances were present. The DOJ also recognized Liberty Mutual's remedial efforts, which included terminating the employees involved in the conduct and making numerous improvements to its compliance program. Finally, as part of the declination, Liberty Mutual agreed to disgorge the $4.7 million in profits it earned from the scheme.

SMARTMATIC

Overview

KEY FACTS

U.S. AGENCIES: DOJ

COUNTRIES INVOLVED: Philippines

MEANS OF CORRUPTION: Third-party intermediaries, sham contracts, slush funds, coded language

On October 16, 2025, a federal grand jury in the Southern District of Florida returned a six-count superseding indictment charging multinational voting machine company Smartmatic Corp. ("Smartmatic"), three Smartmatic executives, and the former Chairman of the Philippines' Commission on Elections ("COMELEC") with various FCPA and money laundering charges for their role in a scheme to bribe an official in the Philippines in exchange for contracts to provide voting machines and election services for the 2016 Philippine elections. The original indictment, which was returned on August 8, 2024, charged only the individuals. The primary purpose of the superseding indictment was to add charges against Smartmatic itself.

Conduct

As alleged in the superseding indictment, Smartmatic and Roger Alejandro Piñate Martinez ("Piñate"), co-founder of Smartmatic, Elie Moreno ("Moreno"), a Smartmatic executive, and Jorge Miguel Vásquez ("Vásquez"), an executive at a Smartmatic subsidiary, conspired to pay bribes totaling approximately $1 million to the then-Chairman of COMELEC, Juan Andres Doñato Bautista ("Bautista"), to obtain three contracts, collectively worth about $182.3 million, and to obtain the release of associated VAT payments. To generate funds for the bribe payments, the Smartmatic executives allegedly inflated the costs of voting machines in invoices and created sham agreements for services and loans that were not provided.

According to the superseding indictment, the bribes were laundered through a network of bank accounts, intermediaries, and shell companies located around the world, including in Hong Kong, Singapore, the Philippines, Switzerland, and the United States. In order to conceal the bribes, the co-conspirators allegedly communicated through personal email accounts and WhatsApp, and used coded language such as the "boss's funds," "RUSH fee," and "Extra Fee" to refer to the payments.

The superseding indictment charged Smartmatic with five counts, including one count of conspiracy to violate the FCPA, one count of conspiracy to commit money laundering, and three counts of international laundering of monetary instruments. The superseding indictment did not change the charges against Bautista or the Smartmatic executives. Piñate and Vásquez were each charged with one count of conspiracy to violate the FCPA and one count of violating the FCPA. Piñate, Vásquez, Moreno, and Bautista were each charged with one count of conspiracy to commit money laundering and three counts of international laundering of monetary instruments.

On November 20, 2025, Smartmatic pleaded not guilty. The case against all five defendants remains ongoing, with the trial against Piñate, Vásquez, Moreno, and Bautista currently scheduled for April 20, 2026.

MILLICOM/COMCEL

Overview

On November 10, 2025, telecommunications company Millicom International Cellular, S.A. ("Millicom"), announced that its subsidiary, Comunicaciones Celulares S.A. ("Comcel"), had agreed to pay $118.2 million as part of a two-year DPA with the DOJ for its involvement in a scheme to pay bribes to Guatemalan government officials. At the time of the payments, Comcel was doing business as "TIGO Guatemala" and operating as a joint venture between Millicom (55%) and an unnamed Panamanian company (45%). In 2021, Millicom acquired full ownership of Comcel.

KEY FACTS

U.S. AGENCIES: DOJ

COUNTRIES INVOLVED: Guatemala

MEANS OF CORRUPTION: Cash payments, falsified documents

Conduct

The DPA, which was unsealed on November 12, 2025, revealed that from approximately 2012 through June 2018, TIGO Guatemala made monthly cash payments to numerous members of the Guatemalan Congress in exchange for their support for legislation and policies that benefited TIGO Guatemala. TIGO Guatemala generated cash for these bribe payments through put-call agreements, inflated and backdated contracts for legal services, shell companies, and fraudulent invoices. Some of the funds were reportedly

derived from laundered drug trafficking money. Cash payments were delivered by helicopter to offices of government officials or political parties and retrieved by the government officials' respective security teams.

The bribery scheme resulted in multiple favorable pieces of legislation for TIGO Guatemala. In 2012, Guatemala passed a law that permitted TIGO Guatemala to renew its radio-frequency rights. In 2014, Guatemala passed a law that disproportionately benefitted TIGO Guatemala. In particular, TIGO Guatemala was the only telecommunications company able to satisfy the technical requirements of the 2014 law, which allowed TIGO Guatemala to rapidly seek authorization to build out its telecommunications infrastructure.

Resolution

Pursuant to the DPA, Comcel agreed to pay a $60 million criminal penalty and forfeit $58.2 million. The criminal penalty reflects a 50 percent reduction from the bottom of the applicable penalty range of the U.S. Sentencing Guidelines.

Comcel received credit for Millicom's initial decision to self-report the conduct to the DOJ's Criminal Division in 2015. However, Millicom lacked operational control over Comcel at the time, and the DOJ closed its investigation. The DOJ reopened its investigation in 2020 after it obtained new evidence from independent sources. As a result, Millicom's 2015 self-disclosure did not meet the full requirements of the Criminal Division's Corporate Enforcement and Voluntary Self-Disclosure Policy (the "CEP").

According to the DPA, Comcel also received credit for Millicom's cooperation efforts, which included collecting and analyzing financial information, gathering forensic data and evidence, and providing information regarding its internal investigation. Comcel also received credit under the CEP because Comcel and Millicom engaged in extensive remedial measures after Millicom acquired Comcel in November 2021. These remedial measures included conducting a root cause analysis and risk assessment, terminating the personnel involved in the misconduct, hiring new compliance personnel, improving third-party onboarding procedures, and enhancing its compliance program and policies, among other things. Because of Comcel's and Millicom's remediation, the DOJ determined that an independent compliance monitor was unnecessary.

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FCPA Settlements and Enforcement Actions: Individual Prosecutions

ZHENGMING PAN

On November 18, 2024, an indictment was unsealed against Zhengming Pan, a Chinese national and the former CEO of BIT Mining, a cryptocurrency mining platform. The indictment, which was initially issued on June 18, 2024 by a federal grand jury in the District of New Jersey, alleged that Pan facilitated a bribery scheme between BIT Mining and Japanese government officials. The indictment charged Pan with one count of conspiracy to violate the FCPA, one count of violating the anti-bribery provisions of the FCPA, and two counts of violating the books and records provisions of the FCPA.

The indictment alleges that between 2017 and 2019, Pan, through his position as CEO of BIT Mining, then known as 500.com, paid approximately $1.9 million to Japanese officials in order to win a bid to open an "integrated resort" (a resort that includes hotels, casinos, and other venues) in Japan. Pan was the chief orchestrator of the bribe payments and caused 500.com to create a Japanese subsidiary, 500.com Nihon. Pan and his co-conspirators concealed the bribes by making payments to third-party consultants who then passed these payments on to Japanese officials. Pan and his co-conspirators also falsely recorded the payments as legitimate expenses, with some bribes being recorded as "management advisory fees," while others were disguised as lecture fees for Japanese officials who spoke at an Integrated Resort symposium arranged by 500.com.

In addition to cash payments, the bribes also took the form of travel, gifts, and entertainment. For example, in 2017, Pan caused 500.com to pay approximately $216,527 for a trip to Macao, China for several Japanese officials. This trip included a short visit to 500.com's offices in Shenzhen, but also included a private jet, gambling chips, luxury goods, fine dining, sex workers, and five-star accommodations, all covered by 500.com. Similarly, in 2018, Pan caused 500.com to pay for a ski vacation, luxury handbags, and additional gifts and travel for Japanese officials.

The scheme was ultimately unsuccessful, and 500.com was not awarded the resort contract. Proceedings against Pan in the District of New Jersey have not yet begun. Additional information on this scheme can be found in the entry for BIT Mining, above.

ADANI GROUP

On November 20, 2024, the DOJ unsealed a criminal indictment against eight defendants including the founder of Adani Group, an Indian multinational conglomerate, Gautam Adani ("Adani"), alleging a conspiracy to violate the FCPA, securities fraud, and obstruction of justice. On the same day, the SEC filed a parallel civil enforcement action against Adani and one of his associates. Both the DOJ's indictment and the SEC's complaint are premised on allegations that the defendants engaged in a scheme to pay over $250 million in bribes to Indian government officials, in order to secure solar energy contracts for the Indian renewable-energy company, Adani Group, and its subsidiaries.

The indictment alleges that from 2020 to 2024, the defendants paid bribes to Indian state electricity distribution companies in exchange for the awarding of government contracts to Adani Group and its subsidiaries. The indictment alleges that these bribes totaled approximately $265 million (or approximately 2,029 crore rupees), and that the defendants procured more than $2 billion in government contracts as a result of these bribes. According to the indictment, one defendant maintained notes on his cell phone to track details of the bribes that were offered and promised, including the amount of the bribe and the amount of business promised by the government official in return. The indictment also alleges that another defendant created multiple PowerPoint presentations and Excel spreadsheets analyzing different options for paying and concealing the bribes.

The DOJ's indictment (and the SEC's parallel complaint) also allege that the defendants committed securities fraud by lying to investors about their anti-bribery and anti-corruption policies in order to obtain financing to fund the completion of the government contracts procured by means of the bribery scheme. For example, the indictment alleges that the offering documents and subscription agreement for the loan packages at issue included a statement that Adani Group and its affiliates and representatives had not and would not approve of the payment of bribes to government officials to secure an improper advantage.

The indictment further alleges that the defendants obstructed the United States' investigation of the scheme by destroying documents and communications and providing false information to investigators. The DOJ alleges that part of this obstruction scheme involved certain defendants' making selective disclosures of certain documents implicating other defendants in the bribery scheme, while concealing their own involvement.

At the time of publication, both the DOJ's criminal case and the SEC's civil enforcement action remain pending in the U.S. District Court for the Eastern District of New York.

COGNIZANT EXECUTIVES (GORDON COBURN AND STEVEN SCHWARTZ)

On April 3, 2025, Judge Michael E. Farbiarz of the U.S. District Court for the District of New Jersey granted the DOJ's motion to dismiss with prejudice the criminal case against Cognizant's former president, Gordon Coburn, and former chief legal officer, Steven Schwartz, for charges of violating and conspiring to violate the FCPA's anti-bribery and accounting provisions. Later, on July 15, 2025, the SEC, together with Coburn and Shwartz, filed a joint stipulation before the same court agreeing to dismiss with prejudice the SEC's ongoing civil enforcement action against Coburn and Schwartz for the same underlying conduct.

The motion to dismiss was filed after Judge Farbiarz postponed the criminal trial to give the DOJ time to review the case in light of President Trump's February 10 executive order directing the review of all existing FCPA enforcement actions. The SEC's joint stipulation in the civil case was similarly filed after the agency determined that dismissal was appropriate as a policy matter.

The DOJ had filed a twelve-count indictment against Coburn and Schwartz on February 14, 2019. The indictment charged Coburn and Schwartz with conspiracy to violate, as well as direct violations of, the anti-bribery, books and records, and internal controls provisions of the FCPA in connection with Cognizant's business in India. The SEC filed the related civil case against Coburn and Schwartz a day later, on February 15, 2019. According to the DOJ's indictment, between 2014 and 2016, Coburn, Schwartz, and others had authorized contractors to pay $3.6 million in bribes to government officials to obtain required planning permits and operating licenses needed for the construction of a corporate campus for Cognizant in Chennai, India.

The SEC entered into a parallel resolution with Cognizant for the same conduct, alleging violations of the anti-bribery, books and records, and internal controls provisions of the FCPA. The DOJ formally declined to prosecute Cognizant under the FCPA Corporate Enforcement Policy, pointing to Cognizant's voluntary self-disclosure, full cooperation, lack of prior criminal history, full remediation, and the adequacy of remedies available through the SEC's resolution with the company. Without admitting or denying the SEC's findings, on February 15, 2019, Cognizant agreed to pay disgorgement and prejudgment interest of approximately $19 million and a penalty of $6 million to settle the charges.

SMARTMATIC PHILIPPINES ELECTIONS SCHEME PROSECUTIONS

On April 9, 2025, the DOJ filed a notice of authorization to proceed, informing Judge Kathleen M. Williams of the U.S. District Court for the Southern District of Florida that it had conducted a detailed review of the case against Juan Andres Doñato Bautista ("Bautista"), the former Chairman of the Philippines' Commission on Elections ("COMELEC"), and three executives of the multinational voting machine company Smartmatic

Corp. ("Smartmatic") on FCPA and money laundering charges pursuant to President Trump's February 10, 2025 executive order, and intended to proceed to trial.

The DOJ's notice came after Judge Williams continued the deadline for the submission of dispositive motions in the case by thirty days. Two defendants, Roger Alejandro Piñate Martinez ("Piñate") and Jorge Miguel Vásquez ("Vásquez"), had filed a motion seeking to continue dispositive motions deadlines in light of President Trump's executive order and the DOJ's ongoing review of the case. The DOJ responded that it did not oppose a continuation of the dispositive motion deadline, but that, with trial in the case then set for October 6, 2025, there was adequate time to review the case pursuant to President Trump's executive order without disrupting the then-scheduled trial date.

The DOJ's decision to proceed with this case follows the August 8, 2024 indictment of Bautista, Piñate, a co-founder of Smartmatic, Vásquez, an executive at a Smartmatic subsidiary, and Elie Moreno ("Moreno"), a Smartmatic executive, on FCPA and money laundering charges. Smartmatic itself was not originally indicted. As alleged in the indictment, Piñate, Moreno, and Vásquez conspired to pay bribes totaling approximately $1 million to Bautista in order to obtain three contracts to provide voting machines and election services for the 2016 Philippine elections, collectively worth about $182.3 million, and to obtain the release of value-added tax payments. To generate funds for the bribe payments, the Smartmatic executives allegedly inflated the costs of voting machines in invoices and created sham agreements for services and loans that were not provided.

The indictment further alleges that the bribes were laundered through a network of bank accounts, intermediaries, and shell companies located around the world, including in Hong Kong, Singapore, the Philippines, Switzerland, and the United States. To conceal the scheme, the co-conspirators regularly communicated through personal email accounts and WhatsApp, using coded language such as the "boss's funds," "RUSH fee," and "Extra Fee" to refer to payments.

