

# Index

- Abacha, Sani, 159  
 Abubakar, Atiku, 56–57  
 Afghanistan, 7, 42–44, 68, 91, 160, 182, 184  
 Africa, 111, 157  
 African Union Convention on Preventing and Combating Corruption, 81  
 AGA Medical Corporation, 172  
 Agents. *See* Consultants  
 Akzo Nobel, 299  
 Alcatel-Lucent, 164–165, 224  
 Al-Esawi, Rafie, 163  
 Aliyev, Heydar, 184  
*All the King's Men*, 319, 332  
 American Bar Association, 304  
 American Institute of Certified Public Accountants, 13  
 American Recovery and Reinvestment Act of 2009, 71  
 Angola, 91, 152, 185–186  
 Annan, Kofi, 161  
 Aon Ltd., 149–150  
 Arthur Andersen. *See* *U.S. v. Arthur Andersen*  
 Ashcroft, John, 62  
 Asian Development Bank, 97  
     Anti-Corruption Action Plan, 97–98  
     Integrity Division, 98  
     resources and tools, 98  
 Attorney-client privilege, 50, 298–299, 303–305, 313  
     waiver, 50, 58, 305–306  
 Audits. *See* Foreign Corrupt Practices Act  
 Avery Dennison, 173–174  
 Avila, Alfredo, 273–274, 289  
 Azerbaijan, 4, 182, 184  
 BAE Systems  
     Al Yamamah deal, 198–199, 202–204  
     anti-corruption policies and procedures, 204  
     code of conduct, 206  
     company history, 198  
     corruption allegations, 198–199, 201  
     ethics helpline, 205  
     FCPA investigation, 204  
     impact on national security, 202–203  
     plea agreement and acceptance of responsibility, 208  
     Serious Fraud Office investigation, 11, 149, 201–203, 208  
     Woolf Committee, 206–207  
 Baker Hughes, 2, 185–186  
 Balgimbayev, Nurlan, 183  
 Bellows, Rebeca, 57  
 Benin, 53  
 bin Sultan, Bandar, 198–199  
 Blair, Tony, 11, 148–149, 201–203  
 Boeckmann, Alan, 4, 100–102, 237  
 Bourke, Frederic, 184–185, 221. *See also* *U.S. v. Bourke*  
 Breuer, Lanny, 330  
 Bribery. *See also* Corruption  
     business practices, 8–9, 12–14  
     competitive advantage, 13–14, 18  
     corrupt payments, 27, 145, 164, 229  
     definition, 86  
     foreign officials, 12  
     outlawing, 8, 332  
     relation to foreign policy, 10–11  
     tax deduction, 9, 14  
 Buffett, Warren, 115

