FCPA Spring Review 2008

International Alert
06.06.2008

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Introduction

The number of cases involving the Foreign Corrupt Practices Act ("FCPA") during the first five months of 2008 is just below the record pace set in 2007, a year which far surpassed all previous enforcement records with a combined 38 FCPA enforcement actions brought by the Department of Justice ("DOJ") and the Securities and Exchange Commission ("SEC"). If public comments by enforcement officials are any indication, however, enforcement levels should pick up throughout the course of the year. On a panel before the DC Bar in April, Mark Mendelsohn, the Deputy Chief of the Fraud Section with the DOJ said "I would not be surprised if [the DOJ] surpassed [last year's] 16 prosecutions this year." Through May, the SEC and the DOJ have brought 9 cases and initiated several new investigations. More information has also surfaced on a handful on previously disclosed investigations.

A related development this year has been the DOJ's issuance of monitor guidelines in response to the controversy over the appointment of monitors in deferred prosecution agreements ("DPAs") in recent years. The situation came to a head after press reports last year disclosed that a U.S. Attorney had appointed several former colleagues, including former Attorney General John Ashcroft, to act as monitors for a number of medical device manufacturers who had recently settled domestic bribery allegations with the DOJ.

The assignment of these contracts without any sort of bidding process provoked charges of cronyism and sparked an uproar on Capitol Hill that resulted in an investigation by the Government Accountability Office, proposed legislation to regulate the appointment of monitors, and congressional committee hearings, at which Ashcroft himself testified. The controversy centered on concerns about transparency and the practice of rewarding political allies with lucrative monitor contracts, a lack of clear standards dictating under what circumstances monitors should be imposed, and the cost and punitive nature of extended monitoring requirements.

The new internal guidelines the DOJ publicized to stem these criticisms require that the Deputy Attorney General approve a proposed monitor, create a standard for questioning a monitor's impartiality, and temporarily prohibit an association between a monitor and a corporation after the end of the monitoring period. The guidelines, however, cannot be enforced by outside parties. Under them, the DOJ also retains responsibility for the appointment of, control over, and communication with monitors. The guidelines provide for no court oversight for DPAs, with the DOJ retaining the exclusive power for determining whether a breach of the agreement has occurred. Since releasing the guidelines on May 10, 2008, the DOJ has only entered into one FCPA-related DPA that imposes a monitor requirement, and the settlement terms of that agreement appear to reflect the guidelines' new approach to this issue (see *Wilbros, Faro* and *AGA Medical* below).

There have been promising signs this year that the international community is increasingly acting to address corrupt practices, especially in Europe. German prosecutors have continued investigating bribery involving various divisions and individuals within Siemens AG and recently opened a separate investigation into the suspected bribery of Nigerian officials by the construction firm Bilfinger Berger AG; the United Kingdom's High Court rebuked the British government over shutting down its BAE investigation; and French and Swiss authorities are reportedly investigating the French firm Alstom SA for questionable payments abroad. In India, the government has formally requested assistance from the United States in questioning the U.S. firm Dow Chemicals, which last year settled FCPA charges with the Securities and Exchange Commission related to the same underlying activities. In South Korea, authorities investigated Samsung Group, one of the country's most prominent companies, on charges of bribery and corruption -- an investigation that ultimately led to the prosecution of Samsung Chairman Lee Kun Hee on tax evasion charges. Finally, Israeli prosecutors are investigating bribery allegations against Prime Minister Ehud Olmert, who has publicly denied the charges, but stated he will step down if indicted.

Actions Against Corporations

A. New Settlements in Oil-for-Food Actions

The DOJ and SEC have continued prosecuting companies involved in the U.N. Oil for Food scandal (please refer to our 2007 Autumn Review and 2008 Winter Review for more information on past Oil for Food prosecutions). In the last few months, authorities settled actions against two more companies involved in the graft scheme concocted by the Iraqi government in the decade before the U.S. invasion of Iraq. The U.N. established the Oil for Food program to alleviate the effect of trade sanctions and embargoes by allowing Iraqi government to sell oil and use the proceeds to purchase goods for humanitarian purposes. To ensure that the money went towards intended purposes, the oil proceeds were deposited in a U.N. escrow account, from which the funds could only be withdrawn for contracts approved by the U.N. The Iraqi government devised a scheme to appropriate a portion of these funds. Under the scheme, in order to obtain a contract for the sale of humanitarian goods, the companies were required to pay the government 10% of the proposed contract. The companies that were subject to prosecution disguised these kickbacks in the documents submitted to the U.N. for approval and on their books and records. In all, around $1 billion designated for humanitarian purchases was diverted to the Iraqi government. The scheme was uncovered following discovery of some key documents during the U.S. invasion of Iraq. The DOJ and SEC have now prosecuted eight companies for FCPA violations related to the scheme.

Flowserve Corp.: On February 21, 2008, the DOJ filed a criminal information against the U.S.-based Flowserve Corporation's ("Flowserve") wholly-owned French subsidiary, Flowserve Pompes SAS ("Flowserve Pompes"). Flowserve resolved the charges by "acknowledging responsibility" for the acts of the subsidiary and entering into DPA on its behalf with the DOJ.

The DOJ had charged Flowserve Pompes with conspiracy to commit wire fraud and violate the books and records provisions of the FCPA. According to the criminal information, Flowserve Pompes transferred over $604,651 to the Iraqi government and approved payments of another $173,758. In exchange, the Iraqi government entered into contracts with Flowserve to buy assorted water pump equipment. Under the DPA, Flowserve accepted responsibility for its subsidiary's actions, agreed to cooperate in future Oil for Food program investigations, and was permanently enjoined from future FCPA violations. Flowserve also agreed to pay a $4 million criminal fine. If both Flowserve and the subsidiary adhere to the terms of the agreement for three years, the DOJ will dismiss the criminal information against Flowserve Pompes. The DOJ, in agreeing to defer its prosecution, recognized Flowserve's internal investigation of the improper payments and its implementation of enhanced compliance programs.

On the same day, Flowserve consented to the filing of a final judgment order in an SEC case arising out of the same conduct. The SEC alleged that Flowserve violated the books and records provisions of the SEC by improperly recording the payments to the Iraqi government. According to the SEC complaint, Flowserve made the improper payments through two of its subsidiaries: Flowserve Pompes, based in France, and Flowserve B.V., a Dutch entity. Flowserve Pompes was allegedly involved in twenty out of

the twenty-one improper transactions and had failed to accurately record them in its books and in its submissions to the U.N. for approval. In its books, the company falsely described the payments as an "after-sales service fee" to a Jordanian agent, as if to pay for the installation of equipment even though no such installation services were ever provided. In its submissions to the U.N., Flowserve Pompes made no note of these separate payments, instead inflating the prices of its equipment by 10% to cover the difference, without explaining the inflation. The Dutch subsidiary, Flowserve B.V., similarly recorded the payments as a "special project discount" to an agent. In reality, the money went to the Iraqi regime. The payments were similarly concealed in the submission to the U.N. by inflating the price of the purchasing order.

