

# FCPA Update

A Global Anti-Corruption Newsletter



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## Anti-Corruption Q&A With Kara Novaco Brockmeyer, Former Chief of SEC's FCPA Unit

*Kara Novaco Brockmeyer, who served as Chief of the SEC Enforcement Division's Foreign Corrupt Practices Act Unit from 2011 to 2017, has joined Debevoise & Plimpton LLP as a partner in the Washington, D.C. office.*

**FCPA Update:** In your view, what were the most significant developments in enforcement during the more than five years that you led the SEC's FCPA Unit?

**Ms. Brockmeyer:** There are three things that I would point to. First, we saw an increased sophistication in the types of bribery schemes that companies engage in. It's no longer always as straightforward as cash being passed to a government official through an agent. Companies have gotten more creative about how bribes are paid.

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We saw a significant increase in the use of inappropriate gifts, travel and entertainment expenses, and the use of third parties like distributors or vendors to make improper payments.

Second, we saw a significant improvement in many companies' compliance programs – particularly those companies based in the U.S., but also increasingly large international companies. Large companies now tend to have much more robust compliance programs that are integrated with their internal audit and internal financial controls functions. I think Sarbanes-Oxley and Dodd-Frank have helped on the internal controls side, and the FCPA space has benefitted from that. There is a significant overlap between internal controls that help with financial reporting and those that will help avoid FCPA issues.

The third significant development that we saw in the past five years was the increase in international cooperation and enforcement. Last year, the SEC publicly recognized more than two dozen different jurisdictions for providing assistance in the FCPA cases the agency brought, which I believe may have been a record. We also saw the increase in international coordinated enforcement over the past year. 2016 began with the first case ever brought by the Dutch and the U.S. (VimpelCom) and ended with Embraer, the first case the U.S. brought with Brazil, and the Odebrecht / Braskem set of cases brought by Brazil, the U.S., and Switzerland.

I think that these trends will continue.

FCPA Update: Could you give an example or two of particular improvements that you've seen in corporate compliance programs?

Ms. Brockmeyer: Five or six years ago, when the SEC would have a company deliver a presentation on its compliance program, we were much more likely to see what I would refer to as a "paper program" – that is, a program based almost entirely within the compliance function, with very little interaction or integration with the company's internal audit program or its financial controls. We saw programs that relied heavily on a "check-the-box" approach, and less on making sure that the company was testing its compliance program to make sure that it was working.

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Over time, companies have moved away from that approach and recognized that the compliance department itself should partner with other compliance-related functions in the company. We now see, for example, that internal audit is typically an integrated part of most large companies' FCPA compliance programs. An audit may focus specifically on anti-corruption, but the internal audit team also often has anti-corruption modules built into their regular, routine audits. Internal audit now is not just looking for financial issues, but also knows what FCPA-related red flags to watch for.

**“Large companies now tend to have much more robust compliance programs that are integrated with their internal audit and internal financial controls functions. . . . There is a significant overlap between internal controls that help with financial reporting and those that will help avoid FCPA issues.”**

Companies also now do a much better job of integrating their financial controls, including through an FCPA lens, so that when they are training their accounts payable clerks and assistant comptrollers, for example, they train them to think of transactions that they're seeing, not just through the lens of whether something is in accordance with GAAP, but also whether it raises any red flags from an FCPA standpoint.

In a lot of ways, a company's payroll personnel, accounts payable clerks, assistant comptrollers, and financial controls staff are going to be the company's canaries in the coal mine. They are going to first see transactions that may look fine on the surface, but aren't playing out and being paid in the way that one would expect. So there has been a real increase in the sophistication level of how companies are thinking about their compliance programs.

Also, the fact that the U.S. authorities have been very active in bringing cases in a lot of different industries and jurisdictions,

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involving many different types of schemes, also helps educate companies. If you see, for example, that a competitor was just subject to enforcement action for paying bribes through a charitable foundation in a country where you also do business, compliance personnel have become very good about building such real-time examples into their own risk analyses. The risk analyses that compliance personnel are doing have become much more robust than they were five years ago.

