Stanford Law School
Foreign Corrupt Practices Act Clearinghouse
a collaboration with Sullivan & Cromwell LLP

2024 FCPA Year in Review

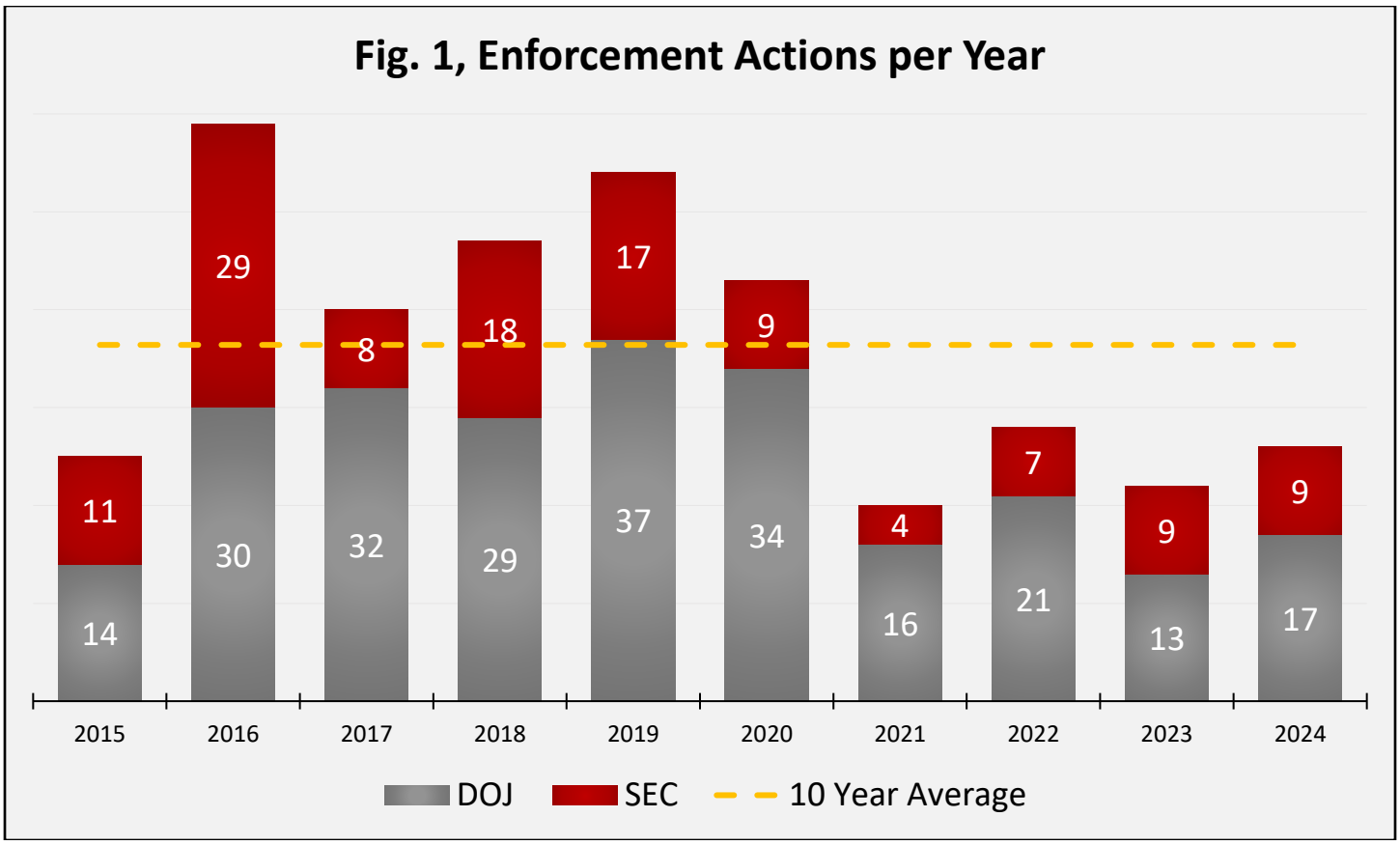
The FCPA Clearinghouse's 2024 Year in Review provides an overview of some of the more notable trends and statistics to emerge from last year's FCPA enforcement activity.

Enforcement Statistics

There are a number of different ways to define FCPA enforcement activity and to count the number of new actions initiated each year. The FCPA Clearinghouse does not advocate one counting methodology over another, but instead presents the data in a number of different ways so that users can make their own informed judgments. Because our counting methodologies rely on defined terms (which are denoted below in bold), we make those definitions available at the "Definitions" tab of the About Us page.

The DOJ and SEC filed 26 FCPA-related **Enforcement Actions** in 2024. Last year's enforcement activity remained well below the ten-year average of 36 but represents a slight increase over the total number of enforcement actions filed in 2023.[1] Figure 1 presents the number of enforcement actions filed per year for each of the last 10 years. For purposes of these analytics, we treat declinations with disgorgement pursuant to the DOJ's Revised Corporate Enforcement Policy as enforcement actions.

[1] These numbers – along with other statistics noted in this report – may change if new cases that were initiated in 2024 are unsealed or publicly announced in subsequent months or years.



While the government filed more enforcement actions last year, the number of **FCPA Matters**, which are groups of related enforcement actions that share a common bribery scheme, actually decreased. This decline suggests that each bribery scheme yielded more unique actions against a corporation and its subsidiaries, employees, and agents, but that fewer separate schemes were targeted for enforcement in 2024. Moreover, the ten FCPA Matters initiated last year reflect a significant decline from the ten-year average of 15. Figure 2 presents the number of FCPA Matters initiated per year for each of the last ten years.