The SEC faulted Flowserve for failing to devise and implement an adequate system of internal controls capable of detecting and preventing the violations committed by its subsidiaries. In addition, the SEC found that the payments were not properly recorded on Flowserve's books. The SEC final judgment requires Flowserve to pay a civil penalty of $3 million and to disgorge $3,124,225 in profits and pre-judgment interest. Flowserve consented to entry of the final judgment without affirming or denying the allegations.

Flowserve B.V. was prosecuted in the Netherlands and agreed to pay a fine to settle the case with the Dutch Public Prosecutor.

AB Volvo: On March 20, 2008 the Swedish company AB Volvo [Note: AB Volvo is not a manufacturer of Volvo automobiles. That brand was sold to Ford Motor Co. in 1999.] announced that it had entered into a settlement agreement with the SEC and a DPA -- on behalf of its subsidiaries -- with the DOJ, thus resolving FCPA charges brought by U.S. authorities. At the time the questionable payments at issue were made, AB Volvo traded its shares on Nasdaq, thus qualifying as an "issuer" for the purposes of FCPA jurisdiction. In December 2007, AB Volvo delisted its shares and applied to terminate its registration with the SEC.

The SEC and DOJ alleged that two of AB Volvo's subsidiaries, the French company Renault V.I. ("Renault") and the Swedish company Volvo Construction Equipment AB ("VCE"), made payments to Iraqi officials to secure contracts for sale of equipment to the Iraqi government as part of the Oil-for-Food program. The SEC accused AB Volvo of knowing, or being reckless in not knowing, that its subsidiaries were making or offering payments to government officials. Further, the SEC alleged that the company failed to implement effective internal controls to detect and stop the payments and improperly recording the nature of these transactions in its books and records. According to the DOJ and SEC filings Renault paid approximately $5 million to the Iraqi government in exchange for contracts for sale of trucks to several Iraqi ministries with a total value of approximately €61 million ($94.1 million). Volvo Construction Equipment International AB ("VCEI"), the predecessor to VCE, paid approximately $1.3 million to receive $13.8 million worth of contracts. In order to generate cash for the payments, the companies inflated the price of contracts before submitting them to the U.N. for approval. Some of the payments, including $19,000 used to by a car for an Iraqi minister, were made before the Iraqi government instituted the 10% kickback program.

Without admitting or denying the SEC allegations, AB Volvo agreed to pay approximately $8.6 million in disgorged profits and pre-judgment interest to the SEC, in addition to a civil penalty of $4 million. As part of the DPA it entered on behalf of its subsidiaries, AB Volvo will also pay a criminal penalty of $7 million. In total, AB Volvo agreed to pay over $19.6 million in penalties and disgorgement. Per the DPA, the DOJ will not prosecute the criminal informations it filed against Renault and VCEI if AB Volvo and the subsidiaries adhere to the detailed requirements of the DPA for three years. In agreeing to settle, the DOJ recognized AB Volvo's cooperation in the investigation and implementation of enhanced compliance protocol.

Noteworthy Aspects of the Oil for Food Settlements:

- Although AB Volvo's SEC settlement uses language typically associated with anti-bribery violations (i.e. , "knew or was reckless in not knowing"), neither AB Volvo nor Flowserve were prosecuted for anti-bribery violations, which continues a trend established in last year's Oil for Food actions and underscores the fact that the DOJ and SEC can and do prosecute cases based solely on related-charges like conspiracy, internal controls, books and records provisions when they might not be able to establish an anti-bribery violation.

- Both AB Volvo and Flowserve entered into agreements with the DOJ on behalf of their subsidiaries. In each case, only the subsidiaries were charged by the DOJ, which then agreed to defer its prosecutions of the companies after AB Volvo and Flowserve each accepted and acknowledged responsibility for their subsidiaries' acts. This practice, which emerged with Oil for Food settlements last year, essentially allows the DOJ to sidestep having to establish the jurisdictional requirements of the FCPA. The settlements will typically stipulate the parent company settling the enforcement action is "acknowledging" or "accepting" responsibility for the acts of its foreign subsidiary, language that it appears the DOJ believes is a sufficient substitute for establishing jurisdiction against a parent company that was not involved with and seemingly had no knowledge of the underlying acts. This development is consistent with the pattern of FCPA jurisprudence, with settled enforcement actions, as opposed to court-adjudicated cases, providing the DOJ and SEC with great latitude in interpreting the FCPA's provisions.

- The prosecution of foreign corporations like AB Volvo and Flowserve (as well as Willbros Group below) reflects the current trend by U.S. authorities to aggressively enforce U.S. anti-corruption laws against non-U.S. companies. This aggressive enforcement may have been a factor in AB Volvo's decision to de-list itself from the U.S. securities markets, as other companies have recently done.

B. Wabtec (Westinghouse) Settlement

On February 14, 2008, the U.S.-based Westinghouse Airbrake Technologies Corporation ("Wabtec"), railroad equipment manufacturer, resolved FCPA matters with the DOJ and SEC. The enforcement actions involved payments to officials in India that allegedly took place between 2001 and 2005.

Wabtec's wholly-owned Indian subsidiary, Pioneer Friction Ltd. ("Pioneer"), is alleged to have paid $137,400 in cash to officials of a state-owned railroad equipment contracts. According to the SEC complaint, Pioneer generated cash for these payments by soliciting fictitious invoices for "consulting expenses" and "supplies" form some of its marketing agents. While invoices were purportedly submitted for services rendered, no services were in fact performed. Pioneer then destroyed all records relating to these payments after just one year, in violation of Indian law. Wabtec's financial statements ultimately did not reflect any of its subsidiary's payments. Although Wabtec's Code of Conduct prohibited giving anything of value to improperly influence its business partners, Wabtec failed to educate its employees on proper FCPA compliance.

The SEC brought two actions against Wabtec based on these allegations. The first charged the company with violating FCPA's anti-bribery, books and records, and internal controls provisions. The second was an administrative proceeding seeking disgorgement of Wabtec's profits and prejudgment interest and a cease and desist order. To settle both SEC actions, Wabtec agreed to pay $87,000 in civil penalties and disgorge nearly $288,000 in profits and pre-judgment interest. The SEC also ordered Wabtec to revise its compliance program with the help of an independent consultant.

To settle the matter with the DOJ, Wabtec entered into a non-prosecution agreement ("NPA"), acknowledging responsibility for the actions of Pioneer, its employees, and agents. In agreeing not to prosecute, the DOJ cited Wabtec's extensive cooperation in the investigation. Wabtec discovered the violations in January 2006, and in response conducted an internal investigation, implemented a remedial compliance program, and disclosed the investigation results to authorities. Wabtec agreed to abide by the terms of the NPA for three years, pay a $300,000 criminal penalty, implement a system of internal controls and continue to cooperate with authorities in the future.

