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DOJ Brings First Corporate FCPA Indictment In Over a Decade

On October 16, 2025, a grand jury in the Southern District of Florida returned a superseding indictment charging Smartmatic, a voting machine and election services company based in the United Kingdom, with FCPA and money laundering violations.[1] DOJ previously charged three Smartmatic executives—and a Philippine government official—in August 2024. The superseding indictment adds the company as a defendant, marking the first time in over a decade that DOJ has indicted a company on FCPA charges.

Continued on page 2

1. Superseding Indictment, *United States v. Bautista et al.*, No. 24-cr-20343 (S.D. Fla. Oct. 16, 2025) ("Superseding Indictment"); *see also* U.S. Dep't of Justice Press Release, *Voting Machine Company Charged in Philippine Bribery and Money Laundering Scheme* (Oct. 16, 2025), https://www.justice.gov/usao-sdfl/pr/voting-machine-company-charged-philippine-bribery-and-money-laundering-scheme ("DOJ Press Release").

DOJ Brings First Corporate FCPA Indictment In Over a Decade

Continued from page 1

Smartmatic (the more commonly used name of SGO Corporation Limited and its affiliated entities) is a UK-based company that provides voting machines and election services. It made headlines in 2021 when it filed a series of defamation lawsuits against several news networks and President Trump's personal lawyers, Sidney Powell and Rudy Giuliani, following claims that the company was involved in vote-rigging in the 2020 election.[2] Several of these lawsuits have been settled, while the company's suit against Fox News remains ongoing.[3]

The Bribery Allegations

In 2014 and 2015, the Philippines government agency responsible for administering election laws ("COMELEC") opened bidding for contracts to supply voting machines and related services for the 2016 national elections. Smartmatic—through a joint venture with a Taiwan-based electronics manufacturer—bid and was awarded several contracts.[4]

According to the indictment, between 2015 and 2018, Smartmatic, through executives and others, conspired to pay at least $1 million in bribes to a Philippine election official, the now-former chairman of COMELEC, to secure contracts for services related to the 2016 elections. Smartmatic ultimately won bids for contracts worth approximately $182 million to supply the Philippines with voting machines and related services for the 2016 elections.[5]

In August 2024, DOJ obtained an indictment charging two Florida-based Smartmatic executives, Roger Alejandro Piñate Martinez and Jorge Miguel Vasquez, with conspiring to and violating the FCPA and money laundering statutes; and charging another Smartmatic executive, who is a dual Venezuelan-Israeli citizen, Elie Moreno, and the Philippine election official who allegedly received the bribes, Juan Andres Donato Bautista, with money laundering offenses.[6] Piñate and Vasquez were arrested in August 2024 and released after posting bond.[7] Trial has been set for April 20, 2026.[8] Moreno and Bautista remain fugitives.

Continued on page 3

2. Jonah E. Bromwich and Michael M. Grynbaum, *Smartmatic Sues Newsmax and One America News Network, Claiming Defamation*, The New York Times (Nov. 3, 2021), https://www.nytimes.com/2021/11/03/business/media/smartmatic-newsmax-oan.html.
3. *See* Lawsuit Updates, *Smartmatic* (last updated Sept. 26, 2025), https://www.smartmatic.com/us/lawsuit-updates/.
4. Superseding Indictment at 2 ¶ 4; 4 ¶ 9; 5 ¶ 16.
5. Id. at 7 ¶ 21; 9 ¶ 3.
6. *See* Indictment, *United States v. Bautista et al.*, No. 24-cr-20343 (S.D. Fla. Aug. 8, 2024).
7. *See* Dkt. 21, 23, *United States v. Bautista et al.*, No. 24-cr-20343 (S.D. Fla. Aug. 12, 2024).
8. *See* Order Granting Unopposed Motion to Continue Trial, *United States v. Bautista et al.*, No. 24-cr-20343 (S.D. Fla. Aug. 13, 2024).

DOJ Brings First Corporate FCPA Indictment In Over a Decade

Continued from page 2

More than a year later, on October 16, 2025, DOJ obtained a superseding indictment, adding Smartmatic as a defendant on both FCPA and money laundering charges.[9] The company has stated that it was charged despite "extensive cooperation" with the government and claimed that the U.S. Attorney in the Southern District of the Florida has been "misled and politically influenced by powerful interests."[10]

According to the indictment, the Smartmatic executives communicated regularly about improper payments using code words, personal email accounts, and WhatsApp messages to conceal the scheme. For example, after COMELEC opened the bidding process for contracts pertaining to the 2016 elections, Piñate allegedly sent Vasquez WhatsApp messages noting he was "screwed here in the Philippines" and that the Bids and Awards Committee "has two members bought by a [competitor]." Piñate later allegedly instructed Vasquez via personal email to "create the contract you need" to begin making payments to one of the alleged front companies.[11]

"[I]ndicting the company more than a year after the alleged responsible individuals had been indicted is not typical, especially given the company's claims that it engaged in 'extensive cooperation with the government.' The company denies the allegations and says that it plans to fight the case in court."