On October 16, 2025, a federal grand jury in the Southern District of Florida returned a superseding indictment charging Smartmatic for its role in the scheme, along with the charges in the original August 8, 2024 indictment against Piñate, Vásquez, Moreno, and Bautista. The DOJ charged Smartmatic, Piñate, and Vásquez each with one count of conspiracy to violate the FCPA. Piñate and Vásquez are both charged with one additional count of violating the FCPA. The DOJ also charged Smartmatic, Piñate, Vásquez, Moreno, and Bautista each with one count of conspiracy to commit money laundering and three counts of international laundering of money instruments.

The trial against Piñate, Vásquez, Moreno, and Bautista has been continued to April 20, 2026. The case against all five defendants remains ongoing. Additional information on this scheme can be found in the entry for Smartmatic, above.

CHARLES HOBSON

On April 11, 2025, the DOJ filed a notice of authorization to proceed in the case against Charles Hobson, a former Corsa Coal Corporation ("Corsa Coal") executive, who allegedly received kickbacks and paid bribes to Egyptian government officials. The DOJ's decision to proceed with Hobson's case comes after President Trump's February 10, 2025 executive order paused FCPA enforcement and called for a review of all ongoing enforcement actions.

On March 29, 2022, Hobson was charged in a seven-count indictment in the Western District of Pennsylvania, which alleged that between 2016 and 2020, he received kickbacks and paid bribes to Egyptian government officials in exchange for contracts for Corsa Coal. According to the indictment, Hobson was employed in several positions at Corsa Coal, including as Vice-President of Appalachian Business. In this role, Hobson established a formal sales relationship with Egyptian state-owned and state-controlled coke company Al Nasr Company for Coke and Chemicals ("Al Nasr").

The indictment alleges that Hobson and another Corsa Coal executive, Frederick Cushmore Jr., paid approximately $4.8 million to an intermediary in Egypt—a portion of which was used to pay bribes to Egyptian officials at Al Nasr. The bribes were paid in exchange for sales contracts, nonpublic information about competing bids, and other business advantages. The indictment also alleges that Hobson conspired with the intermediary in Egypt to receive tens of thousands of dollars in concealed kickbacks, which were taken from the commissions paid to the intermediary by Corsa Coal and filtered through bank accounts in the United Arab Emirates. Hobson and his co-conspirators allegedly concealed the scheme by using encrypted messaging services and fabricated consulting invoices. In total, Corsa Coal earned approximately $143 million in coal contracts from Al Nasr and $32.7 million in profits from the scheme.

The indictment charged Hobson with one count of conspiracy to violate the FCPA, two counts of violating the FCPA, one count of conspiracy to launder money, two counts of money laundering, and one count of conspiracy to commit wire fraud. The case is ongoing and currently set for trial in early 2026.

Cushmore pleaded guilty for his participation in the scheme in November 2021. In March 2023, Corsa Coal received a declination from the DOJ. As part of the declination Corsa Coal agreed to disgorge $1.2 million—the DOJ agreed to this amount, which was much lower than the $32.7 million in illegal profits Corsa Coal earned from the scheme, after determining a higher disgorgement amount would threaten the viability of the company. Corsa Coal filed for Chapter 11 bankruptcy in January 2025.

TIM LEISSNER

On May 29, 2025, Judge Margo K. Brodie of the U.S. District Court for the Eastern District of New York sentenced Tim Leissner, a former banker and the Southeast Asia Chairman at Goldman Sachs Group, Inc. ("Goldman Sachs"), to two years' imprisonment and two years' supervised release for his role in conspiring to launder billions of dollars embezzled from Malaysia's state-owned investment and development fund, 1Malaysia Development Berhad ("1MDB"), by paying bribes to various Malaysian and Abu Dhabi officials. Leissner pleaded guilty to one count of conspiracy to violate the anti-bribery provisions of the FCPA and one count of conspiracy commit money laundering on August 28, 2018. Leissner was also ordered to forfeit $43.7 million in 2023.

According to court documents, between 2009 and 2014, while 1MDB was raising money to fund development projects, Leissner, Roger Ng, a Managing Director at Goldman Sachs, Low Taek Jho, also known as Jho Low, and others conspired to misappropriate and fraudulently divert funds from 1MDB. As part of the scheme, Leissner, Ng, Low, and others conspired to pay over $1.6 billion in bribes to government officials in Malaysia, including at 1MDB, and Abu Dhabi, to obtain and retain contracts for Goldman Sachs, including three bond offerings which would generate over $600 million in fees for Goldman Sachs. They also conspired to launder the proceeds of the criminal scheme throughout the U.S. financial system by purchasing, among other things, luxury residential real estate in New York City and elsewhere, artwork from a New York-based auction house, jewelry, and a yacht, as well as by financing major Hollywood films, including *The Wolf of Wall Street*.

After entering his guilty plea in 2018, Leissner cooperated with the DOJ throughout its investigation of the 1MDB scheme and testified for the government during the prosecution of Roger Ng, who was convicted and sentenced to 10 years' imprisonment for his role in the scheme in 2023. While acknowledging Leissner's cooperation, Judge Brodie noted it did not "completely make up for the harm and devastation" Leissner had caused through his conduct and concluded punishment was warranted for the crimes.

Ng was transferred to Malaysia to assist prosecutors there in their ongoing 1MDB probe. Low remains a fugitive.

CRISTIAN PATRICIO PINTADO GARCIA

On June 24, 2025, Judge Kathleen Williams of the U.S. District Court for the Southern District of Florida sentenced Cristian Patricio Pintado Garcia to time served and three years of supervised release for his involvement in a bribery and money laundering scheme targeting Ecuador's state insurance companies, Seguros Sucre and Seguros Rocafuerte. Pintado, a dual Ecuadorian and Italian citizen, pled guilty to a money laundering and conspiracy charge in April 2025 following his extradition from Costa Rica, where he had served ten months in prison.

Pintado and his co-conspirators, Esteban Eduardo Merlo Hidalgo and Luis Lenin Maldonado Matute, were indicted in July 2022 on seven counts, including charges of conspiracy to violate the FCPA, violations of the FCPA, conspiracy to commit money laundering, and engaging in transactions in criminally derived property. The indictment alleged that between 2013 and 2018, Pintado served as general manager of two intermediary companies registered in Panama and Ecuador. Through these companies, Pintado and his co-conspirators facilitated bribe payments from British insurance brokers HW Wood and Tysers Insurance Brokers to Ecuadorian officials in exchange for insurance contracts. In his guilty plea, Pintado admitted to paying $2.8 million in bribes to Ecuadorian officials, including to Juan Ribas Domenech, the chairman of Seguros Sucre and Seguros Rocafuerte and advisor to Ecuadorian president Rafael Correa.

On April 24, 2025, Pintado pleaded guilty to one count of conspiracy to commit money laundering for which he faced a penalty of up to 10 years' imprisonment. Ahead of his sentencing, Pintado's legal team argued for leniency due to the fact that he had already served 10 months in a Costa Rican prison as well as in light of the comparatively light prison sentence received by Merlo—the director of the payments who was found to have misled U.S. immigration officials during citizenship proceedings. In Pintado's plea agreement, the U.S. government agreed to a reduced sentence, citing Pintado's timely acceptance of responsibility, the fact he had no prior criminal history, and that no aggravating factors were present. Pintado received a sentence of time served and three years of supervised release.

Pintado's co-conspirator, Merlo, pled guilty to three counts of engaging in criminally derived transactions and received a five-month prison sentence in 2023. Maldonado remains at large. In addition, Domenech pleaded guilty to money laundering conspiracy in September 2020 and was sentenced to 51 months' imprisonment.

In related corporate resolutions, Tysers Insurance Brokers and HW Wood entered into three-year deferred prosecution agreements in 2023. Tysers paid a $36 million criminal fine and forfeited $10.5 million. HW Wood paid $508,000 after the DOJ determined the company could not afford the originally proposed penalties. Both firms received credit for their cooperation with the investigation.

DEEPAK SHARMA

On June 30, 2025, Deepak Sharma, a citizen of the United Kingdom and former executive at Illinois-based air services company AAR Corp. ("AAR") was sentenced in the U.S. District Court for the District of Columbia to three years' probation and was ordered to forfeit approximately $130,835 and pay a criminal fine of $150,000 for conspiring to violate the FCPA. Sharma had pleaded guilty to the charge on August 1, 2024.

Sharma admitted to participating in a scheme from 2015 to 2018 to bribe officials at Nepal Airlines Corporation (NAC), the state-owned airline of Nepal. Sharma facilitated the payment of bribes to the officials to gain an unfair advantage for AAR in securing a contract to sell two Airbus A330-200 aircraft to NAC.

In return for bribe payments, a Nepali government official provided Sharma and other AAR employees with confidential drafts of the Request for Proposal ("RFP") for the aircraft deal and altered the RFP to include a delivery timeline that a competing bidder could not meet. After being awarded the contract, Sharma and AAR made payments to the Nepali government official and other foreign officials pursuant to a series of sham agreements involving various shell companies based in, among other places, Hong Kong and the United Arab Emirates. In total, Sharma and others orchestrated the transfer of approximately $2.5 million between the companies, an unspecified portion of which Sharma knew was intended for the Nepali officials as bribes.

Sharma also admitted to participating in a separate bribery scheme in South Africa, through which AAR secured a $100 million contract with South Africa Airways Technical after paying bribes to illegally obtain information about its competitors' bids, allowing AAR to revise its bid and win the contract.

In determining Sharma's sentence, the court considered Sharma's cooperation with the government, the remorse he showed for his crime, as well as his health issues and the fact that he, as a non-citizen, would be unable to receive the benefits of the First Step Act. The court initially proposed a fine of $50,000 and that Sharma spend six months of his probation in a halfway house; however, due to Sharma's citizenship status the halfway house was not viable. Ultimately, the court forwent the halfway house and instead increased the criminal fine from $50,000 to $150,000.

In a related administrative proceeding, Sharma entered into a settled cease-and-desist order with the SEC on December 19, 2024. Under the Order, Sharma agreed that he violated the anti-bribery, recordkeeping, and internal accounting controls provisions of the FCPA and was ordered to pay $130,835 in disgorgement and $53,762 in prejudgment interest; however, the SEC deemed Sharma's disgorgement satisfied by his forfeiture in the DOJ proceeding and did not impose a civil penalty in light of his guilty plea. Additional information on this scheme can be found in the entry for AAR, above.

HONDURAN POLICE UNIFORM SCHEME (ALDO NESTOR MARCHENA, CARL ZAGLIN, FRANCISCO CONSENZA)

On September 15, 2025, a federal jury in the Southern District of Florida convicted Carl Zaglin ("Zaglin"), the former majority owner and CEO of a U.S.-based company that manufactured law enforcement uniforms and accessories, of (i) one count of conspiracy to violate the anti-bribery provisions of the FCPA, (ii) one count of conspiracy to commit money laundering, and (iii) one count of violating the anti-bribery provisions of the FCPA.

The conviction arose from Zaglin's participation in a scheme to bribe officials at Comite Tecnico del Fideicomiso para la Administracion del Fondo de Proteccion y Seguridad Poblacional ("TASA") in order to secure supply contracts worth approximately $10 million with the Honduran National Police. The November 29, 2023 indictment alleged that, from 2015 to 2019, Zaglin and Aldor Nestor Marchena ("Marchena") conspired to bribe Honduran officials, including Francisco Roberto Consenza Centeno ("Consenza"), TASA's Executive Director, to secure contracts to supply uniforms and accessories for the Honduran National Police. Zaglin and Marchena attempted to conceal the bribes through sham contracts and invoices and by using bank accounts of front companies. Ultimately, over $166,000 was transferred to bank accounts controlled by Consenza and Juan Ramon Molina Rodriguez ("Rodriguez"), another Honduran official charged in a separate indictment.

Before the case was submitted to the jury, Zaglin moved for acquittal on all charges, which the court denied. After his conviction, Zaglin submitted a motion for a new trial which Judge Jacqueline Becerra of the U.S. District Court for the Southern District of Florida denied on December 2, 2025. That same day, Judge Becerra sentenced Zaglin—the only defendant in the scheme to go to trial—to eight years in prison for his role in the conduct and ordered him to forfeit more than $2 million.

On June 5, 2025, Marchena pled guilty to one count of conspiracy to commit money laundering. On October 28, 2025, he was sentenced to 84 months (7 years) in prison by Judge Becerra. Judge Becerra recommended that Marchena receive credit for time served given his November 2022 arrest in Colombia and subsequent extradition to the United States. In pre-sentencing filings, the DOJ sought a 40% reduction from the 10-year statutory maximum, citing Marchena's substantial assistance in the prosecutions of Zaglin and Cosenza. As part of his plea agreement, Marchena agreed not to appeal the sentence.

On August 13, 2025, Consenza also pled guilty to conspiracy to commit money laundering. He is scheduled to be sentenced on February 20, 2026.

VIKAS SAGAR

On September 24, 2025, Judge Colleen McMahon of the U.S. District Court for the Southern District of New York sentenced Vikas Sagar, a former McKinsey & Company ("McKinsey") senior partner at McKinsey's Johannesburg, South Africa, office, to time served and three years' supervised release for his role in conspiring to bribe officials at two South African state-owned enterprises in order to obtain consulting contracts for McKinsey. Sagar pleaded guilty to one count of conspiracy to violate the anti-bribery provisions of the FCPA on December 16, 2022. Sagar was also ordered to pay a fine of $250,000.

According to court documents, from 2012 through 2016, Sagar engaged third-party intermediaries to facilitate the payment of bribes to officials at Transnet SOC Ltd. ("Transnet"), a South African state-owned infrastructure company, and Eskom Holdings SOC Ltd. ("Eskom"), a South African state-owned power company. Sagar paid bribes to officials at Transnet and Eskom in exchange for confidential information that he and others at McKinsey then used to help win consulting contracts with Transnet and Eskom. McKinsey, through its subsidiary McKinsey and Company Africa (Pty) Ltd. ("McKinsey Africa") earned approximately $85 million from the scheme. Additional information on this scheme can be found in the entry for McKinsey, above.

PEMEX BRIBERY SCHEME (RAMON ALEXANDRO ROVIROSA MARTINEZ AND MARIO ALBERTO AVILA LIZARRAGA)

On December 5, 2025, Ramon Alexandro Rovirosa Martinez ("Rovirosa"), a Mexican national residing in Texas, was convicted in the U.S. District Court for the Southern District of Texas on one count of conspiracy to violate the FCPA and two counts of violating the FCPA for his role in bribing officials at Petróleos Mexicanos ("PEMEX"), Mexico's state-owned oil company, and its subsidiary PEMEX Exploración y Producción ("PEP").