## INDEX

- Canada, 4, 86–87  
 Carter, Jimmy, 15  
 Cassin, Richard, 55, 329  
 CCI. *See* Control Components, Inc.  
 Central Intelligence Agency, 183–184  
 Chevron, 160–162, 165–166  
 China, 2, 4, 6, 55, 171, 224  
   anti-corruption statutes, 176–179  
   corruption costs, 171, 174, 176  
   corruption risk, 171–172, 237, 241–243, 322  
   enforcement agencies, 179–180  
   enforcement efforts, 172–175, 180–182  
 China National Offshore Oil Corporation, 322  
 Christie, Christopher, 62–63  
 Church, Frank, 10–12, 15  
 CIA. *See* Central Intelligence Agency  
 Code of ethics, 53, 88, 321  
 Commercial bribery, 2, 35, 151, 172, 179–180, 238, 322  
 Committee of Sponsoring Organizations, 316  
 Compliance. *See also* U.S. Department of Justice  
   code of conduct, 17, 132, 206, 215, 217, 270, 272, 309, 326  
   communicating the program, 247–248  
   effective, 31, 33, 59–61, 213, 217, 241, 256, 269, 324  
   implementation, 325–328  
   “paper program,” 6, 110, 138, 213  
   program design, 219–221  
   programs, 70–71, 212  
   “resume,” 316  
   tone at the top, 13, 100, 102, 115, 212, 237, 249  
 Compliance Emergency Preparedness Kit, 315–317  
 Conscious avoidance, 184–185, 295  
 Consultants, 31–32, 39, 173, 217, 240. *See also* Third-parties  
   due diligence, 32, 39, 132  
   payments to, 109, 112, 118–119, 165, 173, 185, 231  
 Contracting fraud. *See* Government procurement fraud  
 Control Components, Inc., 2, 8, 321–323  
 Cook Islands, 15–16  
 Corporate compliance. *See* Compliance  
 Corporate criminal culpability, 51–52, 60–61  
 Corruption, 3, 18, 41  
   anti-corruption best practices, 244, 260–262  
   anti-corruption education, 88  
   anti-corruption policies, 238–239  
   charitable donations, 240  
   costs, 4–5, 42–43, 164, 174, 319  
   currency reporting, 239  
   definition, 41, 83  
   gifts, 225  
   influence of foreign government officials, 239–240  
   law enforcement efforts, 76, 310–311  
   mergers and acquisitions, 225–226, 250–251  
   payment types, 229  
   preventing, 84–86  
   red flags, 221–223, 243–244  
   risk, 144, 146–147  
   travel and entertainment, 223–224, 239  
   types, 41–42  
   U.S. Senate investigation, 10–14, 320–321  
   zero tolerance, 100, 102, 237  
 Corruption of Public Officials Act, 86  
 COSO. *See* Committee of Sponsoring Organizations  
 Costa Rica, 4, 164–165  
 Council of Europe Criminal Law Convention on Corruption, 82  
 Court-ordered monitor. *See* Monitor  
 Debarment, 25, 37, 40, 70, 72, 96, 98, 116, 154, 208  
 Debevoise & Plimpton, 111–112, 114, 298  
 Deferred Prosecution Agreement, 45, 52, 56, 62–63, 158, 162, 187, 224, 267  
 Deloitte & Touche, 111, 114, 300, 328–329  
 Diagnostics Products Corporation, 172  
 Dickinson, Timothy, 261  
 Disgorgements, 2, 25, 53, 185, 234, 242, 250, 312  
 DOJ. *See* U.S. Department of Justice  
 Doyle, Marjorie, 323–328  
 DPA. *See* Deferred Prosecution Agreement  
 Due diligence, 32, 37, 39–41, 55–56, 71, 185, 214, 225–226, 281, 311  
 Duncan, Dave, 302  
 DynCorp, 329  
 Ecuador, 165  
 Egypt, 4, 30–31, 81, 159, 223

## Index

- eLandia, 250  
 Enron, 75, 302  
 Enterprise Risk Management, 90, 127, 316  
 European Union Convention on the Fight Against Corruption, 81  
 Evans, Richard, 200–201  
 Export privileges, 37  
 Extortion, 14, 86, 228
- Facilitation payments. *See* Foreign Corrupt Practices Act
- False Claims Act, 69  
 Faro Technologies, 53, 55, 172, 241–242  
 FBI. *See* Federal Bureau of Investigation  
 FCPA. *See* Foreign Corrupt Practices Act  
 Federal Acquisition Regulations, 68, 70–72  
 Federal Bureau of Investigation, 7, 10, 46, 56, 200–201, 204  
   increase in corruption cases, 7, 330  
   International Corruption Unit, 7–8  
 Federal Sentencing Guidelines for Organizations, 70, 207, 212, 221, 241, 314  
   Chapter Eight, 213  
   compliance standards and procedures, 215  
   criminal conduct and remedial action, 216–217, 294, 312  
   effective compliance and ethics, 213–214  
   monitoring, auditing, and evaluation program effectiveness, 216, 312  
   organizational leadership, 215, 326, 328  
   performance incentives and disciplinary action, 216  
   prohibited persons, 215–216  
   Seven Steps, 214–217, 241  
   training and communication, 216  
   2004 amendments, 214, 321  
 Ferguson, Alan, 186  
 Filip Memo. *See* Principles of Federal Prosecution of Business Organizations  
 Financial Industry Regulatory Authority, 331  
 Financial Services Authority, 149–150  
 Fisher, Alice, 36–37, 68–69, 186  
 Fitzgerald, Patrick, 5  
 Fluor Corporation, 4, 100–102, 237–238  
   Antibribery and Corruption Policy, 101–102  
 Ford, Gerald, 13–14
- Foreign Corrupt Practices Act  
   accounting provision (*see* books and records provision)  
   accurate books and records, 15, 34–35, 219  
   affirmative defenses, 30  
   antibribery provision, 3, 23, 25–28  
   audits, 33, 219, 256–260, 312  
   books and records provision, 3, 23, 34–35  
   business partner policies and oversight, 218  
   communications and training on policies, 32, 218  
   compliance program, 31–33, 217–219  
   compliance standards and practices, 31–33, 217  
   corrupt intent, 27, 225, 229, 289  
   criticism of, 17  
   disciplinary action, 218  
   DOJ responsibility, 24  
   domestic concern, 26, 29–30  
   elements, 3, 24, 26, 28, 30–31  
   enactment, 3, 8, 15  
   enforcement, 4, 45  
   facilitation payments, 14, 24, 29–30, 87, 145, 206, 228  
   Federal Acquisition Regulations, 71–72  
   fines and penalties, 2, 24–25, 37–38, 45, 53  
   first prosecution, 15–17  
   foreign national, 26  
   foreign official, 26–27  
   foreign political party, 30  
   foreign subsidiaries, 29  
   helpline, 218, 246–247  
   internal controls, 34, 219  
   issuer, 26, 29  
   jurisdiction, 29  
   origin, 8  
   Report on the Impact of the FCPA on U.S. Businesses, 17  
   SEC responsibility, 24  
   self-disclosure of violations, 7, 9–10, 313–315  
   statute of limitations, 29  
 France, 76–77, 79, 92–93, 95, 159  
 Fraud, 4, 7, 38, 56, 62, 66, 68–69, 175, 183, 310  
 Friedrich, Matthew, 122