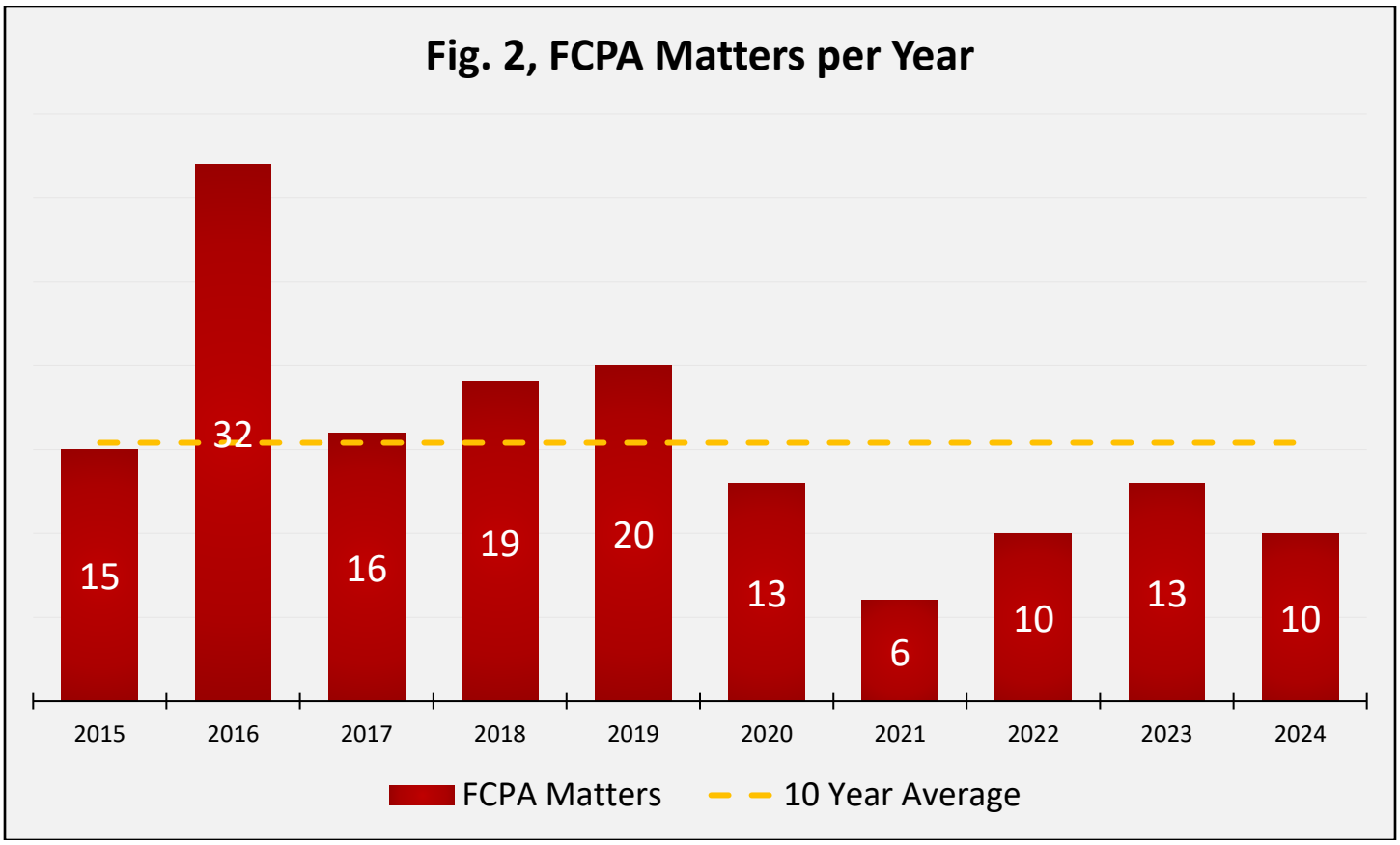
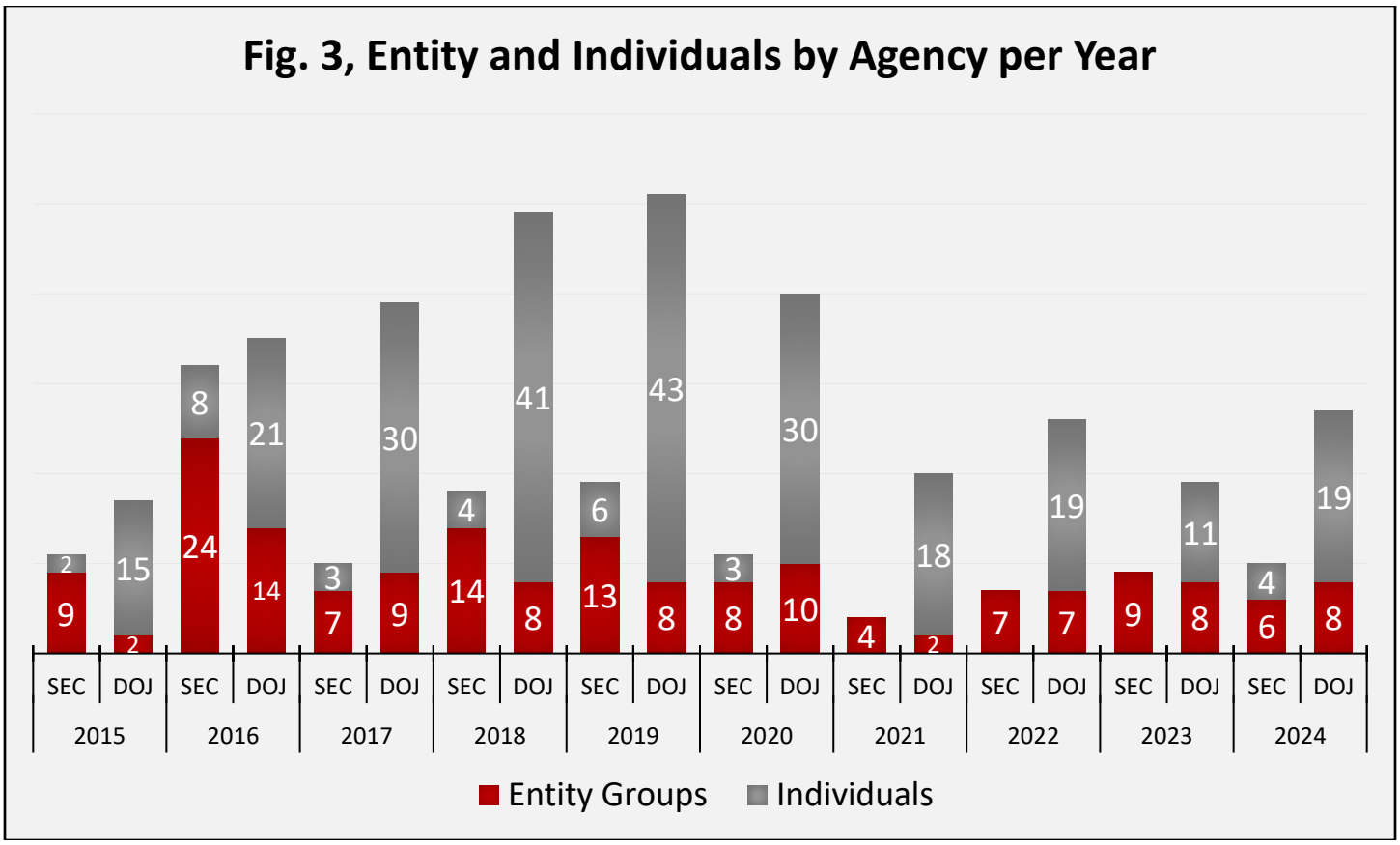


Figure 3 depicts the number of **Entity Groups** and individuals subject to FCPA-related enforcement activity over the last ten years. In 2024, the SEC sued six entity groups and four individual defendants for FCPA-related violations, while the DOJ charged eight entity groups and 19 individual defendants. The number of unique entity groups charged by one or both agencies in 2024 (11) reflects both a decline from 2023 and a notable departure from the ten-year average of 14.