On August 11, 2025, the court unsealed an indictment charging Rovirosa and his co-conspirator, Mario Alberto Avila Lizarraga ("Avila"), also a Mexican national, with one count of conspiracy to violate the FCPA and three counts of violating the FCPA. The indictment alleged that between 2019 and 2021, Rovirosa and Avila orchestrated a scheme to pay at least $150,000 in bribes to three Mexican officials at PEMEX and PEP, including a PEMEX senior internal audit manager, a PEMEX procurement coordinator, and a third individual employed at both PEMEX and PEP. The DOJ alleged that Rovirosa, who controlled a number of Mexican energy companies and employed Avila, used a network of intermediaries and shell companies to disguise and facilitate the transfer of luxury goods, cash, and other valuables to the PEMEX and PEP officials. In exchange for these bribes, the PEMEX and PEP officials would facilitate favorable audit decisions by PEMEX and rig PEMEX bidding processes in order to secure contracts for Rovirosa's companies. The scheme involved falsified invoices and sham consulting agreements to conceal the true nature of the payments.

Rovirosa's trial took place from December 1 through December 5, 2025. At the conclusion of his trial, a federal jury convicted Rovirosa on one count of conspiracy to violate the FCPA and two counts of violating the FCPA, and found him not guilty of the third count of violating the FCPA. Rovirosa faces a maximum penalty of 15 years in prison for his role in the scheme. Avila remains a fugitive at large.

GLENN OZTEMEL

On December 9, 2025, Glenn Oztemel, a former oil and gas trader for Freepoint Commodities LLC ("Freepoint"), was sentenced to 15 months in prison and fined $300,000 for his role in a scheme to bribe officials at Petroleo Brasileiro S.A. ("Petrobras"), Brazil's state-owned energy company, in exchange for lucrative contracts.

In August 2023, Oztemel, along with his co-conspirators, Eduardo Innecco ("Innecco"), a Brazilian and Italian dual citizen who worked as an oil and gas broker and as an agent for Freepoint in Brazil, and Gary Oztemel, Glenn Oztemel's brother and the owner of Oil Trade & Transport SA ("OTT"), a Panama-registered and Connecticut-based oil trading company, were charged in a superseding indictment with conspiracy to violate the anti-bribery provisions of the FCPA, conspiracy to commit money laundering, as well as substantive FCPA and money laundering violations.

The superseding indictment alleged that, from 2010 to 2018, Glenn Oztemel, Gary Oztemel, Innecco, and other co-conspirators participated in a scheme to pay bribes to officials at Petrobras. These officials included Rodrigo Berkowitz, a trader at Petrobras America Inc. ("PAI"). The superseding indictment alleged that, in exchange for these bribes, Berkowitz and other Petrobras officials provided Glenn Oztemel, Gary Oztemel, and Innecco with confidential Petrobras information, including pricing information and the bids made by their competitors. Glenn Oztemel and his co-conspirators shared this information through personal email accounts and encrypted messaging applications including WhatsApp, and made use of aliases and code words, including referring to bribes as "breakfast" or "breakfast servings."

To finance the bribes, Glenn Oztemel caused employees of Freepoint and its subsidiary to make payments to accounts in Switzerland and Uruguay that were held by companies controlled by Innecco, pursuant to sham invoices for purported consulting fees or commissions. Innecco then distributed these funds to Berkowitz and other Petrobras officials through cash payments and transfers to a bank account in Uruguay.

On September 26, 2024, a federal jury in Connecticut convicted Glenn Oztemel on seven counts: conspiracy to violate the FCPA, conspiracy to commit money laundering, three counts of violating the FCPA, and two counts of money laundering. On December 9, 2025, Judge Kari Dooley of the U.S. District Court for the District of Connecticut sentenced Glenn Oztemel to 15 months in prison and ordered him to pay a $300,000 fine and a $700 special assessment.

In October 2025, Innecco died in Brazil after fleeing France, where he had been awaiting extradition to the U.S. In light of his death, prosecutors moved to dismiss the claims against him, and Judge Dooley granted the motion. In June 2024, Gary Oztemel pleaded guilty to one count of engaging in a monetary transaction involving criminally derived property and agreed to forfeit $301,575. On October 28, 2024, he was sentenced to two years of probation. Finally, in December 2023, Freepoint Commodities LLC agreed to pay more than $98 million to resolve charges by the DOJ and CFTC in connection with the same scheme. Freepoint entered a related resolution with Brazilian authorities in November 2024.

Chapter

3 Anti-Corruption Enforcement Update in Selected Countries

Anti-Corruption Enforcement Update: Brazil

RELEVANT BRAZILIAN LAWS AND REGULATIONS

Brazil overhauled its anti-corruption framework with the enactment of the Clean Companies Act ("CCA") (Law No. 12,846/2013), which came into force in January 2014. Under the CCA, companies are subject to a strict liability standard for bribery and fraud against domestic and foreign public institutions, risking harsh punishment regardless of corrupt intent. Potential sanctions include monetary fines ranging from 0.1% to 20% of the company's most recent annual gross revenue or, when this is undetermined, up to BRL 60 million (approx. $11 million), as well as debarment from public procurement and even compulsory dissolution of the business. The CCA applies to domestic legal entities and any foreign companies (incorporated or not) that have an office, branch, or representation in Brazil.

Prior to 2022, the CCA was regulated by Decree No. 8,420, of March 18, 2015 (the "2015 Decree"). On July 18, 2022, Decree No. 11,129/2022 (the "2022 Decree") came into force, replacing the 2015 Decree, and regulating the application of the CCA. The 2022 Decree was enacted to reflect the experience gained over the previous seven years of enforcement by the Brazilian Federal Government (particularly the Controladoria-Geral da União ("CGU" or "Office of the Comptroller General")). It also incorporated guidelines previously issued by the CGU in internal ordinances and manuals.

Among other matters, the 2022 Decree: (i) provided guidelines on the evaluation of compliance programs (that may result in a reduction of fines imposed); (ii) regulated preliminary investigations and enforcement proceedings; (iii) provided parameters for calculating the monetary fines under the CCA (by establishing aggravating and mitigating factors); and (iv) provided guidelines on the negotiation and execution of Leniency Agreements with enforcement authorities.

While the 2022 Decree did not substantially alter the regulation under the 2015 Decree, the 2022 Decree provided more detail and consolidated some of the practices employed by the agencies responsible for enforcement. It clarified the role of different agencies with overlapping powers to enforce the CCA. Civil sanctions must be pursued in court through legal action initiated, as a rule, by the Brazilian Office of the Attorney General ("AGU") at the Federal Executive Branch Level. As for administrative sanctions, generally the government body directly affected by an alleged offense has primary jurisdiction to conduct and judge the corresponding sanctions proceeding. However, within the Federal Executive Branch, the CGU has jurisdiction over the matter, inter alia, (i) where the entity primarily affected is unwilling or unable to do so; (ii) in complex cases; (iii) in cases involving large contracts with the federal public administration; and (iv) in cases involving more than one body or entity of the federal public administration. As an innovation, the 2022 Decree

authorized different entities of the Brazilian Federation (States and Municipalities) to delegate the negotiation of Leniency Agreements to the CGU. The innovation is especially helpful for resolving major corruption schemes, such as in Operation Car Wash, in which companies have engaged in illicit conduct affecting the Federal, State, and Municipal governments.

Among other changes, the 2022 Decree (i) improved and detailed the preliminary investigation procedure and administrative procedure for imposing sanctions for breaches of the CCA; (ii) altered the language and application of aggravating and mitigating factors in calculating the monetary fine for breaches of the CCA; (iii) increased the incentives for companies to implement a compliance program, as the new Decree raised the level of mitigation of the monetary fine from 4% to 5% when companies have an adequate compliance program in place; (iv) updated some of the parameters used in evaluating compliance programs under the CCA, including considering the allocation of adequate resources to the compliance program, employee communication initiatives regarding the compliance program (in addition to training), and requiring due diligence on politically exposed persons and sponsorships and donations; (v) acknowledged Leniency Agreements as an instrument to improve government investigation capabilities, enhance asset recovery, and foster a culture of integrity in the private sector; (vi) reinforced the authority of the CGU and AGU to negotiate and execute Leniency Agreements within the Federal Executive Branch; (vii) enhanced rules applicable to the negotiation and execution of Leniency Agreements with enforcement authorities; and (viii) established a methodology to standardize the calculation of the illicit advantages obtained by companies through misconduct.

Under the CCA and the 2022 Decree, companies receive a reduction in monetary penalties if their compliance programs are deemed to be effective. The 2022 Decree established the minimum requirements for such programs with respect to: (i) tone at the top and adequate allocation of resources to the compliance program; (ii) written integrity policies (*e.g.,* standards of conduct, code of ethics and anti-corruption procedures) applicable to all employees, members of management and, as appropriate, third parties; (iii) periodic compliance training and communication initiatives; (iv) periodic risk assessments to enhance and update the compliance program; (v) thorough and truthful bookkeeping; (vi) internal controls ensuring the accuracy of financial reports; (vii) specific procedures to prevent fraud and other misconduct in connection with public tenders, government contracts, and any interactions with public officials (*e.g.,* paying taxes, handling inspections, or applying for licenses), including through third parties; (viii) a compliance function with adequate structure, independence, and powers to implement the compliance program; (ix) adequately publicized reporting mechanisms, which must be accessible to employees and third parties, as well as whistleblower protection measures; (x) disciplinary measures for misconduct; (xi) mechanisms ensuring detection, prompt discontinuation, and timely remediation of misconduct; (xii) due diligence for third parties (including suppliers, contractors, agents, and business partners), politically exposed persons, and sponsorships and donations; (xiii) due diligence, background checks and exposure assessments prior to any corporate reorganization (including mergers and acquisitions); and (xiv) continuous monitoring of the

compliance program. When assessing a compliance program, the authorities must consider the company's size and structural complexity, as well as the use of third-party intermediaries, among other risk factors. The methodology for the assessment of corporate compliance programs was published by the CGU as a "Practical Guide for the Evaluation of Compliance Programs" in September 2018.

In addition to an effective compliance program, other mitigating factors that may reduce the fine imposed under the CCA include: (i) cases of attempted or uncompleted misconduct; (ii) voluntary return of the amounts illegally obtained and reimbursement of the damages caused; (iii) cooperation with enforcement authorities; and (iv) voluntary admission of liability for the wrongdoing. Conversely, companies may face fine increases when: (i) there is a pattern of continuous or recurrent offenses; (ii) company management had knowledge of the wrongdoing and failed to prevent it; (iii) the wrongdoing prompts interruption of public services; (iv) the company is solvent and profitable; (v) the company is a recidivist; and (vi) the company executed contracts with the public administration during the years it was involved in misconduct.

After 11 years of successful application of the CCA, CGU has executed 34 Leniency Agreements between 2017 and the date of preparation of this 2025 FCPA Alert, totaling BRL 20 billion (approximately $3.7 billion) in settlement amounts.

Introduction of Term of Commitment Settlement Mechanism

In August 2024, the CGU introduced the Term of Commitment, which offers an alternative agreement with the Public Administration for companies that do not meet the requirements to enter into a Leniency Agreement but want to settle their cases rather than litigate. While the Leniency Agreements remain the most favorable settlement modality under the CCA (with a reduction of up to 2/3 of the fine), the Term of Commitment offers reductions of the fine up to 4.5% of a company's gross revenues (which may represent a significant percentage of the fine), and the mitigation of debarment sanctions.

While not always necessary, depending on the analysis of the specific case, the CGU can determine that for the execution of a Term of Commitment the company must adopt or improve its integrity program. Furthermore, a relevant initiative by the CGU with respect to the rules applicable to the Term of Commitment relates to the CGU's communication with the AGU and the Federal Prosecutor's Office ("MPF"), which will occur whenever a new Term is executed. The purpose of this measure is to encourage cooperation between the agencies, to ensure that misconduct investigated by more than one body is resolved in a coordinated fashion, thereby preventing companies from being sanctioned for conduct that has already been addressed within the scope of the Term of Commitment.

The Technical Cooperation Agreement

In April 2025, the CGU, the AGU, and the MPF executed a Technical Cooperation Agreement ("ACT") to coordinate, negotiate, and execute Leniency Agreements, with the goal of increasing cooperation and legal

certainty. The ATC establishes coordinated action as the standard approach in the negotiation of Leniency Agreements and aims to avoid overlapping sanctions while promoting the efficient exchange of information between agencies. Each negotiation of a Leniency Agreement will be governed by a memorandum of understanding that outlines the rights and responsibilities of the agencies and companies involved. It is worth noting that the MPF may still enter into independent Leniency Agreements with companies, but the MPF should include the CGU and the AGU in negotiations and should endeavor to reach coordinated resolutions. Under the terms of the ATC and in accordance with Decree No. 11,129/2022, the CGU is designated as the leading agency responsible for evaluating and monitoring integrity programs of signatory companies. In addition, the ATC provides that the CGU, AGU, and MPF will establish a common methodology to standardize the calculation of fines, disgorgement of profits, and reimbursement of damages.

In July 2025, the CGU and AGU published a public consultation to replace the existing Ordinance 04/2019 that regulates the negotiation and execution of Leniency Agreements by CGU and AGU under Law 12,846/2013. The draft ordinance proposes significant changes, including (i) regulation of the "marker" request, allowing a company to express its intent to cooperate with the agencies at an early stage, even before completing its internal investigation; (ii) establishment of incentives for companies to self-report misconduct; (iii) establishment of criteria to avoid the risk of *bis in idem* in Leniency Agreements, with rules for fines already paid to other national or international authorities to be credited against fines imposed under Leniency Agreements; (iv) improvement of the methodology for the calculation of values due as disgorgement of profits, with the possibility of granting discounts to companies based on their economic situation; and (v) establishment of an exceptional review clause, allowing Leniency Agreements to be revised in good faith in cases of unforeseeable events, provided the amendments align with the public interest. The CGU and AGU are currently analyzing the inputs of the public consultation prior to replacing Ordinance 04/2019.

CGU Updates Integrity Program Guidance

In October 2024, the CGU launched the second version of its "Integrity Program: Guidelines for Private Companies" (the "Guidelines"), which was originally published in September 2015. These Guidelines are designed to provide clear instructions to companies on how they should implement or improve their integrity programs, in accordance with legislative requirements and best market practices.