Noteworthy Aspect of the Wabtec Settlement

- Similar to the Oil for Food enforcements actions, Wabtec, in its agreement with the DOJ, " accepted" and "acknowledged" responsibility for acts committed by its foreign subsidiary (a fourth tier subsidiary), even though it neither knew of, now participated, in the underlying activities. Similarly, the SEC resolution included anti-bribery charges against Wabtec without

detailing knowledge or involvement of Wabtec in the improper payments. The SEC complaint merely stated that Wabtec "through its subsidiary Pioneer" corruptly made payments to Indian officials. As in the Oil for Food cases, this suggests a lowered bar on the jurisdictional elements of the FCPA.

C. Tentative Settlements Finalized -- Willbros and Faro

In our 2008 Winter Review, we reported on a pair of tentative FCPA settlement agreements that two companies, Willbros Group, Inc., ("Willbros") and Faro Technologies ("Faro"), had publicly announced but that the SEC and DOJ had yet to confirm or acknowledge. These settlements were finally formalized in May and June 2008, respectively, and each largely mirrors that tentative settlements both companies disclosed last fall.

Willbros Group: On May 15, 2008, the company reached a final settlement on the matter with U.S. authorities. Willbros and its Panamanian subsidiary, Willbros International Inc., ("WII"), also headquartered in Texas, entered into a DPA with the DOJ, and Willbros and several of its former executives settled charges with the SEC, without admitting or denying the SEC's allegations. For the purposes of the FCPA, U.S. authorities deemed Willbros a foreign "issuer" and its subsidiary WII a "domestic concern."

Authorities allege that the company participated in schemes to bribe foreign officials in Nigeria and Ecuador as well as non-FCPA related schemes to avoid taxes in Bolivia. In Nigeria, the company allegedly authorized over $6 million in payments to obtain two contracts related to a major gas pipeline construction project. Some of the payments were falsely recorded as fees for consulting services, while others were allegedly funded by loans obtained from the company's partners and subsidiaries and by withdrawals from the petty cash accounts. Company employees were also accused of misusing petty cash accounts to make payments to Nigerian tax and court officials to obtain tax reductions and favorable treatment in ongoing court actions. The SEC claimed these payments were then improperly disguised in the company's books and records.

In Ecuador, the company allegedly agreed to pay $300,000 to employees of a state-owned oil and gas company to obtain a $3 million pipeline modification contract.

Some of the payments were channeled through private bank accounts of Willbros employees and their family members. In the books and records, the payments were recorded as "consulting expenses," "platform expenses," or "prepaid expenses."

In settling charges of violating anti-bribery, books and records, and internal controls provisions of the FCPA with the SEC, Willbros agreed to disgorge $10.3 million in profits and pre-judgment interest and was permanently enjoined from violating the FCPA. Under its DPA with the DOJ, Willbros agreed to pay a $22 million criminal penalty and engage an independent monitor. It also agreed to implement an additional set of compliance policies. As part of the settlement, the DOJ filed a six-count criminal information against Willbros and WII, charging the companies with conspiracy and FCPA anti-bribery and books and records violations; all of these charges were deferred and will be dismissed in three years if the companies comply with the terms of the agreement.

Both the SEC and the DOJ acknowledged cooperation on behalf of Willbros, which voluntarily disclosed the violations after discovering the payments in the course of an internal audit and conducted an internal investigation.

Faro Technologies: On June 5, 2008, Faro, a computer device and manufacturing software company based in Lake Mary, Florida, announced that it had formalized its tentative FCPA settlement agreements with the DOJ and SEC over corrupt payments it allegedly made to Chinese government officials, inaccurate books and records it kept regarding those payments and insufficient internal controls to identify and prevent such payments. To settle the matters, Faro consented to the entry of a cease-and-desist order with the SEC that requires it to disgorge $1.85 million in illicit gains and prejudgment interest and it entered a two-year NPA with the DOJ that imposes a $1.1 million penalty, requires an overhaul of the company's compliance procedures, and institutes an independent monitor for two years.

According to the agreements, Faro established a Chinese subsidiary, Faro China, in 2003 to begin marketing its products in China directly rather than through distributors. From 2004 to 2005, Faro's regional sales manager for the Asia-Pacific region, a U.S. citizen, authorized China Faro's country manager, a Chinese citizen, to make illicit payments, disguised as "referral fees" on Faro's books, directly to employees of state-owned or controlled entities in China in order to secure contracts worth around $4.9 million. During this period, Faro promised to pay $533, 163 in "referral fees" and paid nearly $444,500. This conduct took place in spite of a directive from Faro's legal counsel and upper management that such payments violated Chinese law and should not be made.

Email exchanges between Faro's regional sales manager and Faro China's country manager show that the two employees were aware of the illicit nature of these payments and had contemplated the legal repercussions that might result. In 2005, these concerns led them to route the payments through a shell company to "avoid exposure." The intermediary aggregated the bribes it made on Faro's behalf and sent invoices to Faro under the guise of a "services contract." As a result, Faro also falsely recorded at least $238,000 in improper payments in its books and records.

The DOJ's decision not to prosecute Faro for these violations recognized Faro's timely voluntary disclosure, its thorough review of the improper payments, its cooperation with the DOJ, its enhanced compliance policies and procedures, and, finally, its agreement to engage an independent corporate monitor. Similarly, in light of Faro's significant cooperation, the SEC did not file an FCPA charge or impose a penalty, but only sought a cease-and-desist order that required Faro to disgorge ill-gotten gains.

Noteworthy Aspects of the Willbros and Faro Settlement:

- The compliance monitor provisions of the Willbros DPA are the first since the DOJ issued guidelines governing the appointment of monitors. The agreement provides that Willbros will propose the candidate to act as the independent monitor, and, unlike previous DPAs, stipulates qualifications the monitor must have: (1) demonstrated FCPA counseling expertise, (2) experience with corporate compliance policies, (3) the resources necessary to fulfill its obligations, and (4) sufficient independence from company to be effective and impartial. The DPA is also unique in that it provides that the DOJ, at its discretion, may terminate the monitor requirement early if it believes the need has been eliminated (the same is true for the *AGA Medical* monitor arrangement below).

- The Faro resolution with the SEC also requires the appointment of a monitor. Unlike the DOJ, the SEC has not issued guidelines regarding the appointment of monitors in response to the controversy discussed in the introduction, and the Faro SEC Order uses the SEC's standard language for the appointment of monitors, which differs from the DOJ's language. Historically, a company resolving an FCPA issue could appoint one monitor and satisfy both the SEC and DOJ requirements. With the DOJ developing more specific guidelines, there is a potential for conflict between the two agencies' monitor requirements. For example, it remains to be seen whether the DOJ's language in *Willbros* and *AGA Medical* allowing for the early termination of a monitor would be acceptable to the SEC. Notably, Faro's NPA did not include an early termination provision.

- Willbros's combined $32.3 million settlement is the largest FCPA penalty this year, and the second largest ever imposed behind last year's $44 million Baker Hughes settlement. The $22 million criminal fine is, likewise, the second largest criminal penalty imposed under the FCPA, just below last year's $26 million fine paid by Vetco.