Unlike corporate enforcement activity, the number of enforcement actions initiated last year against individual defendants was the highest since 2020. The 19 individual defendants prosecuted by the DOJ last year was still slightly below the ten-year average of 25, while the SEC's four individual suits represent an increase from the average of three. Notably, 2024 marks the first time since 2020 that the SEC has sued an individual defendant for FCPA-related offenses.

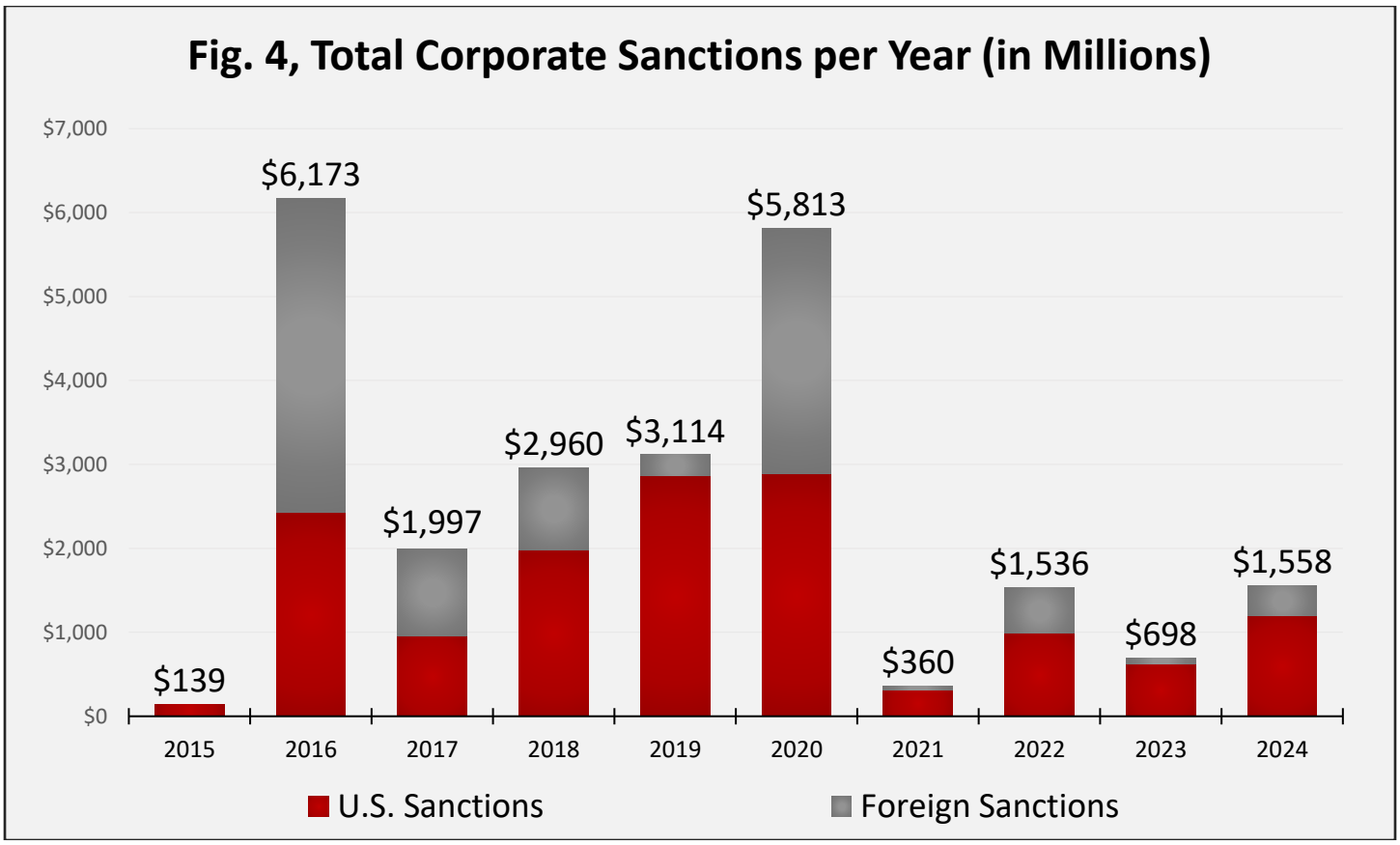


As previously noted by the Clearinghouse, few of the individual defendants prosecuted by the DOJ for FCPA-related crimes in the past few years had an employment or agency relationship with a major public company either prosecuted by U.S. authorities or involved in a publicly-disclosed investigation. Rather, many of the individuals were affiliated with small private companies, and roughly a quarter of them were foreign government officials charged with bribery-adjacent crimes like money laundering or wire fraud. That trend appears to have changed somewhat in 2024, when eight of the 19 individuals charged by the DOJ were executives at major public companies with FCPA-related enforcement actions or investigations.

Appendix 1 to this report provides a list of all FCPA-related enforcement actions initiated in 2024, along with a few actions that were announced in 2024 but initially filed under seal in prior years. The latter actions are noted here for reference only; they are not included in the 2024 annual statistics.

