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## Organization of Economic Cooperation and Development (“OECD”) Releases Firm Policy Statement on Bribery in International Business Transactions

U.S. companies conducting business abroad, their foreign subsidiaries and their individual employees, must all be aware of the pitfalls and provisions of U.S. anti-bribery and securities legislation, namely the U.S. Foreign Corrupt Practices Act (“FCPA”). In the context of the global economic crisis however, U.S. businesses must also heed the increasing scrutiny of the OECD and its Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (“Anti-Bribery Convention” or the “Convention”).

On June 19, 2009, the OECD released a firm policy statement detailing the amplification of its mandate to member states, including an increased pressure for stricter enforcement of national legislation. This statement responds to competitive pressures, intensified by the state of the economy, on companies to potentially engage in corrupt practices abroad.

As recently as 1997 and the initial adoption of the OECD’s Anti-Bribery Convention, it was not considered a crime in much of the world to bribe a foreign public official. Enforcement of anti-bribery legislation was seen as a “U.S. line.”

In just over a decade, the Anti-Bribery Convention has captured worldwide attention as a legitimate global instrument in fighting corruption in cross-border business deals. All 30 OECD member countries, and eight non-members, most recently Israel, have ratified the Convention. Over 150 investigations have been initiated by the OECD in conjunction with member countries.

Extraterritorial enforcement of anti-bribery laws is now not only a concern pursuant to the FCPA, but also in the augmented efforts of the OECD, and countries such as the United Kingdom, which unveiled a draft bill in Spring 2009, completely overhauling its anti-bribery laws, allowing for extraterritorial jurisdiction, and a corporate liability offence for “negligently failing to prevent bribery.”

U.S. Government regulators continue to pursue vigorous enforcement actions against U.S. companies for bribery and books and records violations. The OECD’s policy statement, coupled with aggressive investigations, serve as a reminder to all businesses that anti-bribery compliance must be a priority. Highlights from the OECD Policy Statement include:

- Reaffirmation of OECD’s intention to maintain a rigorous systematic monitoring system;
- Direct call to multinational companies to internally implement and enforce compliance measures aimed at detecting and preventing bribery;
- Emphasis on ensuring that bribery investigations and prosecutions are not influenced by national economic considerations; and, finally,
- Reaffirmation of member countries’ obligations, particularly relating to an increase in enforcement.

Regardless of your business type, this renewed focus on enforcement and corporate responsibility under an increasingly global anti-bribery framework is a central concern. Take stock of your internal controls and procedures, including those for your non-U.S. affiliates. Consider an FCPA review of your transactions. Ensure that your organization is in line with the international framework combating bribery.

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*Venable is ready to assist you in navigating through this uncertain economic terrain to ensure that you and your business fully comply with these heightened standards. For more information regarding the FCPA, the OECD Anti-Bribery Convention, and other recent developments in anti-bribery legislation and enforcement, please contact a member of Venable’s [Foreign Corrupt Practices Act and Anti-Corruption](#) team.*

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