FCPA Update: In light of those improvements, are there particular areas where companies are still falling short?

Ms. Brockmeyer: Some non-U.S. companies – large multi-nationals that are based overseas – tend to be a little bit further behind the curve than U.S. companies. But that's changing, particularly for companies based in jurisdictions where their own law enforcement is becoming more active in the anti-corruption area.

I think that there are opportunities for companies to use data-mining and technology to help improve their risk assessments. Also, I hope that we are past the point of seeing large companies fail to recognize that a basic tenet of good FCPA compliance – just like good compliance procedures generally – is to make sure that you have translated all your policies and procedures into the native languages of your employees. Preferably, you're also training them in their native language, so that people feel comfortable asking questions. Training programs can be a two-way street for a company: not only an opportunity for the compliance department to train the employees on what is expected of them by the company, but also a tremendous opportunity for compliance professionals to get real-time feedback on what works and doesn't work for their program.

It's a balancing act whenever you're creating a compliance program. On the one hand, it needs to be rigorous enough that you are catching the things that you need to catch, that you have policies and procedures in place and you have safety nets in place so that you can catch problems. On the other hand, you have to design a program with the needs of the business in mind. If you create a program that looks great on paper but is so onerous that people find ways around it, not because they want to do

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anything wrong but just because it is difficult to do their job while also complying with the program, that's where you can run into problems.

FCPA Update: Have you seen any changes in how companies have responded to investigations?

Ms. Brockmeyer: I think that when a company has good, experienced outside counsel, who have been through the process before and know what it's like, it can really speed the investigation. Those counsel can help prepare the client for what it's like to be under government investigation and how to respond. It is completely different than commercial litigation, or being the target of a class action. The government has significant resources and is unlikely just to give up and go away. What I've seen is that companies that hire strong, experienced counsel end up with a faster process – and probably a better result at the end of the day.

One thing that has changed, both on the government side and on the defense side, is that everybody is much more sensitive now to data privacy and other data protection issues. Five or ten years ago, people didn't tend to think as much about these issues, and now, it is at the forefront of everyone's mind. It makes it more complicated, both for the companies under investigation and for the government. But in the past five years, while I was running the FCPA Unit, I saw a very significant improvement in the government's ability to work with its counterpart regulators and prosecutors to get information and to navigate the data privacy issues. There's a great deal of knowledge on the government's side about how to handle these issues and how to help companies resolve them. If a company is prohibited from turning over documents from a particular jurisdiction directly to the DOJ or the SEC, talking through the issues with the government allows the government to give you the benefit of their experience. Because they have so many companies under investigation, and the same jurisdictions tend to reappear, they likely have experience in how they've been able to get documents out of those jurisdictions previously. In fact, they may be able to say, "This is how we do it." For example, in certain jurisdictions,

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you gather the documents and present them to the securities regulator in that jurisdiction, which already has standing arrangements with the SEC on how to transfer documents.

So one word of advice that I would give to companies that are under government investigation: if you're dealing with issues of data privacy and international document production, try to hold a frank and early discussion with the government about these issues. Sometimes you may be able to redact the things that would cause a problem for you to produce, from a data protection standpoint, but still get the government the information that they need.

FCPA Update: Are there other areas where companies have struggled when responding to an investigation by the SEC?

Ms. Brockmeyer: I think that the biggest challenge tends to be how a company responds to the document request or subpoena that it gets from the government. Sometimes companies don't have a full and frank discussion early enough with the government about the reality of what documents they have, what documents they can easily produce, and what documents are more difficult. It never goes well to tell the government, "I'm sorry, I can't produce any email to you." It goes much better to say, "I can't produce email from this particular server, in this jurisdiction, but we have another copy of it somewhere else where we can produce it, or we can make it available if you can go to our offices in a particular jurisdiction and see it there."