Sanctions

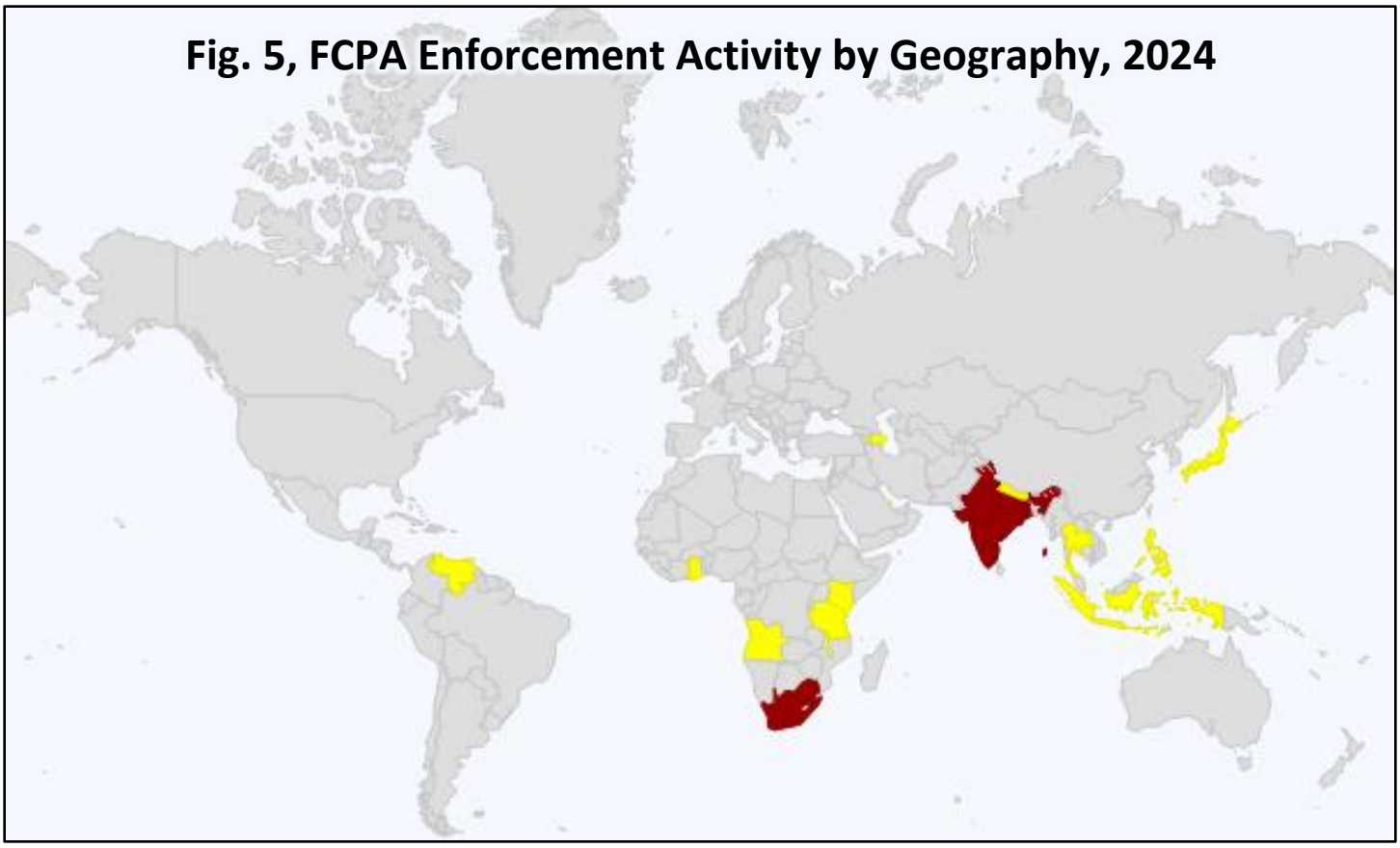
With the increase in corporate enforcement activity in 2024 came an increase in corporate sanctions. Aggregate sanctions that U.S. regulators imposed on entity groups for FCPA-related violations in 2024 (over $1.5 billion) increased by over 120 percent since 2023 (just under $700 million). Despite the increase in total sanctions, the average sanction imposed on entity groups in 2024 ($142 million) was still below the ten-year average of $181 million. Figure 4 shows the total sanctions imposed on entity groups in FCPA-related enforcement actions, including amounts imposed by the SEC or DOJ that were ultimately owed to foreign regulators pursuant to global resolutions or parallel foreign actions.



As in past years, sanctions imposed on just a small minority of companies made up the bulk of the sanctions that government regulators imposed on FCPA violators in 2024. Specifically, sanctions imposed on Gunvor Group Ltd. ($662 million), Raytheon Company/RTX Corporation ($361 million), and SAP SE ($235 million), a third of the companies charged with FCPA-related violations in 2024, comprised 81 percent of the total sanctions imposed that year.

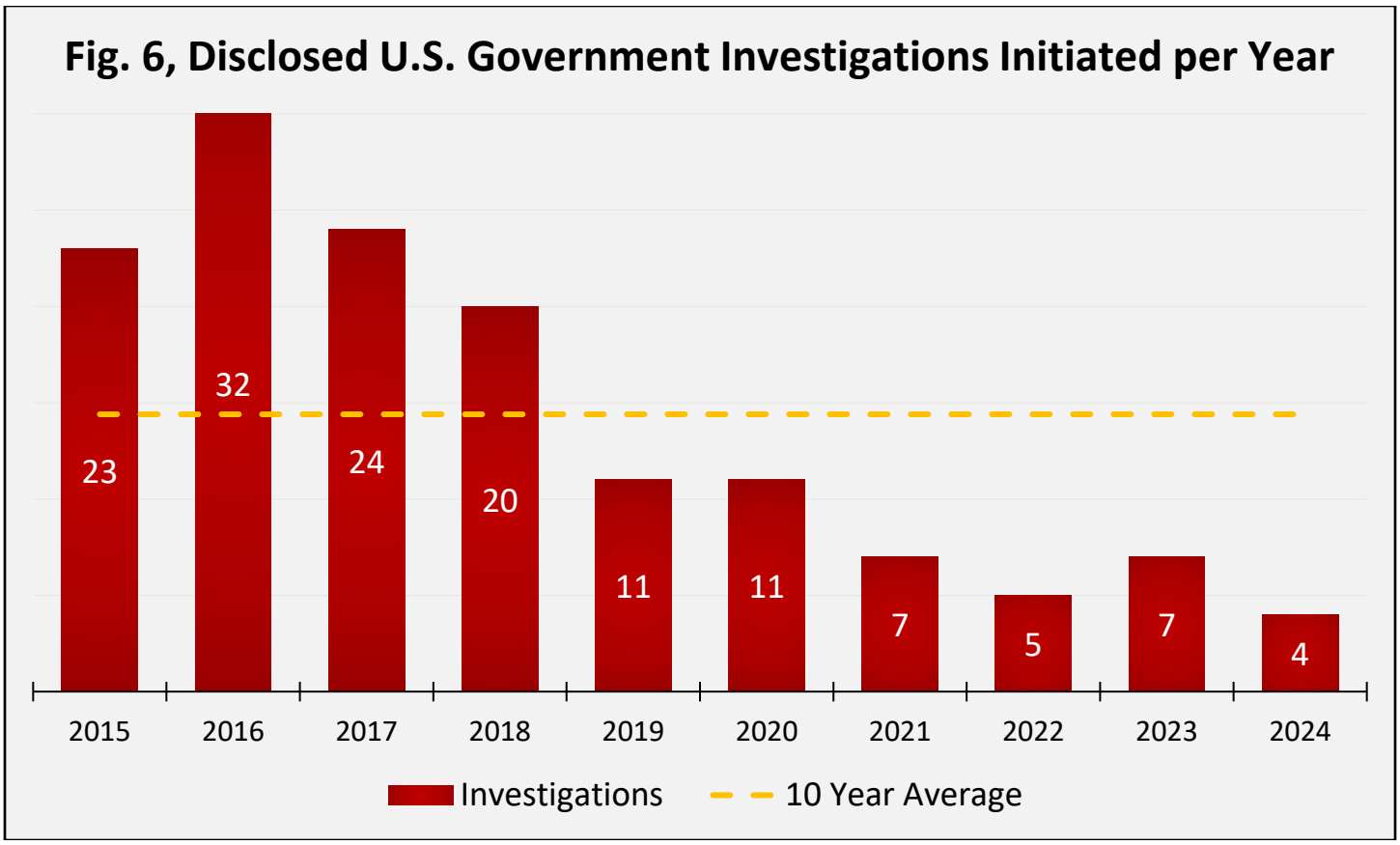
Geography

The 10 FCPA Matters initiated in 2024 involved bribery payments to officials in 15 different countries. For the first time since 2001, there were no alleged bribery schemes in China, which has often claimed the top spot as the country most frequently implicated in FCPA-related bribery schemes resulting in enforcement actions. Instead, last year's top spot went to India and South Africa, which were implicated in two FCPA Matters apiece. The remaining 13 countries were each implicated in one bribery scheme. When examined by region, Asia and Africa tied for the most frequently implicated, with each region cited in just over 40 percent of the FCPA-related bribery schemes. Latin America and the Middle East tied for second with just over six percent each. The regional rankings for 2024 are as follows: Asia 7 (44 percent), Africa 7 (44 percent), Latin America 1 (6 percent), and the Middle East 1 (6 percent). Figure 5 shows all the countries implicated in FCPA enforcement actions in 2024.