Among the new provisions set out in the Guidelines is the expansion of how the CGU defines corporate integrity, which is no longer limited to anti-corruption but now encompasses good practices on environmental, social, and governance ("ESG") matters. This is in line with the changes implemented in the 2022 Decree which included the promotion and maintenance of a culture of integrity beyond the mere adoption of anti-corruption measures, as one of the goals of an integrity program.

According to the CGU, these corporate values are essential to ensure that the company's credibility and reputation are safeguarded. Companies must demonstrate a commitment to act responsibly to ensure

"*sustainable, fair, and democratic economic and social development*," which includes, for example, adopting preventive measures against harassment in the workplace, respect for human rights, and preservation of the environment.

In November 2024, the CGU also launched the Guide "Integrity Program: Sustainable Practices for Private Companies" (the "Sustainable Practices Guide"), which reinforces the importance for companies to adopt ESG practices under their integrity programs. The Sustainable Practices Guide advises companies to ensure they have strong leadership commitment, risk management tailored to environmental and corruption-related vulnerabilities, and clear codes of ethics and procedures addressing environmental misconduct and illicit use of natural resources. Companies are also encouraged to provide ESG-focused training, maintain transparent and accurate financial records, and conduct rigorous due diligence on third parties throughout their supply chains. The Guide also draws attention to the importance of robust whistleblowing channels, continuous monitoring of the integrity program's effectiveness, and full transparency regarding environmental impact, public contracts, and sustainability initiatives.

ENFORCEMENT OVERVIEW

Since Operation Car Wash, Brazil has become a major player in the global fight against corruption. Brazilian regulators have been involved in some of the most significant FCPA enforcement actions to date. In addition, the U.S. DOJ and SEC have conducted dozens of investigations with connections to Brazil, including probes into Brazilian companies across various industries (*e.g.,* food, power/energy, oil and gas, steel, air transport, telecommunications, and banking) and foreign companies operating in Brazil, with Brazilian regulators involved in many of the investigations.

Brazil continues to actively cooperate in cross-border corruption investigations. In 2025, Brazilian authorities, in concert with Singaporean authorities, participated in the cross-border resolution entered into by Singapore-based companies Seatrium Limited and Jurong Shipyard, under which the companies agreed to pay approximately $130 million to Brazilian authorities. In 2025, Brazilian authorities also executed a Leniency Agreement with Trafigura Beheer B.V., a Dutch oil trading company, under which Trafigura will pay approximately $80 million to Brazilian authorities. In reaching the Trafigura resolution, Brazilian authorities actively cooperated with U.S. authorities during the investigation of the case, and the assistance of the Brazilian authorities was expressly acknowledged by the DOJ under its resolution executed with Trafigura in 2024. Brazilian authorities also executed a Leniency Agreement with Freepoint Commodities LLC in 2024 after cooperating in a parallel FCPA investigation conducted by the DOJ, which executed a Deferred Prosecution Agreement with the company in the previous year.

Brazil's participation in these significant cases follows its involvement in the Odebrecht, Braskem, Samsung, TechnipFMC, Glencore, and Stericycle settlements in prior years, among other cases, leading to recognition

by the OECD Working Group on Bribery that the country has "*helped deter foreign bribery by contributing to resolutions imposing some of the largest global fines to date.*"

Changes to Brazil's political atmosphere, however, have significantly impacted its fight against corruption. Former President Jair Bolsonaro, who won the presidency on an anti-corruption platform in 2018, appointed the main judge overseeing Operation Car Wash, Sergio Moro, as Minister of Justice. Moro resigned in April 2020, accusing then-President Bolsonaro of interfering in the Federal Police's organizational structure and investigative work. In March 2022, the Federal Police concluded its investigation of the matter, ruling that there was not sufficient evidence that Bolsonaro interfered in the Federal Police's activities.

Moro was subsequently elected as a senator in 2022, following a campaign based on an anti-corruption platform. The chief prosecutor of Operation Car Wash, Deltan Dallagnol, also ran for the Chamber of Deputies in 2022, after resigning from the Federal Prosecutor's Office amid investigations involving the use of funds allocated for Operation Car Wash. While Dallagnol was elected and took office in 2023, his election was subsequently revoked, as the Superior Electoral Court found that he was ineligible for office for resigning from the Federal Prosecutors Office under pending investigations.

Luis Inácio Lula da Silva, who was first elected president in 2002 and reelected in 2006, was arrested by order of then-Judge Sergio Moro and became ineligible to hold office after his conviction was affirmed in 2018 by an appellate court. However, Lula da Silva was elected to the presidency for a third term in 2022 after being released from prison and allowed to run for office following a Supreme Court decision finding that Judge Moro failed to act with impartiality while judging the Operation Car Wash criminal cases, therefore voiding the conviction and sentences imposed against Lula da Silva. President Lula da Silva took office again in January 2023 and, in the aftermath of his election, the Supreme Court confirmed Lula da Silva's defense thesis that the evidence produced in connection with Odebrecht's Leniency Agreement was void due to procedural mistakes by the prosecution. The decision, made originally at the request of Lula da Silva, impacted several criminal prosecutions that relied on evidence produced by Odebrecht. Recently, the Supreme Court voided the conviction of Jose Adelmario Pinheiro ("Mr. Léo Pinheiro"), former president of the OAS construction company and one of the most significant whistleblowers in Operation Car Wash, in September 2024. Based on the same reasoning, in 2025, the Supreme Court voided a number of Operation Car Wash's criminal prosecutions brought against several individuals, and other requests for the annulment of convictions and termination of criminal prosecutions are pending examination by the Supreme Court.

In this context, certain Brazilian political parties filed a lawsuit in 2023 ("Arguição de Descumprimento de Preceito Fundamental N. 1051" or "ADPF 1,051") requesting the suspension of penalty payments under several Leniency Agreements that were entered into under the scope of Operation Car Wash. The request for suspension argued that the amounts of the fines were very high, which would jeopardize the maintenance of the signatory companies, and that the MPF acted improperly in the negotiations of these agreements. Because Brazilian Leniency Agreements sometimes provide for payments in installments over a long period of

years, the request would benefit a number of companies that had amounts outstanding and that did not have obligations before enforcement authorities in other jurisdictions.

As a result of ADPF 1,051, the AGU and CGU coordinated a renegotiation of seven Leniency Agreements entered into with the companies (i) UTC Participações S.A.; (ii) Braskem S.A.; (iii) OAS; (iv) Camargo Corrêa; (v) Andrade Gutierrez; (vi) Nova Participações S.A.; and (vii) Odebrecht. In September 2024, the AGU and the CGU presented the final settlement proposal on restructuring the Leniency Agreements to the Brazilian Supreme Court. The main factors considered in these negotiations were maintaining economic activity, preserving and creating employment in the construction industry, preserving the public integrity agenda, safeguarding the Leniency Agreements in force, and reenforcing the consensual mechanism for overcoming judicial conflicts. The Supreme Court initiated the judgement of the case, and the reporting Justice, Mr. André Mendonça, approved the settlement proposed by the AGU and the CGU to grant more beneficial payment conditions for the above-mentioned companies, including extending payment schedules to match companies' ability to pay; using tax credits to settle part of the obligations; and compensating amounts already paid in related administrative and legal proceedings for the same facts. As of the preparation of this alert, the judgement of ADPF 1,051 was ongoing.

Brazil's efforts to combat corruption have been recognized by the OECD Working Group on Bribery, which issued its Phase 4 Report on Brazil on October 12, 2023. The report "commends Brazil for the vigor and creativity with which it has employed and further refined its legal and institutional framework for imposing corporate liability, which was first enacted in Phase 3" and acknowledges that "Brazil has successfully used Leniency Agreements, its primary non-trial resolution mechanism for companies to sanction foreign bribery," but notes the "lingering questions raised after evidence obtained through the Odebrecht Leniency Agreement was provisionally declared inadmissible for use in other proceedings." Despite this praise, the OECD Working Group on Bribery also expressed concern that "Brazil may not be able to sustain the level of foreign bribery enforcement that it achieved in recent years." Brazil will report again to the OECD Working Group in 2025, with information on the implementation of the recommendations made by the OECD under its Phase 4 Report.

Several legislative and regulatory changes have been enacted in recent years and impacted Brazil's anti-corruption activities, including: (i) Federal Law 14,230/2021 to reform the regime of the Improbity Law (Federal Law 8,429/92); (ii) the new Decree regulating the Clean Companies Act (Decree No. 11,129/2022) entered into force on July 18, 2022, revoking the previous regulation in force (Decree No. 8,420/2015); (iii) CGU's Normative Ruling N. 155/2024, regulating the Terms of Commitment; and (iv) the Brazilian Data Protection Law (Lei Geral de Proteção de Dados—"LGPD").

Below we highlight the most relevant recent settlements by Brazilian enforcement authorities. In addition, we examine how Brazil's anti-corruption framework, including the Clean Companies Act, has affected the negotiation and implementation of corporate settlements.

ENFORCEMENT HIGHLIGHTS

Recent Settlements

Anti-corruption enforcement against legal entities in Brazil declined in 2023 and 2024, after an active year in 2022. Based on publicly available information, from January 2024 to November 2025, the CGU and AGU entered into seven Leniency Agreements, while the MPF entered into two Leniency Agreements.

It is possible that in the next few years the number of agreements entered into will increase, considering that, according to the CGU, there are 18 agreements under negotiation.

In addition to the Federal Agencies, other actors have become increasingly relevant in anti-corruption enforcement over recent years, including the Brazilian State Comptroller Offices, State Prosecutor's Offices, Municipalities, and even some state-owned companies, including Petrobras. These agencies have the ability to enforce the Brazilian Clean Companies Act and, in the case of the State and Municipal authorities, enter into settlements.

Federal Agencies Settlements in 2025

As of the preparation of this alert, in 2025, the CGU and AGU entered into four Leniency Agreements. The CGU and AGU received seven proposals from companies seeking to negotiate Leniency Agreements in 2025, of which one is under negotiation and six were rejected. In addition, based on publicly available information, the MPF executed two Leniency Agreements. The Leniency Agreements entered into in 2025 are summarized below:

SEATRIUM Ltd., Estaleiro Jurong Aracruz Ltda. and Jurong Shipyard Pte. Ltd.

On July 30, 2025, Seatrium Limited, Jurong Shipyard Pte. Ltd., and Estaleiro Jurong Aracruz entered into a Leniency Agreement with the CGU and AGU, based on the provisions of the CCA. The agreement imposed a monetary penalty of BRL 728,309,320.80 (approx. $133 million), which included the fine provided by the CCA, disgorgement of profits, and compensatory damages.

Seatrium Limited and Jurong Shipyard Pte. Ltd. are Singapore-based companies operating in the shipbuilding and energy industries. The misconduct covered by the Leniency Agreement occurred between 2007 and 2014 and involved the payment of undue advantages to Brazilian public officials in connection with contracts with Petrobras, as well as related unlawful acts.

The MPF also executed a Leniency Agreement with the companies on September 18, 2025.

The agreement is the result of a coordinated negotiation involving the companies, the MPF, and Singapore's Attorney-General's Chambers ("AGC") concerning the same facts.

During the negotiations, the integrity programs adopted by the companies were reviewed, including their Code of Ethics and Conduct, compliance policies, and internal procedures and controls. As part of the Leniency Agreement, the companies committed to continuing the improvement of their integrity programs under the monitorship of the CGU.

Minerva S.A.

On May 9, 2025, Minerva S.A. entered into a Leniency Agreement with the CGU and AGU pursuant to the provisions of the CCA. Under the agreement, the company agreed to pay a monetary penalty of BRL 22,040,373.16 (approximately $4 million) to the Federal Government as a monetary fine.

The misconduct covered by the agreement refers to events that occurred prior to 2018 and involved the payment of undue advantages to agricultural inspectors of the Ministry of Agriculture and Livestock (MAPA) in Araguaína, in the state of Tocantins. The case was investigated under Operations Lucas and Vegas, which targeted the involvement of several food processing companies.

Minerva S.A. specializes in animal protein production, with both domestic and international operations. The company cooperated with authorities by providing information and documents that supported the investigations and enabled the prosecution of public officials involved in the misconduct. The legal benefits granted under the agreement reflect the company's collaboration with enforcement authorities.

During the negotiations, the company's integrity program was reviewed, and the enhancements adopted were acknowledged. As part of the agreement, Minerva S.A. committed to continuing the improvement of its governance and compliance policies, including control and oversight mechanisms, under the monitorship of the CGU.

Trafigura Beheer B.V.

On March 28, 2025, Trafigura Beheer B.V. ("Trafigura") entered into a Leniency Agreement with the CGU and AGU pursuant to the provisions of the CCA and the Improbity Law. Under the Leniency Agreement, Trafigura agreed to pay a monetary penalty of BRL 435,410,672.26 (approx. $81 million), covering both fines, disgorgement of profits, and compensatory damages to be paid to the Federal Government and Petrobras.

Trafigura is a global commodities trading company based on Switzerland, specializing in the purchase and sale of oil and oil derivatives. The misconduct covered by the Leniency Agreement occurred between 2003

and 2014 and involved the payment of undue advantages to public officials, through intermediaries, to obtain privileged information on trading operations conducted with Petrobras.

The Leniency Agreement was negotiated in coordination with the MPF, which executed a similar agreement with Trafigura on the same date. MPF's Leniency Agreement was officially approved by the MPF's Anticorruption Chamber (5th Chamber) on July 16, 2025.

The Brazilian authorities also acknowledged the cooperation of U.S. authorities during Trafigura's investigation. In 2024, Trafigura had pleaded guilty in the U.S. to resolve a parallel investigation conducted by the DOJ for violation of the FCPA concerning the same facts. This reflects a coordinated and collaborative effort between Brazilian and U.S anti-corruption agencies to address transnational corruption.

During the negotiations, the CGU and AGU assessed the Trafigura's integrity program, including its a Code of Ethics and Conduct, compliance policies, and internal control procedures. As part of the Leniency Agreement, Trafigura committed to enhancing its governance and compliance structures, both in its commercial operations and in the activities of its subsidiaries in Brazil, subject to the monitorship of the CGU.

QUALICORP Consultoria e Corretora de Seguros S.A.

On March 17, 2025, Qualicorp Consultoria e Corretora de Seguros S.A. ("Qualicorp") entered into a Leniency Agreement with the CGU and AGU under the provisions of the CCA. The Leniency Agreement included a monetary penalty of BRL 44,485,434.29 (approx. $8.2 million), including fines and disgorgement of profits, to be fully paid to the Federal Government.