It's also very common, of course, for a company to conduct its own internal investigation, and there are a lot of very, very good reasons why companies should be doing that. You preferably want to be able to stay one step ahead of the government, to make sure that you know, as best you can, what the government is finding. You're not necessarily going to know what the government is getting from third parties or from its counterpart regulators. But you definitely want to make sure that you are one step ahead in getting your arms around what information the company has and the company's witnesses have. But you also want to make sure that you are communicating with the

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government about your internal investigation and where you're looking and what you are finding. There have been many situations where companies think that they need to do a full-scale internal investigation that touches on all of their overseas operations, when really the government wants a much more limited look at a particular jurisdiction unless there is information that indicates another jurisdiction or another business line or product line is implicated.

Having those discussions and establishing a good working relationship with the government investigators early on can really be beneficial for a company.

**“I really think the corner has been turned in terms of the interest of other countries in enforcing their own anti-corruption laws, with regard to both domestic and foreign corruption. . . . They're thinking more holistically about how to do these complicated international investigations and how to reach a settlement or negotiated resolution.”**

FCPA Update: Do you expect that the growth in cooperation among U.S. authorities and authorities in other countries is a trend that will continue? Should we foresee that there will be further multi-jurisdictional resolutions of the type that we've seen increasingly over the last couple of years?

Ms. Brockmeyer: Yes, I do think that that is a trend that is here to stay. I really think the corner has been turned in terms of the interest of other countries in enforcing their own anti-corruption laws, with regard to both domestic and foreign corruption. We are starting to see a maturing of other countries' enforcement efforts. They're thinking more holistically about how to do these complicated international investigations and how to reach a settlement or negotiated resolution. We're seeing, for example, the U.K. using DPAs and NPAs, and other countries thinking about the ways that they can use the different investigative and enforcement tools that they have available.

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FCPA Update: As part of that growth in enforcement by other countries, should we also expect to see more resolutions where a country other than the U.S. is in the lead role?

Ms. Brockmeyer: Yes. If you look, for example, at the Odebrecht and Braskem cases where there were three jurisdictions involved, the U.S. was involved but did not get the biggest piece of the settlement. Eighty percent of the recovery went to Brazil, appropriately in my view because that case was really founded on the work that the Brazilian prosecutors were doing. I think the U.S. is going to be more willing to consider those types of global resolutions. It's an incentive for other countries to step up their own enforcement work, because in order to have a seat at the table, they need to be doing their own investigative work and not just be carried along on the coattails of work that the U.S. is doing.

There are many benefits to having global resolutions. Companies get much greater certainty and finality. There are also benefits to the other countries. For example, if another country hasn't brought a large anti-corruption case before, doing it at the same time as the U.S. gives them the opportunity to see how the U.S. does it. But it also means that the U.S. is able to take into account the interests of the other jurisdiction when it setting its own terms of settlement, and can appropriately give credit.

FCPA Update: Are there certain activities, markets, or industries that you see as particularly ripe for increased scrutiny and possibly enforcement activity?

Ms. Brockmeyer: In terms of industries, one thing that I expect the government is going to be paying attention to is what industries that typically were inward-facing have become more international in their scope. So, for example, that's part of the reason why you've seen a focus at the SEC and DOJ on the financial services industry, particularly firms doing business with sovereign wealth funds. We've also seen retail manufacturers – Avon is a good example – run into perennial issues of how to get licenses to do business in a new country, or how to get goods across a border.