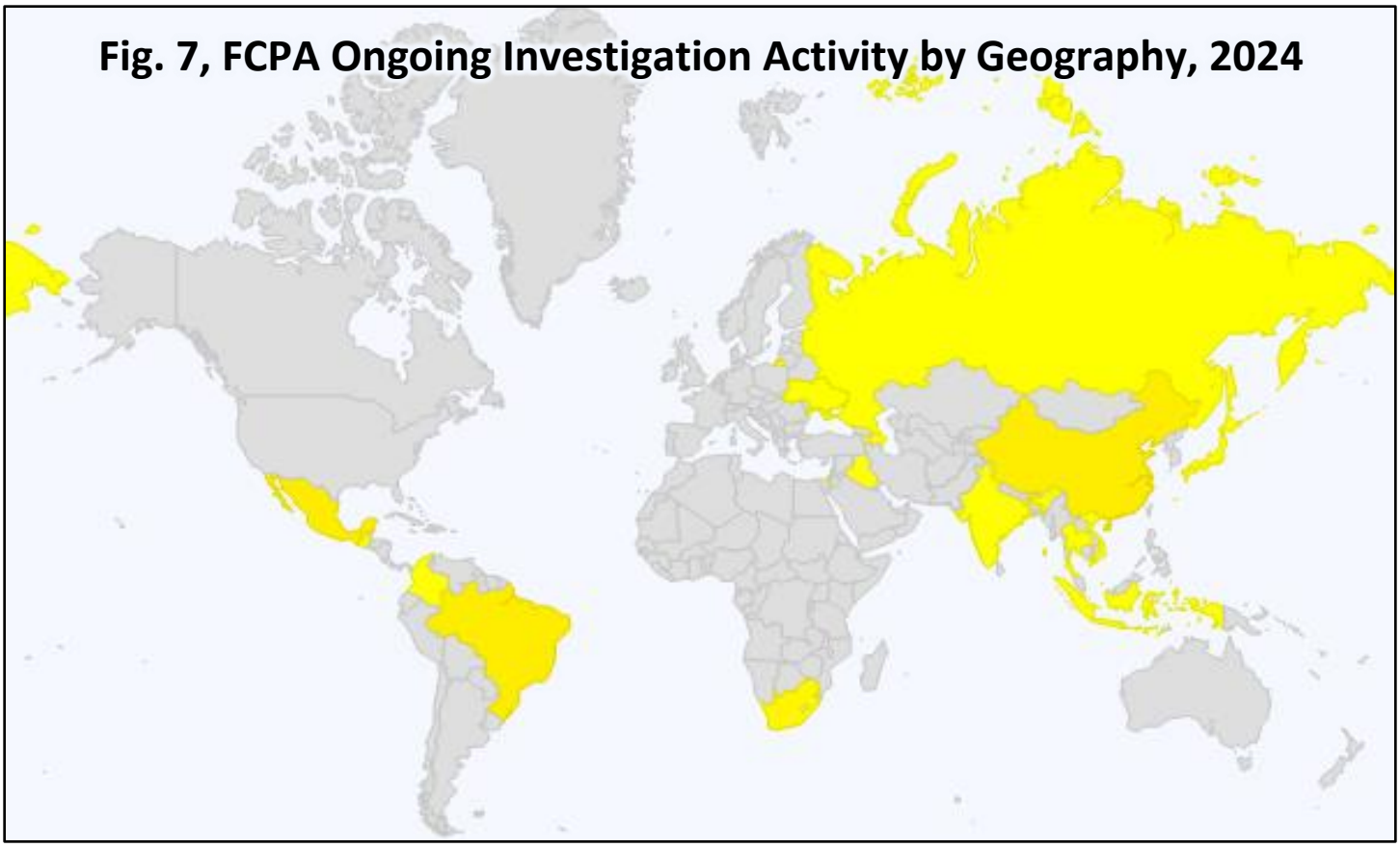


Investigations

As of the close of 2024, at least 31 companies appear to be the subject of ongoing FCPA-related investigations by U.S. authorities. Four companies disclosed in their SEC filings a new FCPA-related **Investigation** commenced by U.S. authorities in 2024 (Calavo Growers, Inc., Methode Electronics, Inc., Saab AB, and Sociedad Quimica y Minera de Chile S.A.). This marks a decline in the number of disclosed investigations from 2023 and is the fewest number of disclosed investigations initiated in any of the last 10 years. Disclosed investigations per year do not necessarily reflect the total number of investigations initiated each year, as some investigations may never be disclosed and others may be disclosed months or even years after the initiation date. However, trends in disclosed investigations may provide some insight into future enforcement activity. Figure 6 shows the number of disclosed FCPA investigations initiated by the U.S. government in each of the last ten years.



A majority (54 percent) of investigations that are ongoing as of the close of 2024 do not disclose the location where alleged FCPA-related misconduct may have occurred. Of those investigations that did disclose the location of misconduct, Brazil, China, and Mexico tied for the country most frequently cited, with three companies disclosing investigations into possible FCPA-related misconduct in each country. When examined by region, Asia took the top spot, with almost a quarter of ongoing investigations citing possible misconduct in the region. Latin America came in second place with just over a fifth of investigations. The regional rankings for 2024 are as follows: Asia 9 (24 percent), Latin America 8 (21 percent), Europe 3 (8 percent), Africa 2 (5 percent), and the Middle East 2 (5 percent). Figure 7 shows the countries implicated in ongoing FCPA-related investigations as of the close of 2024.



According to information disclosed in SEC filings and other public documents, last year 13 entity groups reported that either the SEC, DOJ or both agencies had resolved publicly disclosed investigations into potential FCPA violations by the companies. The SEC resolved four publicly-disclosed investigations by enforcement action (AAR Corp., BIT Mining Ltd., RTX Corporation, and SAP SE), and the DOJ resolved six (AAR Corp., BIT Mining Ltd., Raytheon Company/RTX Corporation, SAP SE, Telefonica, S.A., and Trafigura Beheer B.V.). The SEC also concluded four investigations without pursuing any further action (Edwards Lifesciences Corporation, Ericsson LM Telephone Company, Stanley Black & Decker, Inc., and Tsakos Energy Navigation Ltd.), while the DOJ concluded one (Stanley Black & Decker, Inc.).

Although not included in the statistics noted above, the DOJ closed one investigation (Arthur J. Gallagher & Co.) without further action in 2023, although the closure was not disclosed until 2024.