The misconduct addressed in the Leniency Agreement took place between 2013 and 2014 and was investigated by the Federal Police. Negotiations of the leniency agreement began in 2021, when Qualicorp approached the CGU and AGU offering to collaborate in exchange for reduced sanctions The company cooperated by providing information and evidence from its internal investigation carried out by an independent Internal Investigation Committee, and by providing testimony from a former company director. As a result of its cooperation, Qualicorp obtained a reduction in the monetary fine imposed under the CCA.

The police investigation focused on (i) undue payments made by companies to avoid tax penalties and (ii) undeclared campaign donations (slush funds).

During the negotiations, the CGU evaluated the company's integrity program, including its a Code of Ethics and Conduct, compliance policies, and internal procedures. The company committed to maintaining and improving its integrity program, under the monitorship of the CGU.

Federal Agencies Settlements in 2024

In 2024, the CGU and AGU entered into three Leniency Agreements. The CGU and AGU received six proposals to negotiate Leniency Agreements in 2024, of which two are under negotiation and four were rejected. The three Leniency Agreements entered into in 2024 are summarized below:

Viken Shuttle AS, Viken Fleet I AS, and Viken Shipping AS

On June 13, 2024, the Norwegian companies Viken Shuttle AS, Viken Fleet I AS, and Viken Shipping AS (jointly referred to as "Viken") entered into a Leniency Agreement with the CGU and AGU concerning illicit acts foreseen in the Improbity Administrative Law. The Leniency Agreement included a monetary penalty of BRL 153,184,045.95 (approx. $27 million), which included the amount of undue advantages, compensatory damages, and fine provided for in the Administrative Improbity Law.

The CGU began investigating Viken in 2019, as part of its investigation of potential irregularities in the procurement practices of Transpetro International BV ("TI BV") a Netherlands-based subsidiary of Brazil's state-owned oil company Petrobras. Subsequently, in 2020, Viken began sharing information and negotiating with the CGU and AGU, in coordination with the MPF. Viken was involved in paying a commercial brokerage commission that a third party used to fund undue payments to a public official, in order to secure contracts with TI BV. Viken claimed that its representatives had no prior knowledge that the third party would make illicit payments and did not authorize or instruct them to do so, but admitted its strict liability for those payments.

In addition, Viken agreed to improve its compliance programs, which will be monitored by the CGU.

MicroStrategy Brasil Ltda

On July 4, 2024, MicroStrategy Brasil Ltda ("MicroStrategy"), a Brazil-headquartered software company, entered into a Leniency Agreement with the CGU and AGU related to illicit acts pursuant to the CCA between 2014 and 2018. The Leniency Agreement resolved investigations conducted by the Federal Police regarding irregularities related to bid rigging in information technology contracts entered into by the Ministry of Labor.

The Leniency Agreement included a monetary penalty of BRL 6,157,183.65 (approx. $1.1 million). This total amount included BRL 4,179,984.59 (approx. $750,000) in disgorgement of profits, with the remaining amount consisting of a fine as provided for in the CCA.

MicroStrategy also agreed to improve its compliance program, which will be monitored by the CGU.

Freepoint Commodities LLC

On November 14, 2024, Freepoint Commodities LLC ("Freepoint"), a U.S.-based commodities trading company, entered into a Leniency Agreement with the CGU and AGU to resolve violations of the CCA, in

connection with the payment of undue advantages to public officials through intermediaries between 2012 and 2018. These illicit payments aimed to obtain confidential information in trading operations of oil and oil derivatives with the state-owned company Petrobras.

The Leniency Agreement imposed a monetary penalty of BRL 131,253,647.32 (approx. $24 million). This amount includes the fine provided by the CCA, disgorgement of profits, and compensatory damages, to be paid to the Federal Government and Petrobras.

Freepoint cooperated with the Brazilian authorities during the resolution, which was reflected in the reduction of the amount of the fine imposed under the CCA. In addition, Freepoint agreed to enhance its governance and compliance program, including internal control mechanisms and oversight procedures, should it resume operations in Brazil.

The Leniency Agreement resulted from coordinated efforts between Brazilian and U.S. authorities. In December 2023, Freepoint executed a Deferred Prosecution Agreement with the DOJ to resolve an investigation into violations of the FCPA for the same facts. The cooperation of Brazilian authorities during the FCPA investigation was acknowledged by the DOJ.

Relevant Leniency Agreements Entered into by Brazilian States and Municipalities

Under the Clean Companies Act, States and Municipalities can also enter into Leniency Agreements with legal entities to resolve misconduct committed against the public administration at the state and municipal levels. In recent years, the use of Leniency Agreements by States and Municipalities to resolve corruption and fraud misconduct has expanded significantly.

In past years, the State of Rio de Janeiro entered into a Leniency Agreement with Novonor S.A. (formerly named Odebrecht S.A.), and the State of Minas Gerais entered into Leniency Agreements with Andrade Gutierrez, Construtora Coesa S.A., OEC S.A. and Novonor S.A.

On July 23, 2024, the Office of the State Comptroller of Mato Grosso do Sul entered into a Leniency Agreement with the companies Divali - Distribuidor de Veículos Vale do Ivinhema Ltda ("Divali Veiculos") and S A Picoli Transportes Ltda ("Trans Piloto"), with the companies agreeing to pay a total of BRL 701,119.14 (approx. $125,000). Although information on the topics included within the scope of the agreement is limited, it was disclosed that the companies also agreed to the adoption, application, or improvement of their compliance programs.

On April 17, 2025, the State of São Paulo (through its Office of the City Comptroller and the Office of the Attorney General) executed a Leniency Agreement with the company Microstrategy Brasil Ltda.

("Microstrategy"). Microstrategy self-reported the misconduct, which involved contracts executed with the Foundation for Educational Development ("Fundação para o Desenvolvimento da Educação—FDE"), and adopted measures to improve its compliance program. Under the Leniency Agreement, Microstrategy agreed to pay BRL 2,377,463.11 (approx. $440,000) as a fine imposed under the CCA, disgorge profits it received from the conduct, and provide reimbursement for damages.

On September 11, 2025, the Government of the State of Minas Gerais reinstated a Leniency Agreement with the construction company Andrade Gutierrez S.A. The Leniency Agreement, which was originally signed in 2021 concerning irregularities identified in the works of the Cidade Administrativa, the state government headquarters, was previously terminated in 2024 due to payment default. It imposes a monetary penalty of BRL 128.9 million (approx. $23 million), to be made in 32 quarterly installments of about BRL 4 million each. Although the official publication referred to "new facts" and "public interest" as grounds for reinstatement, further details of the renegotiated terms have not yet been disclosed. Under the reinstated agreement, Andrade Gutierrez is expected to resume payments in October 2025 and to settle outstanding obligations by the end of 2026.

In addition to States, Brazilian Municipalities have also begun to enter into Leniency Agreements. For example, on May 5, 2023, the Municipality of São Paulo (through its Office of the City Comptroller) entered into a Leniency Agreement with the company Medartis Importação e Exportação Ltda ("Medartis"). The agreement concerns Medartis's payments of bribes to doctors working in public hospitals in order to secure the use of products supplied by the company, as well as frauds in public bids. The negotiation of the Leniency Agreement resulted from an internal investigation conducted by Medartis's Compliance Department. The company agreed to pay BRL 10,280,060.36 (approx. $2.1 million) as compensatory damages and fines pursuant to the CCA.

Enforcement by State-Owned Companies

In addition to enforcement by Federal, State, and Municipal authorities, Brazilian state-owned companies are also authorized to enforce the CCA. To impose sanctions, state-owned companies are required to conduct an administrative proceeding and afford the potentially sanctioned entities an opportunity to present a defense.

As of September 2025, based on the Improbity Law, Public Bid Law and the CCA, Petroleo Brasileiro S.A. ("Petrobras") has imposed more than 360 sanctions on companies, Banco do Brasil S.A. has imposed over 170 sanctions, and Caixa Econômica Federal has imposed over 140 sanctions, sometimes more than one sanction per company.

Anti-Corruption Enforcement Update: France

RELEVANT FRENCH LAWS AND REGULATIONS: FRENCH CRIMINAL CODE, SAPIN II AND RELATED REGULATIONS

Overview of the Sapin II Act

In 2016, France instituted sweeping changes to its anti-corruption legal framework with the enactment of Act No. 2016 1691 on transparency, the fight against corruption and the economic modernization, known as the Sapin II Act ("Sapin II"). Sapin II modernized France's regulatory framework for identifying, investigating, and prosecuting corruption-related offenses. Specifically, Sapin II: (i) criminalized influence peddling by foreign public officials (*i.e.,* the use of their influence to obtain undue favors or treatment); (ii) extended France's jurisdiction with respect to certain corruption-related offenses; (iii) required companies of a certain size to adopt and implement anti-corruption compliance programs; (iv) introduced a settlement mechanism whereby companies may negotiate corporate resolutions (similar to some extent to the U.S. and UK's deferred prosecution agreements); (v) created a dedicated anti-corruption agency, the *Agence française anticorruption* (the French Anti-Corruption Agency, or "AFA"); (vi) introduced the possibility of a monitorship by the AFA; (vii) provided additional protections for whistleblowers; and (viii) imposed an obligation to disclose certain affiliations with lobbyists.

Sapin II expanded France's jurisdiction over public corruption and influence peddling offenses in two significant ways. First, it removed the "dual criminality" requirement under which acts committed abroad could only be prosecuted if the acts were criminalized both in France and in the country where they took place. Public corruption and influence peddling may now be prosecuted in France regardless of the nature of the laws where the conduct occurred. Second, Sapin II provides that French criminal laws against public corruption and influence peddling apply to any defendant that is a French national, ordinarily resides in France, or conducts part or all its business in France.

In addition, Sapin II established a mechanism by which potential victims of alleged corruption of a public official may trigger prosecution by filing a complaint with an investigative magistrate; thus, prosecutors no longer have the exclusive right to initiate a prosecution or action against a company for this offense.

The Convention Judiciaire d'Intérêt Public—The "French DPA"

Inspired by deferred prosecution agreement settlement mechanisms available in the U.S. and the UK, Sapin II created the *Convention judiciaire d'intérêt public* (the public interest judicial settlement, or "CJIP"), a settlement mechanism allowing companies a means to settle certain criminal matters, without necessarily a

conviction or admission of guilt. This alternative resolution mechanism is available only for legal entities and not for individuals. However, according to the *Parquet National Financier* (the French financial prosecutor, or "PNF"), the ordinary plea agreement procedure (*comparution sur reconnaissance préalable de culpabilité*, or "CRPC") remains available for individuals who agree to the alleged facts and admit guilt. Since the CJIP mechanism was established in 2016, 23 companies have relied on the CJIP to resolve charges of public corruption or influence peddling.

Pursuant to the French Code of Criminal Procedure, a CJIP must include one or more of the following: (i) payment of a public interest fine that is proportionate to the profit obtained from the breach, without exceeding 30% of the entity's average annual turnover over the last three years; (ii) implementation of a compliance program under the supervision of the AFA for a period of up to three years; (iii) transfer to the State of all or part of the assets seized as part of the legal proceedings; and (iv) where a victim is identified, compensation consistent with the amount and manner of harm caused by the offense, with payment being made within a year of the conclusion of the CJIP (see Article 41-1-2 of the French Code of Criminal Procedure). The AFA and the PNF, respectively in 2019 and 2023, issued guidance that sought to clarify the circumstances in which CJIPs would be available and addressed associated questions raised by the public and legal professionals.

Monitorships

Under French law, French courts can require (i) companies found guilty of corruption or influence peddling to undergo a compliance program monitorship under the supervision of the AFA for a period of up to five years, and (ii) companies that enter a CJIP to undergo an AFA monitorship for up to three years. In either instance, the AFA will report to the prosecution services at least annually regarding the company's implementation of its compliance program. The AFA is also authorized to rely on the support of "experts" or "qualified authorities," thus allowing for the engagement of corporate monitors, as in the U.S. and other jurisdictions, to assist regulators in determining whether a corporate defendant is meeting its settlement or court-ordered obligations.

In addition, Sapin II provides that the AFA may, at the request of the Prime Minister, verify compliance with the French "Blocking Statute," in cases where a company headquartered in France is subject to a monitorship arising from settlement of corruption or influence peddling offences with a foreign authority, and in that context, is required to transfer information to the foreign authority.

Affirmative Obligation to Implement a Compliance Program

Sapin II requires companies that meet certain criteria to implement a compliance program intended to prevent acts of corruption. Specifically, companies established under French law are subject to this requirement if they: (i) have at least 500 employees and an annual turnover of €100,000,000, or (ii) are part of a group with

at least 500 employees and an annual turnover of €100,000,000, and their parent company is headquartered in France. Where these criteria are met, the company, its subsidiaries, as well as its president, chief executives (*directeurs généraux*) and managing directors (*gérants*) are all required to ensure that the company implements an adequate compliance program.

The AFA

The AFA has primary responsibility for ensuring compliance with the obligation to implement a compliance program. As a result of its reorganization in December 2024, the AFA is composed of two divisions: (i) the Advisory Division, which provides recommendations and support to public and private sector actors regarding compliance programs and preventing corruption, and (ii) the Control Division, which oversees companies' compliance with the compliance program-related requirements defined by Sapin II as well as obligations arising out of monitorships resulting from a CJIP or a court ruling. The AFA's Sanctions Commission has the authority to impose administrative sanctions, and may also refer cases to prosecutors for criminal enforcement. Through its 2024 reorganization, the AFA also established an Observatory on Breaches of Integrity (*Observatoire des atteintes à la probité*), which is responsible for analyzing various forms of corruption, developing methods and tools against it, and promoting good practices.

The AFA may, on its own or at the request of a French official, initiate an audit process (known as a "control") to assess an entity's compliance with the Sapin II requirements as regards the content of the anti-corruption compliance program. An AFA control typical involves a multi-stage assessment, including written submissions, document requests, and interviews with company personnel and, in certain circumstances, external parties. Controls may result in a written request that the company take actions to enhance its compliance program or in referrals leading to proceedings before the AFA's Sanctions Commission, which may impose fines on entities and individuals and/or issue an injunction ordering the company to take actions to adopt or enhance its compliance program. As of December 31, 2024, the AFA had conducted 266 controls, of which 165 involved private companies and 101 involved public entities.