D. AGA Medical Corporation

On May 3, 2008, the DOJ announced that it entered into a DPA with AGA Medical Corp ("AGA") resolving FCPA charges for payments made to government officials in China. AGA, a privately-held manufacturer of medical devices based in Minnesota, agreed to pay a $2 million criminal penalty to the DOJ, enhance its compliance policies, and appoint an independent monitor. In exchange, the DOJ agreed to defer a two-count criminal information it filed against AGA, charging the company with conspiring to violate and with violating the anti-bribery provisions of the FCPA.

According to the DPA, AGA conducted its business dealings in China through a Chinese distributor who had exclusive rights to sell AGA products in the country. The distributor's primary customers were government-owned hospitals and government-employed physicians. In response to demands by these customers several U.S. employees of AGA (including a part-owner), authorized the Chinese distributor to make payments ranging from 10% to 25% of the purchase price to government-employed physicians to induce the hospitals to purchase AGA products. Between 1997 and 2005, the company channeled more than $460,000 in illicit payments through its Chinese distributor. In addition, the Chinese distributor was authorized to pay $20,000 to officials of the Chinese Patent Office to obtain approval for several AGA patent applications.

When these payments came to light, AGA conducted an internal investigation into the questionable payments and voluntarily disclosed the results to the DOJ. In agreeing to defer prosecution, the DOJ recognized AGA's voluntary disclosure and its cooperation in the investigation.

Noteworthy Aspects of the AGA Settlement:

- The monitor provisions of AGA's DPA mirror those in *Willbros* and suggest that the DOJ, after a temporary suspension, has resumed requiring monitors in FCPA matters, pursuant to terms consistent with the guidelines issued on May 10, 2008.

- The AGA settlement takes place as the medical device industry remains mired in a broader FCPA probe. Last fall, a number of major players in the medical device industry including Stryker, Zimmer Holdings Inc., Biomet Inc, Smith & Nephew Plc and Medtronic Inc., disclosed FCPA investigations by the SEC into questionable industry practices abroad (See our 2008 Winter Review). AGA, as a privately owned entity, is not under the purview of the SEC and was pursued only by the DOJ. In addition to the SEC investigations noted above, Medtronic and Stryker have also announced parallel DOJ investigations into alleged questionable payments.

- In another notable development involving medical device industry, on May 1, 2008, U.K. -based Smith & Nephew, downgraded its forecast of full-year sales by $100 million as a result of "irregular sales practices" at Plus, a Swiss-based subsidiary the company recently acquired. It is unclear how the disclosure of problems at this new subsidiary will affect the above-mentioned ongoing SEC investigation of the company.

Actions Against Individuals

A. ITXC Corp. Executives Steven J. Ott, Roger Michael Young, and Yaw Oswei Amoako

On April 18, 2008, the SEC announced that final judgment was entered against former ITXC Corp. executives, Steven J. Ott, Roger M. Young and Yaw Osei Amoako on several long-standing FCPA charges. The three men were charged with violating the anti-bribery and books and records provisions of the FCPA for their participation in a scheme designed to bribe government officials in Nigeria, Rwanda and Senegal in exchange for telecommunications contracts. The $267,469 in questionable payments resulted in contracts worth over $11.5 million in net profits for ITXC. The final judgment imposes cease and desist orders permanently enjoining Ott, Young and Amoako from future violations of the FCPA. In addition, Amoako was required to disgorge $188,453 in profits and prejudgment interest. In parallel criminal proceedings, Ott, Young and Amoako pled guilty in 2006 and 2007 to criminal charges of conspiracy to violate the FCPA and the Travel Act for the same underlying activities at issue here (see our 2007 Autumn Review). Amoako was sentenced to 18 months in prison and fined $7,500, while Ott and Young are still awaiting sentencing.

B. Ramendra Basu, World Bank

On April 22, 2008, Ramendra Basu, a former World Bank employee who pled guilty to FCPA violations in December 2002, was sentenced to a 15-month prison term in connection with the charge. After serving his sentence, Basu will spend two years on supervised release and be required to perform 50 hours of community service. Basu had pled guilty to conspiring to steer World Bank contracts in Ethiopia and Kenya to Swedish companies in exchange for $127,000 in kickbacks. In addition, Basu admitted to having helped a Swedish consultant bribe a Kenyan government official. Gautam Sengupta, a co-conspirator, pled guilty to the related charges and was sentenced in February 2006 to two months in prison and a $6,000 fine. Basu and Sengupta are both Indian citizens and legal residents of the United States. Two Swedish consultants involved in these allegations have been convicted by Swedish authorities and received prison sentences of 18 and 12 months respectively.

C. Martin Self, Pacific Consolidated Industries LP

On May 9, 2008, Martin Self, a former President of Pacific Consolidated Industries LP ("PCI") pled guilty to two FCPA violations arising out of $70,350 in improper payments made to a relative of a U.K. official. PCI, a California-based company, manufactures Air Separation Units ("ASUs") and other military equipment. According to the plea agreement, Self admitted that he, along with another PCI executive Leo Winston Smith, hired the relative of an official of the U.K. Ministry of Defense (UK-MOD) as a "consultant" and paid him $70,350 for services that were never performed. Self knew, or had reason to know, that money given to the relative would be channeled to the official, and made the payments to secure the official's help in securing government contracts for ASUs. The plea agreement contemplates an eight-month prison term, but the sentence will be determined at a hearing scheduled for September 29, 2008. Leo Winston Smith was indicted on related charges in June 2007 (see our 2007 Autumn Review) and is scheduled to stand trial this summer. The UK-MOD official who received the bribes was sentenced to two years in prison by U.K. authorities.

D. Willbros Employees Jason Steph, Gerald Jansen, and Lloyd Biggers

On May 15, 2008, the same day that Willbros Group settled FCPA charges with the DOJ and SEC, several of the company's former employees resolved individual FCPA charges with the SEC. Jason Steph, a former Willbros executive in Nigeria who entered into a plea agreement with the DOJ on related charges in 2007 (see our 2007 Autumn Review and our 2008 Winter Review), consented to an entry of a permanent injunction with a possible civil penalty to be determined. Gerald Jansen, another former executive in Nigeria, received a permanent injunction and a civil fine of $30,000, while Lloyd Biggers, a former employee in Nigeria, received a permanent injunction.

World Bank Anti-Corruption Efforts Continue to Rise

Twelve years after the World Bank's then-President James Wolfensohn first vowed to address the "cancer of corruption," the Bank now can increasingly point to concrete progress in this area.

In January 2008, the World Bank made public a comprehensive (600 page) Detailed Implementation Review ("DIR") report that identified "significant indicators" of corruption, substandard project results, and "failures" of Bank controls in five health projects in India that involved more than $500 million in Bank funds. This is the first time the Bank has made public this type of report. The DIR, which was produced by the Bank's Department of Institutional Integrity ("INT") with the assistance of Miller & Chevalier, was not an investigation. Instead, its purpose was to identify "red flags" suggesting fraud and corruption, as well as weaknesses in Bank project design, implementation, controls, and evaluations that facilitate fraud and corruption or obscure the Bank's detection of their effects.