Policy Changes

DOJ Whistleblower Reward Pilot Program

In March, the DOJ announced that it would be developing a new pilot program to provide rewards for whistleblowers as a complement to the existing whistleblower programs overseen by the SEC, CFTC, and FinCen. On August 1, the DOJ launched the pilot program and simultaneously unveiled guidance outlining the details of the program. According to the DOJ's guidance, a whistleblower must (1) be an individual (not a company or other type of entity), (2) not be eligible for an award "through another U.S. government or statutory whistleblower, qui tam, or similar program if they had reported the same scheme that they reported under this pilot program," (3) not be affiliated with the DOJ, (4) not be a foreign government official, (5) not have meaningfully participated in the reported criminal scheme, (6) not lie to the DOJ, and (7) not have learned of the misconduct from someone else who is ineligible under the above criteria. Additionally, the DOJ noted that the program is not retroactive, so whistleblower awards would be available only for information disclosed to the Department on or after August 1, 2024.

The DOJ intends the pilot program to cover four areas of corporate crime, which the agency identified as prosecutorial priority areas not covered by existing whistleblower programs: (1) foreign corruption, (2) crimes involving financial institutions (specifically abuse of the financial system), (3) domestic corruption, and (4) health care fraud involving private insurers. In addition to the whistleblower information being restricted to these areas of corporate crime, the DOJ requires, at a minimum, that the information be original, voluntarily provided, truthful, complete, and that it must lead to a successful forfeiture of at least $1 million. If the information leads to a forfeiture of more than $1 million, whistleblowers can receive an award of up to 30% of the first $100 million of net assets forfeited and up to 5% of any additional forfeited assets between $100 million and $500 million. No additional award is available for forfeited assets above $500 million. The DOJ noted that, absent any aggravating factors that could decrease the award, there is a presumption that the whistleblower will be awarded the maximum 30% of the first $10 million in net proceeds forfeited. Like the SEC's whistleblower program, the DOJ's Pilot Program does not require a whistleblower to report the possible misconduct internally within the company prior to reporting it to the Department. However, if a whistleblower reports internally first, they can still report to the agency within 120 days and maintain eligibility to receive a whistleblower award.

Foreign Extortion Prevention Act Update

In December 2023, President Biden signed into law the National Defense Authorization Act, which included the Foreign Extortion Prevention Act (FEPA). FEPA criminalized demand-side bribery by foreign officials, and it was meant as a complement to the existing supply-side enforcement under the FCPA. While FEPA shared many features with the FCPA, it differed in a few ways. Specifically, an official convicted under FEPA could face a stricter penalty than under the FCPA; FEPA's definition of "foreign official" went beyond the FCPA's by including actions by officials in their unofficial capacities as well as official capacities; and FEPA created no parallel jurisdiction for the SEC to bring a civil enforcement action. In addition to these differences, FEPA was curiously included in the domestic bribery statutes, adding "foreign officials" as a class of persons to whom existing federal bribery prohibitions applied.

Recognizing the incongruity of FEPA's addition to the domestic bribery law and its inconsistencies with the FCPA, Congress passed the Foreign Extortion Prevention Technical Corrections Act (FEPTCA) on July 22, 2024, which President Biden signed into law on July 30. FEPTCA updated FEPA in two key ways. First, it moved the law to 18 U.S.C. § 1352 in the criminal code alongside various fraud and related offenses. Second, it substantively revised FEPA to more closely track the language and scope of the FCPA. Specifically, it removed the "unofficial capacity" language from the definition of a foreign official to align with the FCPA's definition, with one key distinction: FEPTCA still defines a foreign official to include "senior foreign political figure[s]," which exceeds the FCPA's definition and could encompass many current and former government officials and politicians. FEPTCA also added language prohibiting foreign officials from seeking or accepting bribes from any officer, director, employee, agent, or stockholder of an issuer or domestic concern (the stockholder would have to be acting on behalf of the issuer or domestic concern), consistent with the FCPA.

While FEPTCA was intended to align its language more closely to the FCPA than FEPA had initially, some minor differences remain. Specifically, FEPTCA clarified that territorial jurisdictional requirements applied to foreign officials or those acting on their behalf. Under FEPTCA, foreign officials or their agents must seek or accept the bribe while in the territory of the United States. This is different from the territorial jurisdiction stipulated under the FCPA, which requires that the bribe-payer act within the territory of the United States, independent of the location of the foreign official.

These corrections could help the DOJ to pursue corrupt foreign officials, but to date, it does not appear the DOJ has charged any official under either FEPA or FEPTCA.

Update to the Evaluation of Corporate Compliance Programs Guidance

In remarks given at the Society of Corporate Compliance and Ethics 23rd Annual Compliance & Ethics Institute on September 23, 2024, Principal Deputy A.G. Nicole M. Argentieri announced three substantive updates to the agency's Evaluation of Corporate Compliance Programs (ECCP), which is designed to guide both the DOJ and companies in the best practices for compliance program design and implementation.

First, the DOJ will now consider how companies assess and manage risk related to new or emerging technologies, such as artificial intelligence, both in their business and in their compliance programs. Prosecutors can now consider what technology a company uses to conduct business, whether the company has conducted a risk assessment regarding the use of such technology, and whether the company has taken appropriate steps to mitigate any risks associated with that technology's use.

Second, in conjunction with the DOJ's new whistleblower reward program detailed above, the ECCP proposes questions designed to evaluate whether companies are encouraging employees to speak up and report misconduct or whether companies employ practices that chill reporting. Prosecutors are directed to evaluate a company's commitment to whistleblower protections and anti-retaliation by assessing policies and training, as well as treatment of employees who report misconduct.

Third, the updated ECCP instructs prosecutors to assess the appropriateness of data access in a compliance program, including data measuring its own effectiveness. Compliance and risk management personnel at companies should have access to data and the resources and technology needed to adequately complete their jobs. The DOJ will consider whether the companies are leveraging the same resources and technology into gathering and analyzing compliance-related data as they are in their other business operations.

Compensation Incentives and Clawback Pilot Program

In addition to the updates to the ECCP noted above, in March 2023, the DOJ updated the ECCP to expand its guidance on how compensation structures can help prevent misconduct. Recognizing that compensation can play a role in fostering a culture of compliance, the DOJ introduced the "Compensation Incentives and Clawbacks Pilot Program," which requires any company subject to a criminal resolution to "implement criteria related to compliance in its compensation and bonus system." While not an exhaustive list, these criteria may include measures such as (1) prohibiting bonuses for employees who fail to satisfy compliance performance requirements, (2) disciplinary measures for employees who violate applicable law as well as for managers who knew or should have known about the misconduct, and (3) incentives for employees who demonstrate commitment to the company's compliance policies. Furthermore, if the disciplinary measures for employees or managers include recoupment of compensation, prosecutors may reduce a fine by up to 100 percent of the amount recouped by the company.