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- I think the extractive industries are going to continue to be a focus, just because of the nature of their business and where natural resources are located.
- FCPA Update: I'll close with a question that is much on the minds of those in the compliance community: how is the new administration likely to approach enforcement of the FCPA? Do you foresee any changes under the new leadership at the SEC?
- Ms. Brockmeyer: I think enforcement is going to continue unabated, both at the DOJ and at the SEC. Already a number of senior officials at the DOJ have said that FCPA enforcement remains a priority. I think that we'll see the same thing at the SEC. For the SEC, this is important both with respect to the statute's anti-bribery provisions but also, in terms of the SEC's mission of protecting shareholders, with respect to the statute's books and records and internal controls provisions. I think we're going to see that focus continue.

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## DOJ and SEC Officials Signal That Active FCPA Enforcement Will Continue Under Trump Administration

Following the 2016 presidential election, many commentators speculated about the new administration's commitment to enforcement of the FCPA. The uncertainty resulted in part from President Donald Trump's past characterization of the FCPA as a "horrible law" that "should be changed" and that puts American companies at a "huge disadvantage."<sup>1</sup> Such comments triggered questions about whether this perspective would influence the new president's appointments and enforcement priorities. Some commentators believed that a complete repeal of the FCPA was not out of the realm of possibility under the Trump administration.<sup>2</sup> Others remained skeptical that FCPA enforcement by the Department of Justice ("DOJ") and the Securities and Exchange Commission ("SEC") would wane, predicting continued robust prosecution of FCPA violations.

Now, more than four months into the Trump administration – and with several senior DOJ and SEC officials confirmed – the administration's likely attitude toward FCPA enforcement has begun to emerge. Since the election and inauguration, both Attorney General Jefferson Sessions and SEC Chair Jay Clayton have made public comments concerning the FCPA, providing helpful insight into the DOJ's and SEC's enforcement policies going forward. Comments from other key DOJ officials charged with FCPA enforcement have shed additional light on this issue. Taken together, these public statements suggest that, at least at this stage, the DOJ and the SEC will continue vigorously enforcing the FCPA.

### I. DOJ

Recent public statements from senior DOJ officials indicate that the Obama administration's focus on active investigation and criminal prosecution of FCPA violations will likely continue under the Trump administration.

Early indicators of this approach came from Attorney General Sessions. In response to written questions from Senator Sheldon Whitehouse of Rhode Island in connection with the nomination and confirmation process, Sessions stated that he is committed to continued "vigorous enforcement of the Foreign Corrupt Practices Act and the

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1. SquawkBox, Trump: Dimon's Woes & Zuckerberg's Prenuptials, CNBC (May 15, 2012), available at <http://video.cnbc.com/gallery/?video=3000089630>. See also Thomas R. Fox, *FCPA Enforcement Going Forward in the Trump Administration*, FCPA Compliance & Ethics (Nov. 13, 2016), available at <http://fcpacompliancereport.com/2016/11/fcpa-enforcement-going-forward-in-the-trump-administration>.
  2. John T. Aquino, *Trump Enforcement of Foreign Bribery Law Uncertain*, Bloomberg BNA (Dec. 22, 2016), available at <https://www.bna.com/trump-enforcement-foreign-n73014449002/>.

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International Anti-Bribery Act of 1998.”<sup>3</sup> Sessions reaffirmed and clarified this stated commitment at a recent Ethics and Compliance Initiative Annual Conference.<sup>4</sup> Specifically, Sessions stated that “[o]ne area where . . . protect[ion of] honest business[ ]” practices “is critical is enforcement of the Foreign Corrupt Practices Act.”<sup>5</sup> Noting that the FCPA was enacted at a time “when some companies considered it a routine expense to bribe foreign officials in order to gain business advantages abroad,” Sessions emphasized that “[t]his type of corruption harms free competition, distorts prices, and often leads to substandard products and services coming into” the U.S.<sup>6</sup> Because the DOJ “wants to create an even playing field for law-abiding companies,” Sessions concluded, the Department “will continue to strongly enforce the FCPA and other anti-corruption laws.”<sup>7</sup> As Sessions stated at the conference, the DOJ’s position is that U.S. “[c]ompanies should succeed because they provide superior products and services, not because they have paid off the right people.”<sup>8</sup>