The DIR revealed indicators of "collusive behaviors, bid rigging, bribery and manipulated bid prices" across health projects in the areas of HIV/AIDS, malaria and tuberculosis control, food and drug capacity building, and health system development in one of

India's poorest regions. For example, it found that fraud and corruption might have led to the distribution of faulty HIV-test kits to clinics and blood banks that gave false negatives and other invalid results, the purchase of medical equipment unsuitable for its intended use, and the incomplete construction of laboratories meant to test food and drugs marketed to the public.

The Bank's critics cite the DIR as more evidence of the Bank's ineffective efforts in combating fraud and corruption. In response to the DIR, however, World Bank President Robert Zoellick publicly voiced concern over these "unacceptable indicators of fraud and corruption" and committed to "getting to the bottom of how these problems occurred." The Bank has since pledged to tighten oversight and address systemic flaws in such projects, and President Zoellick has directed the INT to investigate the DIR's findings for evidence of wrongdoing that the Bank can legally pursue. The Government of India has also committed to pursuing criminal misconduct in connection with these health projects.

On May 5, 2008, in a move that seems in line with a stepped-up focus on corruption, the Bank announced the appointment of South Africa's well-regarded Leonard McCarthy to lead INT. Mr. McCarthy is a South African fraud investigator and prosecutor with a reputation for integrity and political courage. He formerly led the country's "Scorpions" anticorruption unit -- a unit that has pursued corruption charges against, among others, top officials of South Africa's ANC ruling party. The fact that the Bank has elevated Mr. McCarthy's position at INT to Vice President of the Bank suggests that the Bank is serious about reform in this area.

International Investigations and Cooperation

There has been a noteworthy increase in international anti-corruption enforcement in 2008. Recent press accounts have specifically highlighted strengthening anti-corruption efforts in Europe, citing, in particular, investigations and proceedings involving BAE Systems ("BAE"), Siemens AG ("Siemens") and Alstom SA ("Alstom") (see below). After settling with Siemens on charges involving its telecommunications unit, German authorities have continued to investigate and prosecute other divisions and individuals within the company. And while U.K. authorities continue to be criticized for their lukewarm efforts to combat graft, the recent High Court decision (currently on appeal) finding the government's halt of the BAE probe unlawful could lead to greater cooperation by the U.K. in the fight against corruption.

A. BAE Systems -- British High Court Faults SFO

A landmark decision of the U.K. High Court will likely have significant consequences for the halted British investigation into the payments allegedly made by BAE to secure contracts for the sale of arms to the Saudi government.

As we reported in our 2008 Winter Review, BAE is accused of having paid £2 billion (nearly $4 billion) to members of the Saudi royal family in exchange for its help in securing a contract for the sale of jet fighters to the Saudi government. The U.K. Serious Fraud Office ("SFO") commenced an investigation into these allegations in July 2004. But in December 2006, at the direction of then Prime Minister Tony Blair, the SFO stopped the inquiry. According to the SFO, continuing the investigation would have damaged the U.K.-Saudi diplomatic relationship and had potentially harmful consequences to the U.K. national security.

Early in 2007, an anti-corruption organization The Corner House together with Campaign Against Arms Trade ("CAAT") applied for judicial review of SFO's decision to terminate the probe. The hearings began on February 14, 2008, and reportedly revealed documents showing that Saudi Arabia's leaders, including the Saudi Prince Bandar bin Sultan (who allegedly profited the most from the payments), threatened to terminate intelligence cooperation with the U.K. if the investigation continued. While the SFO did not admit or deny the alleged circumstances under which the threat was made, the SFO director defended his decision to terminate the inquiry as the only feasible choice, given the threat to the U.K.'s security and lives of the British people. The SFO Director argued that he was legally entitled to surrender to the threat.

The High Court disagreed in its April 10, 2008 decision. The Court found that, when asked to halt the investigation in the face of a threat to national security, the Separation of Powers principle required that the Director not yield to the threat if any other alternative course was available. In the Court's estimation, the Director did not do "all that could reasonably be done to resist the threat." For example, according to the Court, the government did not assess how the threat to withdraw cooperation and intelligence translated to a direct threat of terrorism and loss of British lives. The Court found no evidence that "any consideration was given as to how to persuade the Saudis to withdraw the threat" or as to how to resist the threat.

The Court determined that the SFO Director did not exercise the independent judgment required of him by the Separation of Powers doctrine. In light of these considerations, the Court held the decision to halt the investigation unlawful.

Although the Court found the probe termination to be illegal, it did not order the SFO to restart the investigation. On April 24, 2008, the Court granted the government's application to appeal the decision to the House of Lords, so any possibility of reopening the SFO probe will most likely be postponed for several months pending the appeal. The Court also ordered the government to pay the legal costs CAAT and The Corner House will incur in continuing to litigate the issue. Although the groups did not oppose the government's request for appeal, they did request to expedite the hearing date. Meanwhile, the U.K. Parliament is also said to be considering a bill to augment powers of the attorney general, enabling him to stop judicial intervention in all cases where national security is concerned.

As a result of the allegations in this case, the Board of BAE commissioned an independent investigation of its ethical policies and processes. It authorized the investigating committee, headed by Lord Woolf, a former Lord Chief Justice, to review and make recommendations concerning BAE's prospective business practices. The Committee's mandate, however, did not extend to reviewing or addressing past conduct by the company -- a decision for which BAE was criticized in the press. The Woolf Committee Report ("the Report"), issued on May 6, 2008, recommended a series of improvements to BAE's ethics policies and practices. For its part, BAE welcomed the Report and said it planned to adopt the committee's recommendations. In addition to its advice to BAE, the Report also demanded reform of U.K. corruption laws, which it claims have made anti-bribery enforcement difficult.

All the while, the DOJ has continued with its own investigation into the charges levied against BAE (see our 2008 Winter Review). On May 19, 2008, BAE announced that U.S. authorities had issued subpoenas to a number of BAE executives. CEO Mike Turner, along with a non-executive director, Sir Nigel Rudd, were served with subpoenas at two U.S. airports, while three more executives were served at their homes in the U.S. BAE did not disclose the nature of the subpoenas, which can request information, personal appearance in front of a jury, or other kinds of cooperation. Service of subpoenas in corporate FCPA prosecutions, especially to high-level executives at this stage of an investigation, is unusual and seems to demonstrate a lack of cooperation with U.S. authorities. According to news reports, BAE's CEO Mike Turner will likely be forced to testify before a grand jury if BAE continues to resist U.S. authorities' efforts to investigate the allegations. Any cooperation on BAE's part, however, might be constrained by the on-going legal wrangling over the matter in the U.K. To this point, the U.K. government has reportedly refused to cooperate with the U.S. probe since the SFO halted its own investigation. It remains to be seen whether the cooperation will be revived in the wake of the High Court decision and the Woolf Committee Report. An investigation of BAE by Swiss authorities is underway as well.