In a blog post on November 22, 2024, Deputy A.G. Argentieri declared the pilot program a success. Concurrently with the blog post, the DOJ issued a report on the pilot program to date, which noted that since March 2023, 16 companies had entered into resolutions with the DOJ that required the companies to implement compliance criteria into their compensation systems. Of those 16 companies, four were charged in FCPA-related enforcement actions. Additionally, three companies (two FCPA-related) took advantage of the dollar-for-dollar fine reduction for withholding compensation from culpable individuals. The DOJ also noted that in addition to the 16 companies that directly implemented compliance criteria into their compensation systems in connection with an enforcement resolution, several other companies had already included compliance metrics in their performance and compensation programs pre-resolution.

Corporate Enforcement Policy Update

In a blog post on November 22, Deputy A.G. Argentieri announced updates and clarifications to the DOJ Criminal Division's Corporate Enforcement Policy (CEP), which applies to all corporate criminal matters handled by the Department, including FCPA cases. First, the DOJ removed significant profits as an aggravating circumstance that could make a company ineligible for a presumption of declination. Second, the DOJ clarified that to qualify for voluntary self-disclosure credit, a company must disclose original information about which the Department is not already aware. Both revisions are relatively straightforward tweaks to the policy.

The final update reflects a more substantive change in policy. The DOJ revised the Voluntary Self-Disclosure (VSD) Policy to better incentivize companies to make good-faith disclosures. The updated policy allows prosecutors to consider a company's good faith self-disclosure, even if it does not otherwise meet the requirements under the VSD policy, in determining the appropriate resolution.[2] Accordingly, companies "that make good faith efforts to self-report, even if they do not qualify for a declination, could still receive substantial benefits," including "the possibility of a non-prosecution agreement, greater credit for cooperation and remediation, and a potentially shorter length of the term of agreement." Argentieri stressed that the message of these changes was that there would always be "concrete benefits" for disclosing misconduct.

In the November 22 blog post, Argentieri elaborated that one of the goals of the changes to the CEP "was to allow our prosecutors to make finer distinctions among companies to reward those that truly go above and beyond." However, Argentieri also noted that the voluntary self-disclosure policy still sets a very high standard for a company to receive credit, requiring a disclosure to be "reasonably prompt." Even companies that substantially cooperate, undertake significant remediation, and voluntarily disclose the misconduct may not receive credit if that disclosure was not prompt enough, which is what happened in the FCPA enforcement action against Albemarle Corporation. The company's belated disclosure prevented it from receiving credit for disclosure, but its cooperation and remediation nevertheless secured the company a 45 percent reduction off the bottom of the penalty range, which Argentieri noted was "the highest reduction ever and near the maximum possible under the CEP." Changes to the VSD policy were intended to account for circumstances such as those that arose in the Albemarle action: "Specifically, where a company's self-disclosure does not meet the definition of 'voluntary self-disclosure' as articulated in the CEP, but the company has demonstrated that it acted in good faith to self-report the misconduct — and that it fully cooperated and timely and appropriately remediated — prosecutors will consider the company's self-disclosure in determining the appropriate resolution, including the appropriate form, the appropriate monetary penalty, and the length of the term of the agreement."

Jarkesy

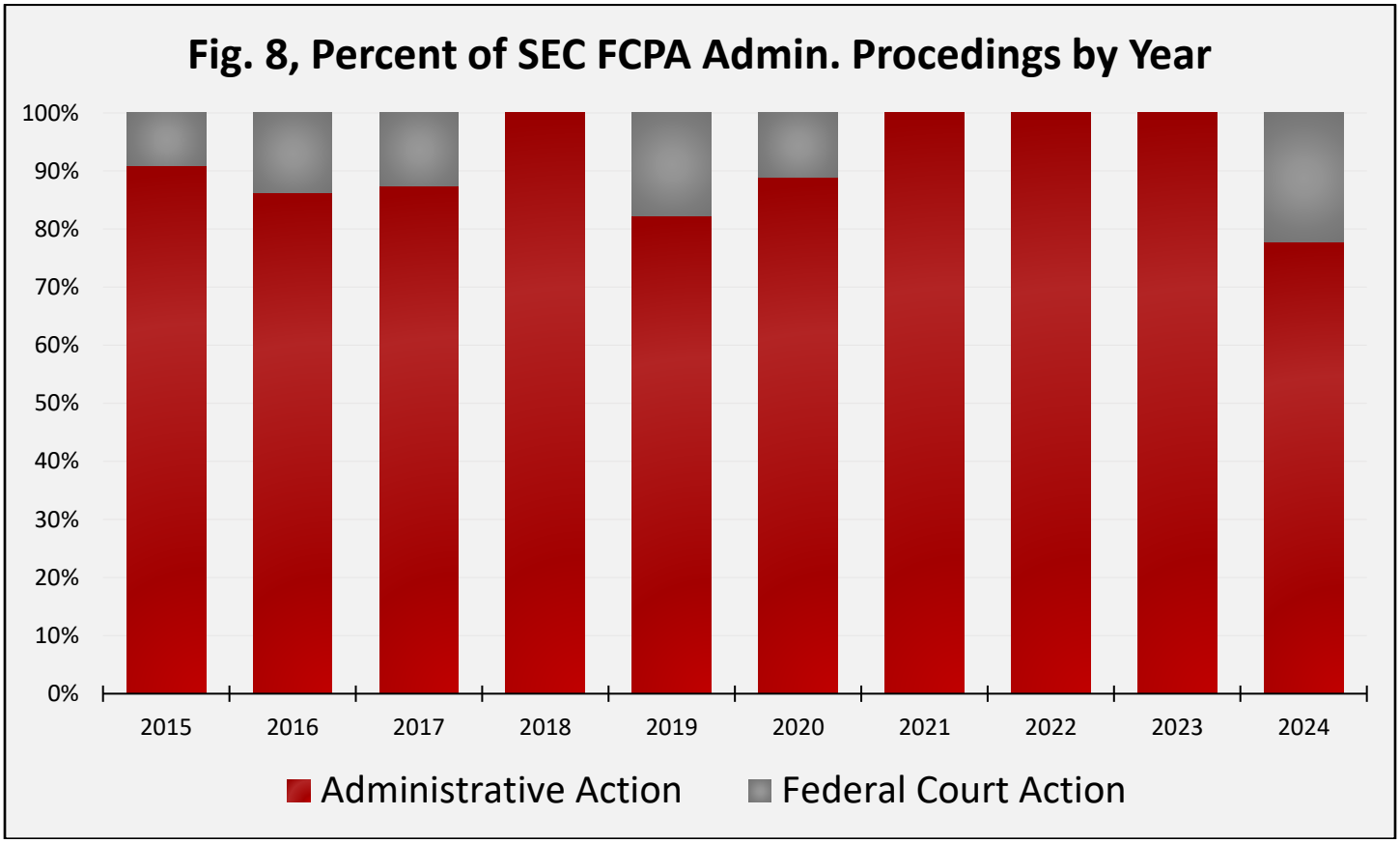
On June 27, the Supreme Court weighed in on the long-running dispute between George Jarkesy, Jr. and the SEC over the use of Administrative Law Judges (ALJ) to resolve securities fraud cases, which the Clearinghouse has covered in several previous quarterly reports. The case arrived at the Supreme Court after the Fifth Circuit Court of Appeals determined that the SEC ALJs were unconstitutional on three grounds: (1) they