## INDEX

- GAAP. *See* Generally Accepted Accounting Principles
- GAO. *See* General Accounting Office
- General Accounting Office, 17–18  
Report on the Impact of the FCPA on U.S. Businesses, 17
- General Electric, 311
- Generally Accepted Accounting Principles, 34–35
- Germany, 9, 76–77, 79, 90, 92–94, 108–110
- Giffen, James, 182–184
- Gifts and entertainment. *See* Corruption
- Glanzer, Seymour, 16
- Goldsmith, Peter, 202–203
- Government procurement fraud, 68
- Grant, Hugh, 270
- Grease payments. *See* facilitation payments
- Green, Gerald, 329
- Green, Patricia, 329
- Halliburton, 2, 158–159, 186, 232
- Helmerich & Payne, 164
- Henry, Albert, 16–17
- Hills, Roderick M., 320–321
- Holder, Eric, 49
- Holder Memo. *See* Principles of Federal Prosecution of Business Organizations
- Hussein, Saddam, 160–161
- IKEA, 156
- Ionia Management, S.A., 54
- In Re: Caremark International, Inc.*, 294
- India, 4, 146, 172, 186–187, 228, 242
- Indonesia, 4, 52, 149, 185–186, 188, 242, 265–268, 294, 311  
Corruption Eradication Commission. *See* K.P.K.
- Injunctive relief, 37
- Inside Man*, 197
- Inter-American Convention Against Corruption, 79–81
- Internal audit, 227, 234, 256, 268, 312  
anti-corruption audit, 256–260, 288, 312, 322
- Internal Revenue Service, 8, 10  
political contribution guidelines, 10  
corporate slush funds guidelines, 10
- International Criminal Police Organization, 87–88  
International Anti-Corruption Academy, 88
- International Monetary Fund, 97  
anti-corruption strategy, 97
- INTERPOL. *See* International Criminal Police Organization
- Investigations  
allegations, 296  
“Corporate Miranda,” 304  
employee cooperation, 309  
failure to conduct, 294–295  
forensic accounting, 300, 311–312  
international investigations, 310  
interviews, 303, 308–309  
investigations code of conduct, 299–300  
multiple representation issues, 307–308  
outside counsel, 298  
plan, 301–302  
preserving evidence, 297  
privilege against self incrimination, 307  
reporting, 308–309, 313  
steps, 296  
team, 298–299  
Upjohn warning, 303–306
- InVision Technologies, 311
- Iraq, 4, 7, 58, 91, 111, 160–163, 171, 311
- Israel, 93–95, 160
- Jefferson, William, 27, 56–58, 160, 184
- Joint venture partners, 25, 32–33, 39–40, 120, 283, 286–287
- Karzai, Hamid, 43–44
- Kazakhstan, 1, 4, 182–186, 146, 232
- KBR, 158–159
- K.P.K., 188, 311
- KPMG, 111, 307
- Kenny, Finbar, 15–16
- Kenny International Corporation, 15–16
- Kenya, 5, 96
- Khodorkovsky, Mikhail, 155
- Khuzami, Robert, 62
- Kirsch, Joel, 139
- Kissinger, Henry, 11–13
- Kozeny, Victor, 184–185
- Latin Node, 250
- Lockheed Law, 4
- Lockheed Martin, 2, 4, 9, 11, 53, 250  
bribery and business practices, 12  
bribes to government officials, 12–13
- Loescher, Peter, 107, 122, 137
- London Police, City of, 7, 148
- Lormel, Dennis, 200