Sessions’ remarks at the conference are consistent with what others have described as his “tough on crime” law enforcement philosophy.<sup>9</sup> His concluding remarks indicate that it is not only companies that are under the DOJ’s FCPA radar, but also individual actors within those companies as well.<sup>10</sup> Stating that the DOJ “will continue to emphasize the importance of holding individuals accountable for corporate misconduct,” Sessions reminded the audience that “[i]t is not merely companies, but specific individuals, who break the law” and stated that the DOJ intends to work closely with other law enforcement partners – both in the United States and abroad – “to bring these persons to justice.”<sup>11</sup> Finally, Sessions stated that, in deciding whether to pursue certain actions, the DOJ “will continue to take into account whether companies have good compliance programs[,] whether they cooperate and self-disclose their wrongdoing[,] and whether they take suitable steps to remediate problems.”<sup>12</sup>

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3. Nomination of Jeff Sessions to be Attorney General of the United States, Questions for the Record, Submitted Jan. 17, 2017, Response to Questions from Senator Whitehouse at 6, *available at* <https://www.judiciary.senate.gov/download/sessions-responses-to-whitehouse-questions-for-the-record-01-10-17>.
  4. Attorney General Jeff Sessions Delivers Remarks at Ethics and Compliance Initiative Annual Conference, Washington, D.C. (Apr. 24, 2017), *available at* <https://www.justice.gov/opa/speech/attorney-general-jeff-sessions-delivers-remarks-ethics-and-compliance-initiative-annual>.
  5. *Id.*
  6. *Id.*
  7. *Id.*
  8. *Id.*
  9. See, e.g., Sari Horwitz, *How Jeff Sessions wants to bring back the war on drugs*, The Washington Post (Apr. 8, 2017), *available at* [https://www.washingtonpost.com/world/national-security/how-jeff-sessions-wants-to-bring-back-the-war-on-drugs/2017/04/08/414ce6be-132b-11e7-ada0-1489b735b3a3\\_story.html?utm\\_term=.0191ad42ddc3](https://www.washingtonpost.com/world/national-security/how-jeff-sessions-wants-to-bring-back-the-war-on-drugs/2017/04/08/414ce6be-132b-11e7-ada0-1489b735b3a3_story.html?utm_term=.0191ad42ddc3).
  10. See Attorney General Jeff Sessions Delivers Remarks at Ethics and Compliance Initiative Annual Conference, *supra* n.4.
  11. *Id.*
  12. *Id.*

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Trevor McFadden, Acting Principal Deputy Assistant Attorney General of the DOJ's Criminal Division, also has been vocal on the subject of FCPA enforcement. McFadden clarified that FCPA enforcement will remain a DOJ priority under the new administration, stating that FCPA enforcement is "as alive as ever."<sup>13</sup> McFadden also reiterated that the DOJ "remains committed to enforcing the FCPA and to prosecuting fraud and corruption more generally."<sup>14</sup> McFadden has followed the lead of past DOJ officials by framing the fight against foreign corruption as both a

**As reflected in some of [the DOJ's and the SEC's] recent statements, the U.S. authorities may seek a greater focus on individual accountability, while also pursuing expedited enforcement, incentivizing self-reporting, and coordinating with enforcement authorities of other countries."**

moral imperative and a utilitarian strategy to "create an even playing field for honest businesses" that reduces the cost of business.<sup>15</sup> McFadden has sought to reassure the actors in the compliance arena that FCPA enforcement will be neither over-zealous nor under-zealous, stating, for example, that "the Criminal Division's aims are not to prosecute every company [it] can, nor to break [its] own records for the largest fines or longest prison sentences. [The Criminal Division's] goal is for companies and individuals to voluntarily comply with the law."<sup>16</sup>