RELEVANT GUIDANCE

The AFA has issued various recommendations and practical guides designed to provide more details on the compliance with France's anti-corruption framework, and the management of corruption risks within specific activities and industries. Several of the guides and other publications have been co-published with other regulatory agencies, including the PNF and the *Commission nationale de l'informatique et des libertés* ("CNIL").

On July 9, 2025, the French Financial Markets Authority ("AMF") and the French Anti-Corruption Agency ("AFA") issued a joint statement regarding the growing risk of private corruption by criminal organizations seeking to obtain and use insider information for French or foreign-listed companies, for example with

respect to potential takeover bids, financial results or other sensitive information, which could in turn be used for profitable trading or resale to third parties. The AFA-AMF warns that insider networks have been using increasingly sophisticated methods including offers of money or gifts to individuals with access to insider information.

The AFA-AMF warning targets publicly listed companies holding sensitive information, especially those subject to Sapin II, and urges them to strengthen their compliance programs regarding this risk. Recommended measures include integrating insider networks scenarios into their anti-corruption risk mappings, identifying and training employees and third parties with access to sensitive information, updating codes of conduct with specific examples, enforcing strict gifts and hospitality policies, and reminding employees of the company whistleblowing system.

In July 2025, the AFA also shared a public consultation aimed at publishing a practical guide on how companies subject to Article 17 of Sapin II and small and medium enterprises ("SMEs") can optimize the implementation of third-party due diligence measures.

RELEVANT AFA PRACTICE TRENDS

In December 2024, the AFA underwent a strategic reorganization, creating separate sub-directorates for private and public actors to address their different risk and compliance needs.

The AFA also shifted its approach to corruption issues between public entities and private economic actors. This new approach was marked by an increased number of controls related to public entities. In 2024, the AFA carried out 17 controls of public entities, bringing the total number of controls to 101 since 2018. The AFA also carried out 10 initial controls regarding economic actors, bringing the total number to 165. Further, the AFA and the Association of French Mayors published a joint practical Guide for Local Elected Officials to help them manage risks related to integrity.

In 2024, the AFA equipped itself to better address external reports, observing an increase in external reports between the end of 2024 and the beginning of 2025, with 58 external reports compared to 34 external reports in 2023.

The AFA also focused on the close relationship between corruption and organized crime, following from the findings from an investigation by a French Senate Commission regarding an increase in acts of corruption in the context of drug trafficking. The AFA also conducted several controls of port infrastructures and issued a report regarding corruption risks specific to such area. Some of the AFA's conclusions were included in a new law on drug trafficking which was adopted in June 2025 (*Loi n° 2025-532 du 13 juin 2025 visant à sortir la France du piège du narcotraffic*).

SELECTED RECENT ENFORCEMENT ACTIONS

2024

AREVA SA—DECEMBER 2, 2024

On December 2, 2024, Areva SA ("Areva"), a French nuclear power multinational company majority-owned by French public entities, and Orano Mining SAS ("Orano"), the successor company to Areva in the project as of 2018, signed a CJIP with the PNF to resolve allegations of corruption of foreign public officials. The allegations related to Areva's uranium exploration and mining operations in Mongolia. Under the terms of the CJIP, which was validated on December 9, 2024, Areva agreed to pay a public interest fine of €4,800,000.

In May 2015, TRACFIN, the French Financial Intelligence Unit, reported a suspicious transaction of €725,000 between Eurotradia International ("Eurotradia"), a consultant working for Areva since July 2010, and a Mongolian businessman ("Mr. X").

The PNF's investigation revealed that between 2013 and 2017, Areva paid Eurotradia €4,000,000 under a consultancy agreement related to support for obtaining mining licenses and developing uranium operations in Mongolia. Between April 2014 and May 2017, Eurotradia paid approximately €1,275,000 to Mr. X with the goal of securing mining and exploration licenses in Mongolia. A majority of the funds paid to Mr. X were invested in a real estate project 80% owned by a senior Mongolian public official involved in the licensing process. Another portion of the funds paid to Mr. X, $251,600, also benefited a second senior Mongolian public official who was involved in negotiating a shareholders' agreement between Areva and Non-Atom LLC ("Non-Atom"), a Mongolian state-owned company, in 2013 under which Non-Atom would acquire a 34% stake in a Areva's Mongolian affiliate in order to comply with Mongolian nuclear energy law.

While Mr. X did not play a decisive role in awarding the licenses or signing the shareholders' agreement, the PNF found that these acts constituted corruption of foreign public officials within the meaning of Article 435-3 of the French Criminal Code. When determining the amount of the public interest fine of €4,800,000, the PNF considered aggravating factors such as the size of the company, the use of intermediaries to conceal the conduct, and the involvement of high-level officials. The PNF also took into account certain mitigating factors, such as corrective measures already adopted by Areva, internal investigations conducted by Areva and Orano, and the cooperation of both companies, which included sharing the results of their internal investigations and answering the PNF's questions. The CJIP imposed a public interest fine on Areva, but also required Orano, as the acquirer of Areva's mining rights, to undergo a three-year compliance monitorship under the AFA's supervision.

2025

PAPREC—February 10, 2025

On February 10, 2025, Paprec Group ("Paprec"), a public limited company held by Paprec Holding, entered into a CJIP with the PNF to resolve allegations of money laundering, favoritism or concealment of favoritism, active and passive corruption of a person entrusted with a public service mission, and unlawful collusion. Under the terms of the CJIP, which was validated on February 11, 2025, Paprec agreed to pay a public interest fine of €17,538,990.

A criminal investigation was opened following the receipt by the PNF of reports from the *Brigade Interdépartementale d'Enquêtes de Concurrence de Lyon* ("BIEC") in Lyon, in June 2020 and April 2021, which first identified the potential misconduct.

The investigation, which was conducted by Paris' Gendarmerie Research Section and the BIEC, confirmed the allegations and found that between 2016 and 2022, Paprec's President made several undeclared cash withdrawals of approximately €1,780,000 from the bank accounts of one of Paprec's subsidiaries, Paprec France. The withdrawals artificially increased Company expenses, and the destination of the withdrawn funds was not disclosed. In addition, the investigation revealed that between 2013 and 2022, Paprec's President and Vice President obtained undue advantages from public officials, including information regarding bids for projects related to public contracts. The investigation also found that Paprec colluded with its competitors in the recycling and waste industry to limit market access and free competition.

The PNF determined that Paprec gained €6,989,000 in profits from the conduct, and estimated a maximum fine of €722,280,000. Ultimately, the PNF imposed a public interest fine of €17,538,990, which included a punitive fine of €13,348,990 and restitution of ill-gotten gains of €4,190,000. The latter took into account the fact that a portion of the profits of the scheme had not yet been realized. In determining the amount of the fine, the PNF weighed several aggravating and mitigating factors, including Paprec's status as a leading player in its industry, Paprec's legal history, the inadequacy of Paprec's compliance program, as well as corrective measures implemented by Paprec. Pursuant to the CJIP, Paprec agreed to undergo a three-year compliance monitorship under the supervision of the AFA.

KLUBB France SAS—February 10, 2025

On February 10, 2025, KLUBB France SAS ("Klubb"), a French company specializing in the design and manufacture of aerial work platforms, entered into a CJIP with the PNF to resolve allegations of corruption of foreign public officials in connection with a public procurement contract in Algeria. Under the CJIP, which was validated on February 11, 2025, Klubb agreed to pay a public interest fine of €558,024.

According to the criminal investigation, Klubb's Chief Executive Officer disclosed irregular payments made in connection with a major Algerian public contract for the supply of ambulances. Between 2018 and 2021, Klubb made a series of wire transfers totaling €607,450.87 to three companies ("Pro Service," "Contact Pro," and "Sagest"). These funds were subsequently converted into cash and allegedly passed through a Pakistani intermediary to pay off a senior public official with ties to the Algerian military. The payments were made in an effort to secure the execution of a 2018 framework contract for the delivery of 280 ambulances, valued at €27,000,000—ultimately, only 100 ambulances were sold for a total of €9,660,840.

According to Klubb's representatives, the payments were made as a result of persistent and coercive pressure from the Algerian public official, in order to obtain purchase orders from the Algerian State. The investigation concluded that Klubb made profits of approximately €384,844 from the scheme.

The PNF found that the conduct constituted acts of corruption of foreign public officials as defined under Article 435-3 of the French Criminal Code. In fixing the amount of the public interest fine, the PNF took into account several aggravating factors including the use of falsified invoices and intermediary companies to conceal the payments, as well as the involvement of a high-level foreign public official. The PNF also recognized certain mitigating circumstances, including Klubb's full cooperation throughout the investigation and its acknowledgement of the facts as set forth in the CJIP. Based on those elements, the PNF imposed a €558,024 public interest fine on Klubb. Under the CJIP, Klubb also agreed to undergo a three-year compliance monitorship supervised by the AFA.

IDEMIA—JUNE 2, 2025

On June 2, 2025, Idemia France ("Idemia"), formerly Oberthur Technologies ("OT"), an affiliate of François-Charles Oberthur Fiduciaire ("FCOF"), signed its second CJIP with the PNF, this time to resolve allegations related to corruption of foreign public officials as well as laundering of the proceeds of this offence, in connection with banknote printing contracts in Angola between 2007 and 2011. Under the CJIP, Idemia agreed to pay a public interest fine of €15,541,130. No compliance monitoring program was imposed, as Idemia had ceased its banknote printing business years before the case began.

The matter arose after an anonymous letter containing allegations regarding Idemia's fiduciary activities in Angola was sent to the *Brigade de répression de la délinquance économique* in Paris. The allegations referred to false invoices and the use of intermediary companies incorporated in Hong Kong and Lebanon.

A preliminary investigation opened in March 2011 revealed that senior executives of FCOF had established two companies in Hong Kong ("OSI" and "SPI") in December 2003, to act as billing intermediaries with the National Bank of Angola ("BNA") for the supply of banknotes and related services. Between 2005 and 2011, these entities issued invoices worth several tens of millions of euros and U.S. dollars, by utilizing a complex

structure of cross-invoicing and fund transfers. The criminal investigation, formally opened in 2013, found that a network of intermediary companies in Hong Kong and Lebanon (including OSI and SPI) was used to re-invoice services performed by OT and FCOF for the BNA, and to pay substantial commissions of up to 35% of amounts received by the BNA to Montefiore Trading Corporation, a Panamanian company beneficially owned by a local agent. The investigation also found that $855,328 was transferred in 2009 to a former BNA governor. In 2011, following a corporate reorganization, Idemia permanently ceased its fiduciary activities.

The PNF concluded that the conduct between 2007 and 2011 constituted corruption of foreign public officials and laundering of its proceeds, in breach of Articles 435-1, 435-3 and 324-1 of the French Criminal Code. When defining the amount of the fine, the PNF took into account aggravating circumstances such as the use of complex offshore structures and the involvement of a foreign public official, as well as mitigating factors, including Idemia's exit from the fiduciary sector before the opening of the investigation and its full cooperation with the authorities.

EXCLUSIVE NETWORKS CORPORATE SAS—June 16, 2025

On June 16, 2025, Exclusive Networks Corporate SAS ("EXN"), a French company specializing in cybersecurity, signed a CJIP with the PNF to resolve allegations of corruption involving foreign public and private agents in connection with commercial activities in Asia. The CJIP, which was validated on June 19, 2025, imposed a public interest fine of €16,074,511, and required EXN to undergo a three-year compliance monitorship under the supervision of the AFA, although early termination of the AFA monitoring program may occur after two years if substantial compliance is confirmed.

The investigation originated from a whistleblower report dated January 22, 2021, through which a former risk and compliance manager of EXN reported suspicious practices in Indonesia, Malaysia, Vietnam, Thailand, and India. The whistleblower alleged that he uncovered an estimated €3,700,000 in improper payments across five countries through compliance audits in 2019.

The preliminary investigation revealed that between 2016 and 2022, a series of payments worth approximately €4,235,401 were provided to 65 third parties without any commercial justification. The payments were often disguised through agents, resellers, and intermediaries, and some funds appeared to benefit public officials or final private customers. Although documents from the internal audits indicated that clients exerted pressure by demanding compensation linked to procurement decisions, the investigation revealed that the misconduct partially stemmed from inherited practices following EXN's acquisition in 2015 of a Singaporean company named Transition Systems Asia.

The PNF considered the conduct as acts of private corruption and corruption of foreign public officials as defined by Articles 435-3, 445-1, and 121-2 of the French Criminal Code. EXN earned an estimated €8,930,284

from the conduct. When determining the amount of the public interest fine, the PNF considered aggravating factors, such as the systemic nature of the conduct, the inadequacy of EXN's compliance program, and the use of tools to conceal the conduct, as well as mitigating factors, including the relevance of EXN's internal investigations and the effectiveness of its whistleblower system.

SURYS—JULY 8, 2025

On July 8, 2025, Surys Company ("Surys"), a French security printing company formerly known as Hologram Industries, entered into a CJIP with the PNF to resolve allegations of corruption of foreign public officials, misappropriation of public funds, and money laundering for Surys' role in a scheme which involved overbilling via an intermediary, tripling prices, and channeling funds to benefit Ukrainian officials. Under the CJIP, which was validated on September 3, 2025, Surys agreed to pay a public interest fine of €18,363,007.

The misconduct was uncovered in 2021 after Ukraine's National Anti-Corruption Bureau ("NABU") issued a request for legal assistance related to acts of abuse of power and money laundering allegedly committed by executives of Ukrainian state-owned entity Polygraph Combinat Ukraina ("PCU"). The alleged misconduct occurred within the context of PCU's trilateral commercial relationship with OU Feature (an Estonian company) and Surys under which PCU purchased raw materials from OU Feature who, in turn, sourced them from Surys. In 2023, the PNF accepted the request for assistance and formally joined a joint investigation with authorities from Estonia and Ukraine into the misconduct.

The investigation revealed that in 2014 Surys and OU Feature entered into a contract for the production and supply of holograms, and that Surys assigned the IP rights over the holograms to OU Feature. Between 2014 and 2018, Surys supplied holograms to PCU through OU Feature, which acted as an intermediary. OU Feature invoiced PCU at prices three times higher than Surys charged OU Feature, creating inflated payments. In 2018, Surys and PCU entered into a direct contract; however, OU Feature remained involved via a licensing agreement pursuant to which OU Feature was entitled to royalties and commissions. From 2018 to 2021, PCU paid Surys over €22,000,000, €7,000,000 of which Surys transferred to OU Feature. These funds ultimately benefited PCU's director and his relatives.