Noteworthy Aspects of the BAE Systems Investigation:

- The decision by the High Court to intervene in the BAE case is significant because of the U.K.'s thin record on anti-corruption enforcement over the years. The Court's opinion addresses concerns raised by the OECD's Working Group on Bribery and concludes that the SFO Director should have to answer to the Working Group on matters of this sort. While it is too soon to tell what effect this decision will have on the U.K.'s willingness to pursue allegations of bribery or meet its obligations under the OECD Convention -- especially considering the current legislative proposals poised to give the attorney general the power to prevent judicial interference in cases like these -- the decision has nonetheless spurred an open discussion about how U.K. should be handling the issue of corruption in an international climate that is becoming less tolerant of bribery.

- The SFO recently made another controversial decision to halt an investigation into charges of possible corruption abroad. The allegations concerned Mobitelea, a Guernsey-registered company that holds a 12.5% stake in Vodafone U.K.'s Kenyan subsidiary, Vodafone Kenya. Vodafone Kenya, in turn, owns a 40% stake in Safaricom, a Kenyan mobile phone company (the Kenyan government owns the remaining 60%). Allegations link Mobitelea to the family of Kenya's former president, Daniel arap Moi. In 2007, the SFO sent to Kenya two investigators tasked with determining Mobitelea's identity. On March 28, 2008, the SFO shut down the investigation, citing a lack of resources.

B. Siemens AG -- Corruption Probe Continues To Widen

German authorities have expanded their probe into allegations of corruptions at the engineering giant Siemens. As we noted in our 2008 Winter Review, Siemens extended its employee amnesty program earlier this year in an effort to gather more information in its internal investigation. The amnesty program encouraged employees to come forward with any information relating to the bribery scandal, promising protection from termination or litigious retaliation, and it produced new facts that are dragging Siemens's executives into more troubled waters.

Siemens officials likely knew about bribery suspicions as early as 2003 : Documents released in April include a 2003 memo to former Chairman Heinrich von Pierer from Albrecht Schafer, the then-head of Siemens compliance department, that was intended to inform the executive board of bribery allegations raised by an Italian court. The memo detailed concerns an Italian judge had expressed about payments made within Siemens's energy division.

In a later 2004 memorandum, Schafer warned Pierer and other executive board members that SEC could potentially investigate the allegations of bribery at Siemens. In response, Siemens reportedly hired a law firm to investigate the matter, but the firm could not confirm that any bribery had occurred. The legitimacy of this investigation is questionable, however, since none of the Siemens's employees allegedly involved in improper payments were interviewed during the probe.

Former board members individually linked to irregular payments : German prosecutors have already indicted Reinhard Siekaczek, a former executive in Siemens's telecommunications equipment unit. Siekaczek, who is facing 58 counts of breach of trust, is reportedly cooperating with prosecutors. According to press accounts, he recently testified that managers within his division made payments to foreign officials using money earmarked to pay for nonexistent consulting contracts.

According to Siekaczek, these managers, aware that their conduct was illegal, attempted to hide evidence of their involvement by signing potentially incriminating documents on post-it notes that could be removed in the event of an investigation.

German prosecutors also named Uriel Sharef, who headed the power-generation and transmission units until last December, as a criminal suspect. While prosecutors claim there is insufficient evidence at this point to indict former Chairman Heinrich von Pierer, they did commence a civil suit against von Pierer in May 2008. It has also been reported that prosecutors have initiated proceedings against several other board members, but no additional individuals have been publicly named.

Now, as the probe extends to additional divisions within Siemens, more prosecutions of and civil actions against individuals are expected. The fallout within Siemens continues as well, as on April 23, 2008, Siemens reported that Erich Reinhardt, the head of the health-care unit, intended to step down after violations were revealed in his division.

Documents have also surfaced that individually link von Pierer to questionable payments, including a series of payments made to Iranian officials in order to push through a nuclear plant construction project during the 1970's and 80's. Pierer purportedly "orchestrated" the payment of a total of 266 million Deutsche Marks to a businessman connected to the former Shah, and is even claimed to have once delivered a payment in person. Pierer has denied these allegations.

Investigation expanding to new Siemens divisions: Munich prosecutors are reportedly probing at least four divisions and 270 individual suspects. While the investigations initially focused on Siemens's telecommunications division, as new documents have surfaced, the probe has expanded to the power-generation, transmission, and health-care equipment units. Corruption has reportedly been found in nearly every division that Siemens's internal investigation has reviewed.

The expanding probe is having an effect on Siemens's bottom line, as the company's net profit for the second quarter of 2008 slid 67%.

Expectations of record penalties: The DOJ and SEC have continued their investigations into the corruption allegations against Siemens. The expanding inquiry has delayed the resolution of the FCPA cases and is increasing the size of any potential settlement. A German court already fined Siemens €201 million ($310 million) for violations in its communications division. Amid the expanding bribery allegations, FCPA professionals expect U.S. authorities to impose record penalties against Siemens, including fines of more than $1 billion and the assignment of a long-term independent monitor.

Noteworthy Aspects of the Siemens Investigation:

- The far-reaching Siemens investigation and the numerous prosecutions it has spawned suggest a new attitude toward corporate corruption in Germany. This is further evidenced by recent reports of another corruption investigation that German authorities have opened involving the construction firm Bilfinger Berger AG ("Bilfinger"). Prosecutors are said to be looking into allegations of bribery related to an oil-related construction project in Nigeria; Bilfinger is accused making millions in suspect payments to Nigeria's government party People's Democratic Party.

- In light of the new evidence linking former board members to the scandal, Siemens is reportedly considered suing its entire former executive board for damages resulting from the corruption probe. The cost of the company's internal investigation alone has now reportedly reached upwards of $1 billion.

C. Samsung Group -- South Korea Investigates Allegations Against the Electronics Company

In South Korea, government prosecutors finished investigating allegations of bribery by Samsung Group, the country's largest family-run business. In the course of the investigation, authorities raided Samsung offices and the homes of some executives, and extensively interviewed suspects and witnesses. The probe reportedly did not produce evidence to substantiate the bribery allegations, but it did result in the prosecution of Samsung Chairman Lee Kun Hee for evading taxes amounting to $114 million. While some commentators have called the study a "whitewash," the investigation succeeded in attracting attention to the giving of gifts and payments to influential people: a practice prevalent in South Korea's business community.

D. Dow Chemicals -- India To Submit Letter Rogatory Requesting U.S. Help

In India, the press has reported that the Indian Central Bureau of Investigation ("CBI") is planning to submit a letter rogatory to U.S. authorities requesting help in questioning the Dow Chemicals Corp. ("Dow") regarding corrupt payments the company allegedly made to Indian officials. The SEC settled FCPA charges with Dow in 2007 that dealt with corrupt payments made by its subsidiary DE-Nocil to obtain regulatory approval in India for three pesticides banned under Indian law (see our 2007 Autumn Review). After the Dow settlement, CBI registered a case against six people, including government officials, DE-Nocil executives and consultants. CBI is also investigating two Indian companies in connection with the allegations. Through its letter rogatory, CBI seeks to obtain information from Dow without having to visit the United States.