McFadden's public remarks suggest that the DOJ will pursue FCPA enforcement in part by focusing on partnership with businesses to improve compliance and cooperation with foreign enforcement authorities through reciprocal information sharing.<sup>17</sup> Indeed, McFadden recently noted that global resolutions are on the rise, and explained that the DOJ seeks to "reach global resolutions that apportion penalties between the relevant jurisdictions" so that "companies seeking to accept

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13. Trevor McFadden, Acting Principal Deputy Assistant Attorney Gen., Dep't of Justice Criminal Div., Speech at Am. Conference Ins. 19th Annual Conference on Foreign Corrupt Practices Act (Apr. 20, 2017), *available at* <https://www.justice.gov/opa/speech/acting-principal-deputy-assistant-attorney-general-trevor-n-mcfadden-justice-department-s>.
  14. Trevor McFadden, Acting Principal Deputy Assistant Attorney Gen., Dep't of Justice Criminal Div., Speech at Am. Conference Ins. 7th Brazil Summit on Anti-Corruption (May 24, 2017), *available at* <https://www.justice.gov/opa/speech/acting-principal-deputy-assistant-attorney-general-trevor-n-mcfadden-speaks-american>.
  15. Trevor McFadden, Acting Principal Deputy Assistant Attorney Gen., Dep't of Justice Criminal Div., Speech at Anti-Corruption, Export Controls & Sanctions 10th Compliance Summit (Apr. 18, 2017), *available at* <https://www.justice.gov/opa/speech/acting-principal-deputy-assistant-attorney-general-trevor-n-mcfadden-speaks-anti>.
  16. *Id.*
  17. McFadden, Speech at Am. Conference Ins. 19th Annual Conference on Foreign Corrupt Practice Act, *supra* n.13.

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responsibility for their prior misconduct are not unfairly penalized for the same conduct by multiple countries and agencies.”<sup>18</sup> In addition, consistent with Sessions’ remarks, McFadden acknowledged a growing emphasis on the importance of holding individuals as well as companies accountable for willful violations of the FCPA, and stated that the DOJ will continue to prioritize prosecutions of individuals.<sup>19</sup>

McFadden also has addressed the DOJ’s “Pilot Program,” which, as we noted in our January 2017 issue, was designed to encourage corporate self-reporting.<sup>20</sup> Emphasizing that the DOJ is committed to transparent FCPA enforcement decisions, McFadden noted that the Pilot Program has vastly increased the rate at which companies have voluntarily disclosed violations.<sup>21</sup> He further stated that the program will remain in full force until the DOJ reaches a final decision concerning its permanence.<sup>22</sup>

## II. SEC

Following Jay Clayton’s nomination to become SEC Chair, commentators expressed concern that Clayton’s confirmation could result in a rollback of the SEC’s commitment to bringing FCPA enforcement actions. That concern was based in large part on a 2011 report that Clayton participated in preparing when he served as chairman of the New York City Bar Association’s Committee on International Business Transactions.<sup>23</sup> Among other things, the report criticized increased enforcement of the FCPA as “causing lasting harm to the competitiveness of U.S. regulated companies and the U.S. capital markets.”<sup>24</sup> The report was clear, however, that it was not advocating a “lighter touch’ on bribery,” but simply questioning the prevailing approach at the time, suggesting that more effective enforcement could be accomplished through shifting the focus from companies to individuals and increasing cooperation and information sharing with foreign government and foreign law enforcement agencies.<sup>25</sup>

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18. McFadden, Speech at Am. Conference Ins. 7th Brazil Summit on Anti-Corruption, *supra* n.14.

19. *Id.*

20. McFadden, Speech at Am. Conference Ins. 19th Annual Conference on Foreign Corrupt Practice Act, *supra* n.13.

21. *Id.*; McFadden, Speech at Am. Conference Ins. 7th Brazil Summit on Anti-Corruption, *supra* n.14.