According to the CJIP, Surys made an estimated profit of €17,700,000 from the scheme. The PNF imposed a public interest fine of €18,363,007, which includes the €17,700,000 in ill-gotten gains and a punitive fine of €663,007. In determining the amount of the public interest fine, the PNF considered aggravating factors like the use of means to conceal the conduct and the involvement of a foreign public official, as well as mitigating factors including the departure from Surys of individuals involved in the misconduct, Surys's acknowledgement of the facts, and the fact that Surys offered compensation to Ukraine in the amount of €3,377,000. Under the CJIP, Surys also agreed to undergo a three-year compliance monitorship under the AFA's supervision.

Anti-Corruption Enforcement Update: United Kingdom

OVERVIEW

The UK Bribery Act

The UK Bribery Act 2010 ("Bribery Act") contains four categories of offenses: (i) offenses of bribing another person (*i.e.,* bribery of private persons); (ii) offenses related to being bribed; (iii) bribery of foreign public officials; and (iv) failure of a commercial organization to prevent bribery.

The first category prohibits a person or company from offering, promising, or giving a financial or other advantage: (a) in order to induce a person to improperly perform a relevant function or duty; (b) to reward a person for such improper activity; or (c) where the person knows or believes that the acceptance of the advantage is itself an improper performance of a function or duty.

The second category of offenses prohibits a person from requesting, agreeing to receive, or accepting such an advantage in exchange for performing a relevant function or activity improperly.

The third category of offenses, bribery of foreign public officials, is the most similar to the FCPA. Under the Bribery Act, a person or company who offers, promises, or gives any financial or other advantage to a foreign public official, either directly or through a third-party intermediary, commits an offense when the person's intent is to influence the official in his capacity as a foreign public official and the person intends to obtain or retain either business or an advantage in the conduct of business. In certain circumstances, offenses in this category overlap with offenses in the first category, which generally prohibits both foreign and domestic bribery. The overlap between the general bribery offenses and the offenses relating to bribery of foreign officials provides prosecutors the flexibility to bring general charges when a person's status as a foreign official is contested or to seek foreign official bribery charges when an official's duties are unclear.

Most significantly for large multinational corporations, the Bribery Act creates a separate offense for failure to prevent bribery, applicable to any corporate body or partnership conducting part of its business in the UK. Under this provision, a company is responsible for an offense where an "associated person" commits an offense under either the "offenses of bribing another person" or "bribery of foreign public officials" provisions, unless the company can show it had in place "adequate procedures" to prevent bribery. An "associated person" includes any person who performs any services for or on behalf of the company, and may include employees, agents, and subsidiaries, as well as subcontractors and suppliers to the extent they perform services on behalf of the organization.

Economic Crime and Corporate Transparency Act ("ECCTA")

On 1 September 2025, the UK introduced the new "failure to prevent fraud" offence ("FTPF") under section 199 of the ECCTA. Large organizations—those meeting at least two of the following thresholds: turnover over £36 million, balance sheet over £18 million, or more than 250 employees—will face strict liability if an associated person (such as an employee, agent, or subsidiary) commits a specified fraud offence intending to benefit the organization or its clients. This offence applies to UK entities and non-UK organizations with a UK nexus, and conviction can result in unlimited fines. The only statutory defense is demonstrating that reasonable procedures were in place to prevent fraud.

RELEVANT GUIDANCE AND UPDATES

The Serious Fraud Office ("SFO") is the UK agency responsible for investigating and prosecuting violations of the Bribery Act. Over the past several years, it has published insightful guidance regarding cooperation with the agency's investigations, the standards that it uses to evaluate compliance programs, and the use of deferred prosecution agreements. In 2025, the SFO published two updates to its guidance. On August 18, 2025, the UK's Crown Prosecution Service ("CPS") and SFO issued joint updated guidance on the prosecution of corporate offences. On November 26, 2025, the SFO updated its guidance on evaluating a corporate compliance program. These updates, together with the SFO's other main guidance, are discussed below.

SFO Corporate Cooperation Guidance

In August 2019, the SFO issued guidance as to the steps that a company should take to earn cooperation credit from the SFO during an investigation. The SFO explained that cooperation requires companies to go "above and beyond what the law requires," including by identifying suspected wrongdoing and the individuals responsible, and reporting it to the SFO within a reasonable amount of time, as well as preserving evidence and providing it promptly in an "evidentially sound format."

Examples of Cooperation: The guidance provides examples of actions that would constitute cooperation. In particular, entities should preserve digital and hard-copy materials; provide these materials promptly and in an organized manner; promptly inform the SFO of any suspected data loss, deletion, or destruction; identify material held by third parties and assist with its production; identify material that may undermine the case of prosecution; and provide a list of withheld documents due to privilege and the basis for the assertion of privilege.

Examples of Uncooperative Behavior: The guidance also provides examples of actions that are "inconsistent" with cooperation, such as protecting certain individuals, wrongly blaming others, notifying individuals that they are the subject of an investigation (thereby creating a risk of tampering with evidence or altering testimony), and tactical delays or "information overloads."

Privilege: The guidance states that a company that chooses to invoke a valid privilege claim will (ostensibly) not be penalized by the SFO but will also not earn cooperation credit.

SFO Guidance on Evaluating Compliance Programs

In January 2020, the SFO published its internal guidance on how it evaluates the compliance programs of organizations that are being investigated and prosecuted. The guidance describes the SFO's views on the impact that compliance programs have on various key decisions in investigation and prosecutions, how the SFO investigates the effectiveness of compliance programs, and what it believes constitutes an effective compliance program.

Relevance of Compliance Programs

The SFO examines an organization's compliance program when making certain key decisions in investigations and prosecutions, such as deciding whether moving forward with a prosecution would be "in the public interest," whether resolving the allegations through a DPA would be appropriate, and how to make certain sentencing determinations. In addition, prosecutors and investigators must consider whether a company could invoke the affirmative "adequate procedures" defense to allegations of failure to prevent bribery brought under the Bribery Act, which could alter charging decisions.

Evaluating Compliance Programs During Different Stages of Investigation and Prosecution

The guidance directs prosecutors to consider the state of a company's compliance program as it existed during different relevant periods. This includes considering the program at the time of the offense, at the time of the investigation or charging decision, and even considering how the program may change going forward through remedial measures. The guidance confirms that compliance efforts that fall short of preventing misconduct at the time of the offense can nevertheless benefit an organization in charging and settlement decisions, depending in part on whether the company has undertaken remedial compliance measures after learning of misconduct to improve their compliance programs.

Deciding whether to prosecute: An ineffective compliance program at the time of the offense will weigh in favor of prosecution, while an effective program, even though it did not prevent the misconduct, may weigh against prosecution. Likewise, a company that took remedial efforts to improve its compliance program between the time of the offense and the charging decision is less likely to be prosecuted, while a company that failed to take remedial measures is more likely to face charges.

Evaluation of Defenses: In evaluating whether a company will be able to invoke the "adequate procedures" defense to a charge of failure to prevent bribery, prosecutors look to the state of the compliance program at the time of the offense. If a company had in place an effective program, it is more likely to successfully invoke

this affirmative defense. While it will be up to the company itself to establish this defense in court, prosecutors also make this evaluation themselves to make charging decisions.

Sentencing: The state of a company's compliance efforts, both at the time of the offense and at the time of the charging decision, will be relevant to sentencing issues. Courts will credit companies for their compliance efforts during both periods when making a sentencing determination.

Deferred Prosecution Agreements: Companies that have engaged in serious remedial efforts are more likely to be considered candidates for DPAs than unreformed entities. Similarly, prosecutors will consider how a company may be able to improve its compliance efforts going forward through terms imposed by a DPA. Specifically, a DPA may be appropriate in certain circumstances where a company does not yet have an effective compliance program, but the DPA can be used to require it to implement compliance improvements.

Investigating Compliance Programs

Investigators can use a variety of tools to obtain information about a company's compliance program, including voluntary or compelled disclosures and interviews and other similar practices. Companies should maintain written records of their compliance efforts, including their due diligence on third parties, training, and audits, which can be used to demonstrate the effectiveness of the program, as well as their dedication to compliance practices, to investigators and prosecutors.

Substantive Guidance on Effective Compliance Programs

The guidance acknowledges that there is no single best approach to compliance that works for all companies. Instead, a compliance program must be designed to address a company's specific risks, and it will differ in scope depending on the size and risk profile of an organization. Larger organizations, or those in high-risk sectors, will likely need dedicated compliance departments and more stringent controls, while others can likely use less burdensome approaches.

The guidance points to the six principles of effective compliance programs previously outlined in the Ministry of Justice's 2011 guidance as a good framework for effective compliance efforts:

1. **Proportionate Procedures:** a compliance program's policies and procedures should be commensurate with the company's risk profile.

2. **Top Level Commitment:** senior management must be committed to the compliance program, actively involved in its design and implementation, and foster a culture of compliance.

3. **Risk Assessment:** companies must conduct risk assessments that evaluate internal and external risk factors, and use the results of these assessments to properly tailor the company's compliance program.

4. **Due Diligence:** compliance programs must include appropriate risk-based due diligence procedures that cover relationships with third parties, employees, and mergers and acquisitions.

5. **Communication (and Training):** companies must ensure that employees and relevant third parties are familiar with the compliance program and the various compliance risks facing the company. This includes issuing communications to employees and conducting targeted training, particularly for those in higher-risk positions.

6. **Monitoring and Review:** Companies must have appropriate procedures for monitoring and reviewing their compliance programs and employee conduct, to ensure their programs are effective and to make adjustments as necessary.

2025 Updates

On November 26, 2025, the SFO updated its guidance on when the SFO may evaluate a company's compliance program to incorporate the new FTPF offence under the ECCTA (described above). The updated guidance lays out six scenarios where such an evaluation of a company's compliance program may be necessary:

1. A prosecution of the organization is in the public interest;

2. To consider a deferred prosecution agreement ("DPA");

3. To include compliance terms and/or a monitorship as part of a DPA;

4. An organization has a defense of "adequate procedures" to a charge of failure of a commercial organization to prevent bribery;

5. An organization has a defense of "reasonable procedures" to a charge of failure of a commercial organization to prevent fraud; and

6. The existence and nature of the compliance program is a relevant factor for sentencing considerations.

The SFO emphasized its goal of preventing fraud, bribery, and corruption, stating that "having policies, procedures, and controls in place does not automatically mean a compliance program is effective." The SFO also made it clear that any assessments will be made on a case-by-case basis, looking to the specific circumstances of a given organization.

SFO Deferred Prosecution Agreement Guidance

In October 2020, the SFO released its internal guidance for prosecutors on the use of DPAs. As with the compliance guidance discussed above, this guidance provides useful insight into the SFO's practices surrounding the use of DPAs and its interpretation of statutes and regulations that apply to the use of such agreements.

DPAs in the UK are similar to their U.S. counterparts in that they involve the suspension of charges against a company for a set period of time, during which the company is required to comply with certain negotiated obligations. If the company meets its obligations, the charges will be dismissed at the end of the term. In the UK, DPAs are only available for settlements with legal entities, and can only be used for certain economic crimes such as bribery, fraud, and money laundering.

Appropriateness of Entering into a DPA

The guidance states that before entering into a DPA with a company, prosecutors must first satisfy a two-part test. First, prosecutors must satisfy that (i) there is either enough evidence to establish a reasonable prospect of conviction, or (ii) there is a "reasonable suspicion" based on admissible evidence that the company has committed an offense, and there are reasonable grounds for believing that further investigation would uncover evidence sufficient to establish a reasonable prospect of conviction. Second, resolution of the matter through a DPA—as opposed to a prosecution—must be in the public interest.

To determine if the use of a DPA is in the public interest, prosecutors will consider a number of factors, including cooperation, self-reporting, compliance efforts at the time of the offense, history of similar misconduct, the degree of harm caused by the conduct, the collateral consequences of a conviction, and mitigating measures taken by the company, among other things.

The guidance makes clear, however, that no company is entitled to a DPA, and that negotiations regarding a potential DPA are no guarantee that the DPA will ultimately be offered.

DPA Terms

According to the guidance, a DPA must include a statement of facts (that the company must certify as truthful and accurate), the terms of any financial penalties, cooperation requirements, and the scope and term of the agreement. The agreement should also address requirements to enhance the company's compliance program, including potentially the use of an independent monitor.

Joint SFO-CPS Corporate Prosecution Guidance

On August 18, 2025, the UK's Crown Prosecution Service ("CPS") and Serious Fraud Office ("SFO") issued updated guidance setting out the common approach of the CPS and SFO to the prosecution of corporate offenses.

In this updated guidance, which incorporates the new FTPF offence under the ECCTA, the CPS and SFO laid out that it is preferable to prosecute all connected offenders together, and that prosecuting a corporation is not a substitute for prosecuting criminally culpable individuals. Corporate criminal liability can be established under statutory provisions or common law, but the joint guidance states that it is preferable to use statutory routes, as there are clearer legal tests than there are under common law. Corporations can be held liable under theories of attribution, failure to prevent, identification, and vicarious liability. The guidance discussed evidentiary concerns and considerations relevant to coordination and referrals between agencies. The guidance also discussed public interest factors to be considered when prosecutors make a charging decision, including a history of similar conduct, a failure to report the extent of wrongdoing, and the level of harm caused.

ENFORCEMENT UPDATES

The SFO had a relatively quiet year in 2025. Under the leadership of Director Nick Ephgrave, the SFO secured one new conviction of AOG Tecnics director Jose Alejandro Zamora Yralda, and continued to prosecute individuals in connection with the Glencore matter. The SFO also brought charges against United Insurance Brokers Limited ("UIBL") for failure to prevent fraud, and announced an investigation into the Basis Markets cryptocurrency scheme.

Jose Alejandro Zamora Yralda

On December 1, 2025, the SFO secured the conviction of Jose Alejandro Zamora Yralda, the director of AOG Technics, a company that sold aircraft engine parts with forged documentation. Zamora Yralda pleaded guilty to operating his company for a fraudulent purposes. From 2019 to 2023, Zamora Yralda falsified documentation related to the origin and status of engine parts used in Boeing 737 and A320 airplanes. In 2023, airplanes across the world were grounded after discovery of the fraud. Zamora Yralda's sentencing is scheduled for February 23, 2026.