## Index

- Mabey & Johnson, 152–153, 331  
 MAN SE, 145  
 McCarthy, Leslie, 252–255  
 McNulty Memo. *See* Principles of Federal Prosecution of Business Organizations  
 Medvedev, Dmitry, 155  
 Mendelsohn, Mark E., 3, 45, 293, 314–315, 323  
 Mergers and acquisitions. *See* Corruption  
 Metcalf & Eddy International, 31, 223  
   civil settlement, 31  
   disciplinary action, 32  
   FCPA compliance program, 31–33  
 Metropolitan Police Service, 148  
 Mexico, 77, 93–95, 146, 163–164  
 Mitchell, George, 184  
 Moo-hyun, Roh, 189–190  
 Monitors, 37–38, 54, 62–64, 66, 313, 315  
   best practices, 66–68  
 Monsanto, 38, 52  
   acceptance of responsibility, 268  
   accurate books and records, 271  
   audit, 288–289  
   bribery and kickbacks, 270  
   Business Conduct Office, 272–273  
   business operations, 266  
   charitable donations, 281–282  
   code of conduct, 270  
   compliance program, 269  
   corrupt practices, 266–268  
   facilitating payments, 271, 280–281  
   FCPA and antibribery employee guidelines, 276–278  
   foreign government officials, 283  
   gifts and entertainment, 270–271, 278–280  
   government investigation, 266, 268  
   internal investigation, 268, 291  
   joint ventures, 286–288  
   legal opinions, 289–290  
   political donations, 281–282  
   regional working groups, 274–276  
   third parties, 283–285  
   tone at the top, 269–270  
   trade associations, 282–283  
   training, 242, 273–274, 285–286, 291  
 Morford, Craig S., 63  
 Morford Memo, 63–64  
 Moritz, Scott, 145–147, 230–234  
 Myerson, Bess, 6  
 Nader, Ralph, 320  
 Napoleonic Code of 1810, 83  
 Namibia, 157  
 Nassar, Sami, 199–200  
 Natural resource–corruption link.  
   *See* Sachs-Warner Theory  
 Nazarbayev, Nursultan, 183  
 Nexus Technologies, 188–189  
 Nguyen, Nam Quoc, 188–189  
 Nigeria, 4, 75–76, 146, 150, 158–160, 171, 186, 242  
 Nixon, Richard, 8  
 Noble, Ronald K., 88  
 Non-retaliation policy, 325  
 Noonan, Jr., John T., 332  
 Nooyi, Indra, 156  
 Nuctech Company, Ltd., 157–158  
 Obama, Barack, 5–6, 42, 49, 330  
 Obasanjo, Olusegun, 75  
 OECD. *See* Organisation for Economic Co-operation and Development  
 Oil-for-Food Program, 111, 152, 160–162, 311  
 Oliver, Dick, 207–208  
 Olmert, Ehud, 160  
 Oracle Corporation, 40  
 Organisation for Economic Co-operation and Development, 18, 25, 76–78, 86, 92, 203  
   Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, 18, 25, 77, 109, 151, 202  
 Opinion Procedure, 36–37, 217, 221, 261  
   Release 08–01, 225  
   Release 08–02, 232  
 Ostrich defense, 28, 185  
 Pacheco, Abel, 165  
 PACI. *See* Partnering Against Corruption Initiative  
 “Paper program.” *See* Compliance  
 Partnering Against Corruption Initiative, 99, 101, 137  
   Principles for Countering Bribery, 99  
   resources and tools, 99  
 Pascrell, Bill, 63  
 Perlman, Jay, 230–234  
 Pohlmann, Andreas, 122