22. McFadden, Speech at Am. Conference Ins. 7th Brazil Summit on Anti-Corruption, *supra* n.14; *see also* McFadden, Speech at Am. Conference Ins. 19th Annual Conference on Foreign Corrupt Practice Act, *supra* n.13.

23. *See, e.g.*, Meghan Hansen and Carolyn Wald, *100 Days of FCPA Under Trump: 10 Takeaways*, Law360.com (Apr. 27, 2017), available at <https://www.law360.com/articles/917416/100-days-of-fcpa-under-trump-10-takeaways>.

24. New York City Bar Comm. on Int’l Bus. Trans., *The FCPA and Its Impact on International Business Transactions: Should Anything be Done to Minimize the Consequences of the U.S.’s Unique Position on Combatting Offshore Corruption?* (Dec. 2011) at 23, available at <http://www2.nycbar.org/pdf/report/uploads/FCPAImpactonInternationalBusinessTransactions.pdf>.

25. *Id.*

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Clayton's more recent comments on the subject tend to dispel any uncertainty with respect to his position and indicate a continued commitment under his leadership to the SEC's enforcement of the FCPA. For example, when asked about how he would advise clients with FCPA exposure, Clayton stated that such clients should "think long and hard about whether [they] want to have the potential exposure" by entering a high-risk market; "there are some jurisdictions," he added, "where in the vast majority of the cases it may . . . make sense just not to participate."<sup>26</sup>

In response to written questions from Senator Sherrod Brown of Ohio, Clayton stated that "[b]ribery and corruption have no place in society," and "often go hand-in-hand with many other societal ills, including inequality and poverty, and have anti-competitive effects, including disadvantaging honest business."<sup>27</sup> "[C]ombating corruption is an important governmental mission," Clayton added, and "the FCPA can be a powerful and effective means" of "combating government corruption."<sup>28</sup> Indeed, echoing the 2011 report's proposal of increasing cooperation with foreign governments, Clayton included in his written response that he "look[s] forward to working" with both domestic and foreign authorities "to coordinate enforcement of the FCPA and other anti-corruption laws," and that "international anti-corruption efforts are much more effective . . . if non-U.S. authorities are similarly committed and seek to coordinate."<sup>29</sup> Much like his DOJ counterparts, Clayton has emphasized the importance of holding individual actors accountable for FCPA violations. "[I]ndividual prosecution," he stated at his confirmation hearing, "particularly in the white collar area has a significant impact on behavior."<sup>30</sup>

### III. Conclusion

As we noted in our January 2017 issue, 2016 was a record year for enforcement of the FCPA and other anti-corruption laws. Whether such anti-corruption enforcement activity in 2017 will continue at this pace remains to be seen.

Either way, public statements by Attorney General Sessions, SEC Chair Clayton, Acting Principal Deputy Assistant Attorney General McFadden, and other U.S. officials suggest that the DOJ and SEC remain committed to vigorous enforcement

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26. Senate Comm. on Banking, Housing and Urban Affairs Hearing on the Nomination of Jay Clayton to be Chairman of the SEC ("Clayton Hr'g Tr."), 115th Cong. (Mar. 24, 2017).
  27. Committee on Banking, Housing, and Urban Affairs, Nomination of Mr. Jay Clayton, Mar. 23, 2017, Response to Questions for the Nomination of Mr. Jay Clayton to be a Member of the Securities and Exchange Commission, from Ranking Member Sherrod Brown, at 8-9.
  28. *Id.* at 9.
  29. *Id.*
  30. Clayton Hr'g Tr., *supra* n.26.

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of the FCPA. As reflected in some of these recent statements, the U.S. authorities may seek a greater focus on individual accountability, while also pursuing expedited enforcement, incentivizing self-reporting, and coordinating with enforcement authorities of other countries. These stated objectives echo similar sentiments expressed by senior officials in prior administrations. Of course, we expect that FCPA enforcement activity in the coming months will provide the greatest insight into the views of the DOJ's and SEC's new leadership.

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