Glencore

On August 1, 2024, the SFO charged five former Glencore Plc ("Glencore") executives—Alex Beard (Head of Oil Services), Andrew Gibson (Head of Oil Operations), Paul Hopkirk (Senior Trader), Ramon Labiaga (Senior Trader), and Martin Wakefield (Senior Trader)—with conspiring to make corrupt payments to government officials and officials of state-owned companies in Nigeria, Cameroon, and Côte d'Ivoire (Ivory Coast)

between 2007 and 2014. Gibson and Wakefield were additionally charged with conspiring to falsify invoices related to a Nigerian oil consultancy from 2007 to 2011. On August 9, 2024, the SFO announced charges against two additional, unnamed individuals, one of whom was later identified as former Glencore employee David Perez.

On November 10, 2025, arraignments were held for Wakefield, Perez, Hopkirk and Labiaga. All four defendants pleaded not guilty to all charges. Trial is currently set for October 4, 2027.

These individual charges follow Glencore's 2022 coordinated resolutions with the SFO, the U.S. DOJ and CFTC, and Brazilian authorities, in connection with Glencore's schemes to pay bribes to government officials in multiple countries and to manipulate commodity prices. In its resolution with the SFO, Glencore's UK subsidiary, Glencore Energy UK Limited, pleaded guilty to seven counts of bribery and agreed to pay more than £280 million in fines in connection with schemes to obtain preferential treatment and access to oil markets across Africa by bribing government officials.

UIBL

On April 17, 2025, the SFO announced that it had charged UIBL with failure to prevent bribery. Between October 2013 and March 2016, UIBL allegedly failed to prevent associates from bribing state officials in Ecuador. The SFO alleged that UIBL's US-based intermediaries for Ecuador paid bribes in exchange for awarding UIBL insurance contracts worth $38 million. If it proceeds to trial, this will be the first time a "failure to prevent bribery" case is heard by a jury.

Basis Markets Cryptocurrency Investigation

On November 20, 2025, the SFO announced its first major cryptocurrency investigation into suspected fraud. The SFO launched an investigation into a $28 million cryptocurrency scheme called Basis Markets. In 2021, Basis Markets raised $28 million via two public fundraises but later informed investors that, due to proposed US regulations, the project could no longer proceed. SFO investigators, working closely with the police, have conducted two raids and arrested two men on suspicion of multiple fraud and money laundering offences.

Chapter

4 Anti-Corruption Efforts of Multilateral Development Banks

Multilateral Development Banks Sanctions

Multilateral development banks ("MDBs") are international financial institutions established and managed by sovereign states. These institutions support economic development in their member countries by funding large public infrastructure projects, mobilizing private sector investment, sharing technical expertise, and through other related mechanisms. MDBs also play a significant role in the global fight against corruption. Several MDBs have established administrative investigations and sanctions systems to review allegations of corruption, fraud, collusion, and other similar misconduct (collectively, "Sanctionable Practices" or "Prohibited Practices") by parties participating in the transactions they finance or administer, and to impose related sanctions.

MDB sanctions include formal censure or reprimand, debarment (ineligibility to participate in financed projects, with or without an opportunity for conditional release), conditional non-debarment (imposition of remedial conditions to avoid debarment), restitution, and fines. For additional detail and context regarding MDB sanctions processes, please refer to the Hughes Hubbard & Reed MDB Sanctions and Investigations Primer.[1]

Sanctions can function as a powerful deterrent as they can have far-reaching reputational and business consequences. A debarment imposed by an MDB that is a signatory to the Agreement for Mutual Enforcement of Debarment Decisions may be recognized and enforced by other MDB signatories. For instance, a debarment imposed by the African Development Bank ("AfDB") will be published on the AfDB's website and restrict the debarred company from participating in projects financed or administered by the AfDB. It may also make the company ineligible to participate in projects financed by the Asian Development Bank, the European Bank for Reconstruction and Development, Inter-American Development Bank Group ("IDB"), World Bank Group ("World Bank"), and other MDBs.

1 The Hughes Hubbard & Reed MDB Sanctions and Investigations Primer can be found at: https://files.hugheshubbard.com/files/HHR-FCPA-MDB-Primer.pdf.

Recent Sanctions for Corrupt Practices

A significant percentage of MDB sanctions concern fraudulent practices, particularly misstatements made by bidders in bid documents. Nonetheless, MDBs also continue to aggressively investigate and sanction corruption, with both the World Bank and the IDB sanctioning multiple companies for corruption over the past couple of years. Illustrative cases involving corrupt practices announced over the last two years are provided below:

L.S.D. Construction & Supplies. On May 28, 2025, the World Bank announced a 4.5-year debarment with conditional release against L.S.D. Construction & Supplies, a Philippines-based construction company. The company won two contracts under the Philippine Rural Development Project. It was found to have made a payment to improperly secure one of the contracts and expedite invoice processing.

In addition to corrupt practices, the company also engaged in collusive and fraudulent conduct by entering into undisclosed arrangements that allowed other entities to bid on the two contracts using its credentials in exchange for a fee. It then secretly subcontracted the work to those entities, which lacked the necessary qualifications. The company acknowledged responsibility and agreed to implement integrity compliance measures as part of a settlement agreement.

Hunan Zhongge Construction Group Corporation Ltd. On May 16, 2025, the World Bank Chief Sanctions and Debarment Officer ("SDO") issued a sanctions decision against Hunan Zhongge Construction Group Corporation Ltd. ("Hunan Zhongge"), imposing a 4.5-year debarment with conditional release. The SDO found that Hunan Zhongge bribed public officials to improperly influence their actions in connection with a flood control management civil works contract under a World Bank-financed project in China.

The debarment also reflects Hunan Zhongge's interference with INT's investigation and its repeated pattern of fraudulent practices concerning another project in China.

Panaque, S.R.L. On March 19, 2025, the World Bank announced a two-year debarment against Italy-based Panaque, S.R.L. ("Panaque") and its sole director, Mr. Oscar Di Santo, as part of a settlement agreement. The press release announcing the settlement indicated that Panaque and Mr. Di Santo made an improper payment to a public official during the execution of a project financed by the World Bank.

Panaque and Mr. Di Santo also committed fraud and collusion in the bidding process; they had access to confidential information and were involved in the preparation of certain aspects of the tender, which Panaque

eventually won. In determining the sanctions, the World Bank considered their minor role in the misconduct, compliance efforts, cooperation, acceptance of responsibility, and voluntary restraint from seeking additional World Bank-financed contracts.

Cable Andino Inc., Cable Andino S.A. Corpandino, Cable Andino USA Inc., Telconet S.A. On December 19, 2024, the IDB debarred Cable Andino Inc. and its principal and affiliates (together "Cable Andino") for 132 months for corrupt activities in Ecuador. The IDB found that Cable Andino (i) helped transfer and conceal bribe payments originated from a third party, ultimately ensuring those funds reached a then-high-ranking public official in Ecuador and (ii) made political contributions to that public official to support his campaign in exchange for securing regulatory approvals which were important to the execution of an IDB-financed project. IDB considered aggravating factors—including the involvement of public officials, use of sophisticated means, central role in the prohibited practices, management's involvement, and interference with the investigation—in determining the sanctions. No mitigating factors were found.

Carlos Xavier Aray Merino. On December 18, 2024, the IDB debarred Mr. Merino for 36 months for corrupt activities. Acting as an agent for a foreign company, Mr. Merino participated in an international competitive bidding process under an IDB-financed program in Ecuador. The IDB found that Mr. Merino requested payments from the foreign company he represented to bribe public officials. These payments were intended to improperly influence the officials' decisions regarding the award and execution of the contract.

Marseille for Engineering & Trading S.A.L. Offshore. On May 14, 2024, the World Bank announced a 30-month debarment against Marseille for Engineering & Trading S.A.L. Offshore (doing business as MUE Group) for corrupt practices. As a Jordan-based company providing engineering and consulting services, MUE Group offered payments to improperly influence a bid evaluation process in its favor and sought contributions from its joint venture partner to support these payments. The sanctions imposed reflected MUE Group's voluntary remedial actions.

Lessons from Sanctions Decisions Regarding Corrupt Practices

Thing of Value is Broadly Defined: In line with international anti-corruption standards and laws, MDBs recognize that a range of benefits may constitute corrupt value or benefits. Things of value include (i) paid internships and employment contracts (World Bank Decision No. 78 ¶¶ 53 – 54 (2015) and AfDB Decision No. 1 (2014)), (ii) vehicles (World Bank Decision No. 109 ¶ 29 (2018)), (iii) offers to employ additional personnel to assist the project implementation unit with public relations efforts and project assistance (World Bank Decision No. 111 ¶¶ 13 & 30 (2018)), and (iv) recreational trips (World Bank Decision No. 93 ¶ 69 (2017), No. 85 ¶ 25 (2016), and World Bank Uncontested Case No. 310 (2015) and Uncontested Case No. 758 (2022)), including those disguised as study tours (World Bank Decision No. 108 ¶¶ 52 – 55 (2018), No. 97 ¶ 55 (2017)).

Things of value also include payments, which may be (i) one-off compensation to suppliers (World Bank Decision No. 136 ¶ 16 (2022)), (ii) consulting fees (World Bank Decision No. 130 ¶¶ 70 – 71 (2020), No. 108 ¶¶ 31 – 33, 39 (2018) and World Bank Uncontested Case No. 631 (2021)), (iii) lobbying fees (World Bank Decision No. 94 ¶ 24 (2017)), (iv) commissions (World Bank Decision No. 125 ¶ 20 (2020), No. 97 ¶ 55 (2017), No. 95 ¶ 22 (2017), No. 93 ¶ 40 (2017), and World Bank Decision Uncontested Case No. 453 (2017)), or (v) facilitation payments (World Bank Uncontested Case No. 675 (2021)). Payments may also be in cash (World Bank Decision No. 92 ¶¶ 81 & 88 (2017), No. 87 ¶ 91 (June 2016), and AfDB Decision No. 4 (2015)) or made via bank transfers (World Bank Decision No. 110 ¶ 22 (2018)).

Bribes Paid Through Intermediaries are Sanctionable. Indirect offers, transfers, or solicitations, as well as the transfer of improper value through intermediaries, are sanctionable (World Bank Decision No. 136 ¶ 27 (2022), No. 133 ¶¶ 22, 25, 28 (2021), No. 125 ¶ 21 (2020), No. 105 ¶ 19 (2017), No. 103 ¶ 22 (2017), No. 92 ¶ 79 (2017), No. 78 ¶ 53 (2015), and World Bank Uncontested Case No. 758 (2022), No. 498 (2018), No. 427 (2016), No. 348 (2015), No. 310 (2015)).

Corrupt Practices Require Proof of Improper Intent. A finding of corrupt practice requires proof of corrupt intent by the offeror or soliciting party associated with influence on the procurement process or contract execution (World Bank Decision No.138 ¶ 7 (2022), No. 136 ¶ 31 (2022), No. 133 ¶¶ 28 – 29 (2021), No. 93 ¶ 40 (2017)). However, corrupt intent is often inferred from the circumstances.

For example, if the desired influence materialized after providing a thing of value to the beneficiary, such evidence may support proof of corrupt intent (World Bank Decision No. 136 ¶ 35 (2022), No. 103 ¶ 28 (2017), No. 102 ¶ 47 (2017), No. 97 ¶ 56 (2017), No. 95 ¶ 28 (2017), No. 93 ¶ 46 (2017), No. 87 ¶ 97 (2016),

No. 78 ¶ 56 (2015)). More broadly, corrupt intent can be inferred if the beneficiary of the thing of value has an actual or perceived role in taking or reviewing procurement decisions or another official role important to the respondent, regardless of whether the beneficiary has not been officially assigned such responsibility (World Bank Decision No. 94 ¶ 27 (2017)) or if the beneficiary's influence was not determinative or necessary to achieve the desired outcome (World Bank Decision No. 138 ¶ 10 (2022)). Similarly, inference of corrupt intent may be drawn from evidence that a solicitation was directed at a party potentially interested in the procurement or selection process or a person who played a significant role, such as the project manager (World Bank Decision No. 125 ¶ 24 (2020), No. 109 ¶ 31 (2018), No. 108 ¶¶ 35, 43 (2018), No. 85 ¶¶ 30 – 35 (2016), No. 78 ¶¶ 65 – 66 (2015)).

Burden of Proof. The MDB's investigation function bears the burden of proof to present evidence showing that it was more likely or more probable than not that the respondent had corrupt intent. This includes evidence that satisfactorily demonstrates a link between corrupt intent and the thing of value (World Bank Decision No. 108 ¶¶ 57 – 58 (2018)). For instance, the facts showing that the investigation team failed to interview persons with central involvement in the underlying facts may result in a dismissal for failure to satisfactorily demonstrate such-link (World Bank Decision No. 130 ¶¶ 74 – 75 (2020)). Once the investigation team meets this burden, it shifts to the respondent to prove as an affirmative defense that the transaction in question had a legitimate purpose (World Bank Decision No. 138 ¶ 8 (2022), No. 102 ¶ 48 (2017)).

National Standards Are Not Binding. National standards or judgments are not binding on sanctions proceedings. In fact, a respondent may be found liable through a sanctions proceeding despite a not guilty verdict in national proceedings (World Bank Decision No. 136 ¶ 36 (2022)).

Corporate Entities May Be Liable for Employees' Acts. The principle of *respondeat superior* applies to acts of employees within the course and scope of their employment and motivated at least in part by the intent of serving their employer (World Bank Decision No. 142 ¶ 46 (2024), No. 130 ¶ 76 (2020), No. 102 ¶ 59 (2017), No. 94 ¶ 36 (2017), No. 93 ¶ 86 (2017), No. 78 ¶¶ 60 & 61 (2015)). For instance, the employer of a manager with specific responsibility to work on a bid will be deemed to have acted within the course and scope of their employment (World Bank Decision No. 97 ¶ 60 (2017)). It is immaterial whether the employee was specifically authorized to make the corrupt payments or whether company funds were used (World Bank Decision No.138 ¶ 11 (2022))

This is especially so where the company's controls and supervision were inadequate to prevent or detect the corrupt practices (World Bank Decision No.138 ¶ 12 (2022), No. 111 ¶ 40 (2018), No. 109 ¶ 37 (2018), No. 95 ¶ 33 (2017), No. 92 ¶ 102 (2017), No. 87 ¶ 120 (2016), No. 85 ¶ 34 (2016)). The rogue employee defense will not be available merely because the employee deliberately concealed the misconduct (World Bank Decision No. 95 ¶ 33 (2017)).

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