## INDEX

- Principles of Federal Prosecution of Business Organizations. *See* U.S. Department of Justice
- Proxmire, William, 14–15, 320
- Quattrone, Frank, 303. *See also* *U.S. v. Quattrone*
- Questionable Corporate Payments Abroad Task Force, 13–14
- Racketeer Influenced and Corrupt Organizations Act, 38
- Red flags. *See* Corruption
- Reputational damage, 38, 207, 255
- Respondeat superior, 50–51, 54
- Rial, Ed, 329
- Ribadu, Nuhu, 159–160
- Richardson, Elliot, 13–14
- RICO. *See* Racketeer Influenced and Corrupt Organizations Act
- Riggs Bank, 199–200
- Rio Tinto, 180–182
- Risk assessments, 33, 214, 229, 251, 254–257, 261
- Rodriguez, Miguel Angel, 165
- Rogue employee, 52, 54, 56, 211, 215, 312, 325
- Rosenberg, Chuck, 56
- Royal Canadian Mounted Police, 87
- Russia, 111, 146, 154, 161, 185–186  
corruption risk, 155–156, 237, 243  
“raiding,” 155
- Rwanda, 4
- Sachs-Warner Theory, 147–148
- Samsung Group, 189
- Sarbanes-Oxley Act, 4, 17, 34–36, 76, 173, 314, 321
- Saudi Arabia, 10–11, 149, 199, 202, 204
- Schnitzer Steel, 189
- Seaboard Corporation, 58
- Seaboard Criteria. *See* Securities and Exchange Commission
- SEC. *See* Securities and Exchange Commission
- Securities and Exchange Commission, 9–11, 39, 46, 58  
compliance program failure, 53  
cooperation with SEC, 59  
FCPA Unit, 46, 331  
internal controls, 52
- Report on Questionable and Illegal Corporate Payments and Practices, 13  
reporting requirements, 13  
Seaboard Criteria, 58–62, 295  
settlements with, 31, 58, 119, 159, 174, 185, 187, 224, 241–242, 267–268, 311  
voluntary disclosure program, 9–10
- Seide, David Z., 304–306
- Serious Fraud Office, 7, 148, 152–154, 198–199, 201–202  
disclosure of corruption, 154  
overseas corruption, 153  
settlements with, 153, 208, 331
- Serpico, Frank, 103
- Seven Steps. *See* Federal Sentencing Guidelines for Organizations
- Shui-ban, Chen, 190
- Siemens, 2, 6, 102, 219  
anti-corruption clauses, 109–110  
anti-corruption handbook, 126  
anti-corruption policies and procedures, 128  
Audit Committee, 111, 113, 124  
company history, 108–109  
compensation, 134  
compliance monitor, 121  
compliance objectives, 136  
cooperation with law enforcement, 114  
corrupt practices, 109, 117–119  
criminal fines, 119  
criminal pleading, 115–117  
discipline, 134  
due diligence, 120, 128, 131–133  
employee amnesty and leniency, 113–114  
enhanced compliance program, 119–122, 124, 129–135, 138  
enterprise risk management, 127  
internal audit, 126–127  
internal controls, 127–128  
internal investigation, 111–113, 294, 311  
Munich Public Prosecutor’s investigation, 110–111  
OECD Convention on Bribery implementation, 109  
Ombudsman program, 126  
Prevent-Detect-Respond compliance program, 115–116, 131  
prior compliance program, 123–124  
third-parties, 109, 131–133  
training, 125–126  
Vorstand management board, 122–123