[2] In January 2023, the DOJ revised the CEP to loosen the requirements to receive a declination and increase the reductions companies could receive off the bottom end of the U.S. Sentencing Guidelines fine range when criminal resolutions were warranted. Among the revisions, the DOJ guided prosecutors to consider the voluntary disclosure of misconduct as a factor in determining what sort of resolution – ranging from a declination to a guilty plea – a company could receive. By way of example, for a company that voluntarily self-discloses misconduct, fully cooperates, and timely and appropriately remediates, but where a criminal resolution is still warranted, the Department will recommend a reduction of at least 50 percent but as high as 75 percent off the low end of the U.S. Sentencing Guidelines fine range, except in the case of a criminal recidivist. Absent a voluntary disclosure, a company may only receive a maximum of 50 percent fine reduction.

violated defendants' rights to a jury trial under the Seventh Amendment; (2) Congress improperly delegated power to the SEC when it allowed the agency to choose whether to litigate in federal court or an administrative tribunal; and (3) the ALJs were too insulated from executive supervision. The Supreme Court addressed only Jarkesy's right to a jury trial under the Seventh Amendment.

In a 6-3 decision split along familiar partisan lines, the Court held that under the Seventh Amendment, a defendant is entitled to a jury trial when the SEC seeks to impose civil penalties. The Court reasoned that the Seventh Amendment guarantees a civil jury right for suits at common law, and that the use of a civil penalty for the purpose of punishment or deterrence (instead of simple restitution) under securities law was fundamentally similar to a common law fraud lawsuit. Because the Court determined that the answer to the Seventh Amendment question resolved the case, it found no need to address the remaining issues.

Over the past few years, the SEC has brought the vast majority of FCPA cases in its administrative tribunals rather than in federal courts. Figure 8 shows the percentage of administrative and federal court proceedings filed by the SEC in each of the last 10 years.



Although the full impact of the *Jarkesy* decision may not be known for quite some time, the Clearinghouse had anticipated the ruling would limit the SEC's ability to proceed in an administrative forum against alleged wrongdoers, at least where civil penalties were sought. Interestingly, however, of the eight actions the SEC has filed since the *Jarkesy* ruling, six were filed administratively, and the agency recovered civil penalties in four of the six. While the SEC did file two actions in federal court last year for the first time since 2020, both of those actions involved individual defendants. Notably, the last case the SEC filed in federal court in 2020 (pre-*Jarkesy*) was also against an individual defendant. Accordingly, it is not clear whether the increase in federal court litigation in 2024 was motivated by *Jarkesy* or was impacted by the fact that the SEC filed its first individual actions in four years, and individual actions are more likely to be filed in federal court than corporate actions. What *is* clear is that *Jarkesy* has not, at least to date, prevented the SEC from seeking and securing at least some civil penalties through an administrative tribunal.

TRACE Compendium

On January 1, 2025, the FCPA Clearinghouse expanded its datasets to include all historical data from the TRACE Compendium, a fully searchable database of international anti-bribery enforcement actions developed by TRACE International, Inc., a non-profit international business association dedicated to anti-bribery, compliance and good governance. TRACE maintained the Compendium for many years but decided to cease updating the Compendium in 2025 to focus their efforts on other member benefits and generously donated all the Compendium data to the FCPA Clearinghouse.

The FCPA Clearinghouse has chosen to reproduce the Compendium data in its entirety and in a format similar to how it was presented on the Compendium website. Over time, the FCPA Clearinghouse will more fully consolidate the Compendium data into the Clearinghouse's datasets. In the meantime, feel free to explore the expanded Clearinghouse, now with more international anti-bribery enforcement actions.

Looking Ahead

At least four companies (Ericsson LM Telephone Company, Gartner, Inc., Lifecore Biomedical, Inc., and Tsakos Energy Navigation Ltd.) appear to have ongoing investigations with one agency despite a resolution with another, suggesting that additional FCPA actions may be forthcoming. Notably, the DOJ's investigation into Ericsson continues even after the company's plea agreement in 2023 for breaching a 2019 deferred prosecution agreement.

The question looming over companies and FCPA practitioners is how the second Trump administration will impact FCPA enforcement. Despite his stated antipathy for the law, Trump's first term in office saw some of the highest levels of FCPA enforcement in the law's history, while there has been a significant falloff since he left office. Those statistics should be tempered, however, by the fact that FCPA-related investigations take, on average, approximately three years to resolve, so many of the enforcement actions brought during Trump's first term started as investigations under the Obama administration, and many of the enforcement actions brought during the Biden administration started as investigations under Trump. It also remains an open question whether the FCPA units at the DOJ and SEC will be impacted by President-elect Trump's promise to oust many career-level federal government employees.

Appendix 1:
FCPA-Related Violations Initiated or Announced in 2024 [By Defendant]

Below is a list of the FCPA-related enforcement actions initiated or announced in 2024. Links in blue were initiated in prior years but announced or unsealed in 2024. Links in red were initiated in 2024.

United States of America v. Asante Kwaku Berko

United States of America v. Trafigura Beheer B.V.

In the Matter of SAP SE

United States of America v. SAP SE

United States of America v. Mauricio Gomez Baez

United States of America v. Gunvor S.A.

United States of America v. Abraham Cigarroa Cervantes

United States of America v. Julian Aires

United States of America v. Zhengming Pan

United States of America v. Deepak Sharma

United States of America v. Juan Andres Donato Bautista, et al.

- Juan Andres Donato Bautista
- Roger Alejandro Pinate Martinez
- Jorge Miguel Vazquez
- Elie Moreno

In Re: Boston Consulting Group, Inc.

United States of America v. John Christopher Polit

In the Matter of Deere & Company

In the Matter of Moog Inc.

In the Matter of RTX Corporation

United States of America v. Raytheon Company

United States of America v. Raul Gorrin Belisario

United States of America v. Gautam S. Adani, et al.

- Gautam S. Adani
- Sagar R. Adani
- Vneet S. Jaain
- Ranjit Gupta
- Cyril Cabanes
- Saurabh Agarwal
- Deepak Malhotra
- Rupesh Agarwal

United States of America v. Telefonica Venezolana, C.A.

United States of America v. BIT Mining, Ltd. f/k/a 500.com Ltd.

In the Matter of BIT Mining Ltd.

Securities and Exchange Commission v. Gautam Adani and Sagar Adani

Securities and Exchange Commission v. Cyril Sebastien Dominique Cabanes

United States of America v. McKinsey and Company Africa (Pty) Ltd

In Re AAR Corp.

In the Matter of Deepak Sharma

In the Matter of AAR Corp.