E. Alstom SA -- French and Swiss Authorities Investigate the Engineering Giant

In Europe, French and Swiss authorities are reportedly investigating allegations of bribes paid by the Paris-based engineering giant Alstom. Alstom, the third-largest power plant maker in the world, allegedly paid hundreds of millions of dollars in bribes in Brazil, Venezuela, Singapore and Indonesia, to obtain civil-engineering contracts. The questionable payments were first discovered by an accounting firm during an audit of a small private Swiss bank. The auditors discovered documents linking one of the bankers with Alstom in a series of suspicious transactions. Alstom, meanwhile, notes that no charges have been filed by French authorities and denies reports that it is the focus of the Swiss probe, claiming it has simply cooperated in a wider investigation being conducted by Swiss officials. Alstom recently filed to join the criminal probe as a co-plaintiff -- a move that may result in a number of potential advantages for the company, including access to some of the case files. This legal maneuver will be disallowed if Alstom is charged with a crime.

F. Ehud Olmert -- Israeli Prime Minister Under the Microscope in Bribe Probe

In Israel, Prime Minister Ehud Olmert has been weathering fierce criticism over bribery allegations that have surfaced against him. Israeli enforcement officials have now questioned Olmert twice about the claims of U.S. financier, Morris Talansky that he made substantial payments to Olmert during Olmert's tenure as Mayor of Jerusalem. Talansky has testified under oath that he gave Olmert "cash in envelopes" over a period of more than 10 years. Police authorities reportedly suspect Olmert of taking up to $500,000 from one or more "foreign individuals." In the wake of the investigation, political pressure has begun to mount for Olmert to step down, at least temporarily. On May 29, 2008, former Primer Minister and current Defense Minister Ehud Barak publicly called on Olmert to remove himself from office until the matter is resolved. Olmert contends that allegations against him are unfounded and insists he will resign only if indicted. Foreign Minister Tzipi Livni, a senior member of Olmert's Kadima party, added to this drumbeat by calling on Olmert to resign. Talansky, meanwhile, has his own legal troubles waiting for him in the U.S., including the strong possibility that authorities are investigating him for violations of the FCPA.

G. Juthamas Siriwann -- Thailand To Prosecute Former Official

In our 2008 Winter Review, we reported on a Los Angeles-based film executive, Gerald Green, and his wife, Patricia Green, who were both indicted on allegations of conspiracy to violate the FCPA for bribing Juthamas Siriwann, a Thai tourism official, in exchange for contracts to run the Bangkok International Film Festival. In the wake of the Greens' indictment, Siriwann, while denying the allegations, resigned from her new post as deputy chairman of the People's Power Party. In March, the press reported that Thai authorities were planning to prosecute Ms. Siriwan for accepting over $900,000 in bribes from the Greens. The Greens' trial, meanwhile, has been postponed until September 2008.

Other News

A. Alcoa Civil Suite Leads to Criminal Investigation

On March 22, 2008, the DOJ began a criminal investigation of Alcoa Inc. ("Alcoa"), a U.S. company, in connection with an alleged bribery scheme the aluminum producer perpetrated in Bahrain. The allegations initially arose, however, in a civil suit filed against Alcoa by Aluminum Bahrain BSC ("Alba") in February 2008. Alba is an aluminum smelter primarily owned by an entity of the Bahrain government. It is by far the largest supplier of aluminum in the Bahrain. Alcoa produces alumina, the principal raw input for aluminum, and has long been the major provider of alumina to Alba. Alba's civil suit targets not only Alcoa, but its partially-owned subsidiary Alcoa World Alumina LLC (owned in part by an Australian company Alumina Ltd.) and two individuals who allegedly acted as agents of the companies. Alba's complaint levies a number of charges, including conspiracy, fraud, and RICO claims based on FCPA violations for which Alba is seeking over $1 billion in damages from Alcoa and the other defendants.

According to the complaint, the defendants assigned contract rights for supply of alumina to a number of subsidiary companies over

the years. Alba contends that these companies were not in fact subsidiaries of Alcoa, but were actually owned by one of the individual defendants and set up for the sole purpose of channeling money as bribes. The defendants, according to Alba, then used the money to bribe a government official to use his influence and position to force Alba into accepting a contract on unfavorable terms. These terms included (1) a significant increase in the price of alumina from previous contracts, and |(2) a drastically shortened time for payments.

On March 28, 2008, a U.S. District judge granted the DOJ's request to stay this civil action while the DOJ conducts its criminal investigation. Alcoa has expressed its intent to cooperate with the investigation, but says it "plans to vigorously defend itself" against the allegations after claiming to have conducted internal review that found no indications of wrongdoing. Although Alba did not oppose the order to stay, a company spokesman has said that Alba intends on proceeding with its civil action once the DOJ's case has been resolved.

Noteworthy Aspects of the Alcoa Case:

- One of the individuals named in Alba's complaint is Victor Dahdaleh, a Jordanian-born resident of London and an influential businessman with links to current and former U.K. and E.U. government (notably, the ex-Prime Minister Tony Blair). On April 27, 2008, U.K. Times reported that Dahdaleh was being "targeted in an inquiry" by the DOJ in connection with the Alcoa investigation.

- Civil suits that allege violations of the FCPA are rare because the FCPA itself provides no private right of action, so another ground must be provided to establish cause (e.g., the Racketeer Influenced and Corrupt Organizations ("RICO") Act). Interestingly, two other private suit alleging FCPA violations have also been filed in recent months. In February 2008, Grynberg Production Corp. ("Grynberg") filed a complaint against BP plc, BG Group plc, StatoilHydro ASA and several high-ranking executives of these companies. Grynberg, a Denver-based oil company, brought a RICO action against the defendants, alleging fraud, theft, and breach of constructive trust. The complaint alleges that the defendants, after entering into partnership agreements with Grynberg in several ventures in Kazakhstan, used Grynberg's money to pay off Kazakh officials to obtain contracts and licenses. And in May 2008, the U.S. aviation equipment firm Argo-Tech Corp. ("Argo") filed suit against the Japanese defense equipment trader Yamada Corp. ("Yamada") and its U.S. subsidiary on FCPA grounds. Argo claims that Yamada's alleged involvement in a scheme to bribe a Japanese defense official violated Yamada's contract with Argo because this activity runs afoul of the FCPA. The contractual agreement between the companies requires adherence to the FCPA.