## Index

- Sinopec Corp., 174  
 Slush funds, 8–10, 14, 34, 109–111, 118, 201  
 Smith, William French, 18  
 Solmssen, Peter, 122  
 Somalia, 91, 144, 160  
 South Africa, 4, 93–95, 201, 208  
 South Korea, 2, 4, 76–77, 79, 92, 94–95, 189  
 SOX. *See* Sarbanes-Oxley Act  
 Spinelli, Joseph, 230–234  
 Sporkin, Stanley, 9, 15  
 Stamboulidis, George A., 65–68, 314  
 Stanley, Albert “Jack,” 158–159  
 State-owned enterprise, 2, 27, 172, 176–177, 181–182, 220, 224, 243, 255, 336  
 Successor liability, 19, 39  
 Sun Microsystems, 40–41  
 Suspicious Activity Report, 199  
*Syriana*, 1
- Taiwan, 173, 190  
 Textron, 311  
 Thailand, 311  
 Third-parties. *See also* Corruption  
   compliance polices, 150, 218, 234, 240, 327–328  
   due diligence, 231, 233–234, 252–255  
   liability, 19, 25, 39–40, 231, 241–242  
   red flags, 222–223, 240  
   risk-based program, 231–234, 234  
   use of technology, 253–254  
 Titan Corporation, 2, 53, 160, 250  
 Thompson Memo. *See* Principles of Federal Prosecution of Business Organizations  
 Tonghai, Chen, 174–175  
 Tourism Authority of Thailand, 329  
 Training, 32, 55, 70, 88, 99, 172, 241–242  
   best practices, 216, 218, 239, 241–242, 244–245, 326–327  
   delivery methods, 245–246  
   evaluation, 227, 238, 248–250  
   red flags, 243–244  
 Transparency International, 41–43, 78–79, 86, 89–92, 163  
   Corruption Perceptions Index, 89–91, 146, 158, 160, 171, 190, 242  
   enforcement activities, 92–95  
   global priorities, 89  
   resources and tools, 91–92  
 Travel Act, 2, 38, 172, 221, 322  
 Travel and entertainment. *See* Corruption  
 Triton Energy, 294–295  
 Turner, Mike, 201, 204, 207–208  
 Tyco, 162, 189
- UBS, 330  
 United Kingdom, 9, 30, 77, 79, 90, 92, 94–95, 148, 159, 201  
   Bribery Bill, 151–152  
 United Nations, 97, 111, 152, 161–162, 331  
 United Nations Convention Against Corruption, 84  
 United Nations Global Compact, 86  
 United Nations Office on Drugs and Crime, 88  
*Upjohn v. United States*, 303  
 U.S. Department of Commerce, 69, 319  
 U.S. Department of Defense, 69  
 U.S. Department of Justice, 34, 154, 162, 204, 330  
   anti-corruption compliance program guidance, 217–219  
   contractor fraud, 68  
   enforcement strategy, 6–7  
   FCPA enforcement, 45–46  
   internal controls, 52, 311  
   international cooperation in investigations, 102, 154, 159  
   investigations, 46, 203, 293  
   Principles of Federal Prosecution of Business Organizations, 49–52, 58, 116, 212, 221, 295, 307  
   Opinion Procedure, 36, 217, 221, 225, 232  
   settlements with, 38, 109, 159, 162, 185, 187, 208, 224, 241–242, 267, 311, 322  
*U.S. v. Arthur Andersen*, 302  
*U.S. v. Bourke*, 28  
*U.S. v. Kay*, 28  
*U.S. v. Quattrone*, 302–303  
*U.S. v. Rosner*, 308  
*U.S. v. Stein*, 307  
 Uzbekistan, 91, 96, 146, 185–186
- Vicarious liability, 39, 50–51. *See also* Respondeat superior  
 Vietnam, 149, 188–189  
 Volcker, Paul, 161  
 Voluntary disclosure, 9, 40, 51, 56, 58, 67, 69, 268, 295, 313–315, 325

INDEX

- Wabtec Corp., 187, 241, 250
- Waigel, Theodor, 121
- Wall Street Journal* Rule, 225
- Warin, F. Joseph, 121
- Watergate, 8, 11, 14, 18
  - Special Prosecutor, 8
- Weinstein, Lori, 3
- Wexton, Jane, 245–246
- Whistleblowers, 71, 176, 180, 189, 247, 296, 313, 321
- Willbros, 158
- Willful blindness, 28, 185, 221, 294
- Winters, Hans, 122
- Witness protection, 78, 88
- Wolfowitz, Paul, 96
- Wolf, Harry, 204, 207
- World Bank, 75, 95–97
  - anti-corruption strategy, 96
  - Integrity Vice Presidency, 96
- World Economic Forum, 99, 101, 137
- World Trade Organization, 98–99
- Xiaoyu, Zheng, 175
- Zimmer Holdings, 62–63

<http://www.pbookshop.com>