B. Certiorari Petition in the Kay & Murphy Case

Former American Rice Inc. executives David Kay and Douglas Murphy, whose 2004 FCPA conviction was upheld by the Fifth Circuit last year, have filed a petition for *certiorari review* to the Supreme Court. Kay and Murphy were found guilty of making payments to customs officials in Haiti in exchange for reduced custom duties and taxes. On appeal they argue that the FCPA does not apply to their conduct because they did not intend to "obtain or retain business" when making their payments. They claim it is not clear from the statutory text whether the FCPA applies to payments made to obtain any other benefit, such as tax reductions, and contend, as a result, that the rule of lenity forbids their prosecution. Kay and Murphy also argue that the Fifth Circuit mistakenly held that omission of the element of "willfulness" in their indictment was harmless error. The Chamber of Commerce and the National Association of Criminal Defense Lawyers have filed Amicus Briefs in support of Kay and Murphy's petition.

C. Alice S. Fisher Resigns from Department of Justice

On April 30, 2008 Assistant Attorney General of the Criminal Division Alice S. Fisher announced her resignation from the DOJ effective May 23, 2008. During Ms. Fisher's nearly three-year term of service, the DOJ's Criminal Division significantly increased its investigations into allegations of public corruption and prosecuted both U.S. and foreign officials, including several sitting

Congressmen. As part of this, Ms. Fisher presided over an unprecedented increase in FCPA enforcement, overseeing sixteen enforcement actions in 2007 alone.

D. American College of Trial Lawyers Issues Guidance on Internal Investigations

The American College of Trial Lawyers, in February 2008, published its "Recommended Practices for Companies and Their Counsel in Conducting Internal Investigations." While the paper focuses mainly on internal investigations by issuers and public companies in which significant allegations of malfeasance are alleged or suspected, the recommended principles are applicable to a range of investigations, including FCPA-related ones. The paper includes guidance on initial investigation organizational issues, including factors to consider when evaluating whether to commence an internal investigation; creating an accurate factual record; developing a record of the investigation; and external investigations. The paper concludes with a list of 44 specific recommendations relating to internal investigations.

F. The Proposed Extractive Industries Transparency Disclosure Act

Massachusetts Representative Barney Frank (D), Chair of the House Financial Services Committee, introduced legislation on May 15, 2008, intended to reduce corruption and insecurity in the oil, gas, and mining industries. H.R. 6066, the Extractive Industries Transparency Disclosure Act ("EITD"), would require issuers to publicly disclose all payments they make (or that are made on their behalf) to an agency or instrumentality of a foreign government for access to natural resources or in connection with their extraction. One stated purpose of the legislation is to foster transparency, accountability and good-governance in resource-rich countries. Progress on this legislation is likely as Rep. Frank chairs the committee that will review it. The EITD would be a subsection to § 13 of the Securities and Exchange Act of 1934
(15 U.S.C. 78m).

Publications and Speaking Engagements

Publications

Miller & Chevalier's Homer E. Moyer, Jr. served as a contributing editor to the updated second edition of Getting the Deal Through: Anti-Corruption Regulation 2008. Since its previous edition, the publication's scope expanded from 21 to 37 jurisdictions. Mr. Moyer also authored The Global Overview, while the Miller & Chevalier FCPA Practice Group drafted the United States Chapter of the volume. The publication was distributed at the 6th Annual International Bar Association's Anti-Corruption Conference in Paris, France entitled "The Awakening Giant of FCPA Enforcement." Mr. Moyer chaired the conference and moderated the panel "Cross-border internal investigations." Miller & Chevalier's Kathryn Cameron Atkinson spoke on the panel "Reducing the risks of liability for the acts of third parties" at the conference.

Miller & Chevalier's Matthew T. Reinhard wrote a feature article on anti-corruption compliance, published in the March - April 2008 issue of *Africa Investor*.

An interview with Miller & Chevalier's Homer E. Moyer, Jr. about anti-corruption enforcement was published in the *Metropolitan Corporate Counsel*.

Miller & Chevalier's J. Matteson Ellis's comments on steps recommended for companies to minimize the risk of corruption were published in *Inter-American Dialogue's Latin American Advisor* .

Miller & Chevalier's Kathryn Morrison Snead wrote "Antibribery Laws and the Tax Treatment of a CFC's Payments to Foreign

Government Officials and Employees," published in the spring edition of *ABA Taxation Section News Quarterly*.

An interview with Miller & Chevalier's James G. Tillen on tax treatment of facilitating payments was published on February 8, 2008 by *Tax Analysts*.

Speaking Engagements

Corporate Executive Board will host a Corporate Counsel Roundtable on June 12, 2008. Miller & Chevalier's Homer E. Moyer, Jr. and Mark J. Rochon will present on FCPA internal investigations in a Webcast of the event.

On June 13, 2008, Miller & Chevalier's Homer E. Moyer, Jr. will speak on challenges to the Rule of Law in Transitional Countries at an event hosted by the Denver International Lawyers Association.

The Center for American and International Law will host its annual symposium on International Mergers & Acquisitions -- Strategies and Trends on June 17-18 in Plano, Texas. Miller & Chevalier's Homer E. Moyer, Jr. and Kathryn Cameron Atkinson will present "Corrupt Practices in Some of the Subsidiaries and Effects on the Transaction" as a part of "Running a Cross-Border M&A - Case Study."

The American Conference Institute will host its 3rd European Forum on Anti-Corruption on June 17-18, 2008 at Hilton London Canary Wharf, in London, U.K. Miller & Chevalier's John Davis will speak on the panel "The Fundamentals of FCPA Compliance: Navigating the Foreign Corrupt Practices Act."

The American Bar Association's Section of International Law will host its 75th Anniversary Dinner in New York on August 9, 2008. Miller & Chevalier's Homer E. Moyer, Jr. will speak at the dinner.

The Risk Advisory Group will host an FCPA Conference in London, U.K. on September 9, 2008. Miller & Chevalier's Homer E. Moyer, Jr. and Kathryn Cameron Atkinson will present at the conference. For more information, please contact Tracy Beaumont at tracy.beaumont@riskadvisory.net.

The International Bar Association will host its Annual Conference in Buenos Aires, Argentina on October 12-17, 2008. At this event, the Anti-Corruption Committee of the IBA, for which Miller & Chevalier's Homer E. Moyer, Jr. and James G. Tillen serve as Chair and Secretary respectively, will host several panels on corruption issues.

University of Minnesota Law School will host a Rule of Law Symposium on November 14, 2008. Miller & Chevalier's Homer E. Moyer, Jr. will present at the Symposium.

The American Conference Institute will host its 20th National FCPA Conference on November 18-19, 2008, at the Gaylord National Resort & Convention Center on the Potomac National Harbor, MD, Washington, DC. Homer E. Moyer, Jr. is the conference chair and will serve as a panelist with Kathryn Cameron Atkinson.

For further information, please contact any of the following lawyers:

Homer Moyer, hmoyer@milchev.com, 202-626-6020

John Davis, jdavis@milchev.com, 202-626-5913

Kathryn Cameron Atkinson, katkinson@milchev.com, 202-626-5957

James Tillen, jtillen@milchev.com, 202-626-6068