The bribes are alleged to have been paid from slush funds created by over-invoicing or inflating the cost of voting machines. The executives allegedly used various shell and front companies and fraudulent contracts and loan agreements reflecting fictitious services to generate the funds for bribe payments. For instance, using a sham contract, Piñate and Vasquez allegedly directed the owner of their joint venture partner to wire payments to a Philippines-based metals manufacturer for allegedly fictitious purchases

Continued on page 4

9. *See* Superseding Indictment.
10. Estelle Atkinson, *Smartmatic hit with foreign bribery charges despite "extensive cooperation,"* Global Investigations Review (Oct. 17, 2025), https://globalinvestigationsreview.com/just-anti-corruption/article/smartmatic-hit-foreign-bribery-charges-despite-extensive-cooperation.
11. Superseding Indictment at 11 ¶¶ 1-2; 12 ¶ 5.

DOJ Brings First Corporate FCPA Indictment In Over a Decade

Continued from page 3

of iron ore and copper and to wire payments to a foreign shell company, Baumann, which was owned and controlled by Bautista. Piñate and Vasquez also allegedly directed the owner of their joint venture partner to attempt to wire payments to Bautista through fictitious loan agreements flowing from shell companies controlled by the joint venture partner to Baumann. The slush funds were allegedly referred to, among other code words, as the "boss's funds." The indictment also alleges that the bribes were transferred from the slush funds through bank accounts in Florida, New York, the Philippines, Hong Kong, Singapore, and Switzerland.[12]

Analysis and Takeaways

As we have previously discussed, DOJ issued new FCPA guidelines in June 2025, lifting a pause on enforcement activity.[13] The new guidelines identify four categories of conduct to prioritize in FCPA enforcement: (1) conduct linked to drug cartels or other transnational criminal organizations; (2) conduct causing concrete harm to identifiable U.S. companies or individuals; (3) conduct involving critical infrastructure or otherwise implicating U.S. national security interests; or (4) serious misconduct bearing "strong indicia of corrupt intent tied to particular individuals, such as substantial bribe payments, proven and sophisticated efforts to conceal bribe payments, fraudulent conduct in furtherance of the bribe scheme, and efforts to obstruct justice."[14]

DOJ has announced one other corporate case since issuing these guidelines. In August, DOJ resolved an investigation into insurance company Liberty Mutual by declining prosecution pursuant to the Criminal Division's Corporate Enforcement and Voluntary Self-Disclosure Policy (the "CEP"). DOJ cited several factors from the CEP in its declination, including timely and voluntary self-disclosure; "full and proactive cooperation" with the investigation, including providing information regarding the individuals involved; remediation; and Liberty Mutual's agreement to disgorge the $4.7 million in profits from the bribery scheme.[15]

Continued on page 5

12. *Id.* at 10 ¶¶ 5-7; 13 ¶ 9; 15 ¶ 21.
13. June 2025 FCPA Enforcement Guidelines.
14. *Id.*
15. Debevoise & Plimpton LLP, *DOJ Issues First FCPA Declination Under Second Trump Administration*, FCPA Update, Vol. 17, No. 1 (Aug. 2025), https://www.debevoise.com/insights/publications/2025/08/fcpa-update-august-2025.

DOJ Brings First Corporate FCPA Indictment In Over a Decade

Continued from page 4

The case against Smartmatic does not appear to fall into any of the first three categories above. DOJ may have determined that the fourth category—involving serious individual misconduct—applies here, given the alleged misconduct involved slush funds, coded language, and senior executives. That said, indicting the company more than a year after the alleged responsible individuals had been indicted is not typical, especially given the company's claims that it engaged in "extensive cooperation with the government."[16] The company denies the allegations and says that it plans to fight the case in court.[17] Given how few corporate FCPA cases get litigated, this case is likely to place the FCPA under further scrutiny and generate new judicial decisions that could impact future cases. We will provide further updates as warranted.

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Continued on page 6

16. Estelle Atkinson, *Smartmatic hit with foreign bribery charges despite "extensive cooperation,"* Global Investigations Review (Oct. 17, 2025), https://globalinvestigationsreview.com/just-anti-corruption/article/smartmatic-hit-foreign-bribery-charges-despite-extensive-cooperation.

17. *See* Dave Michaels, *Smartmatic Indicted Over Alleged Bribes*, Wall Street Journal (Oct. 16, 2025), https://www.wsj.com/us-news/law/smartmatic-indicted-over-alleged-bribes-eeb1fa2c (noting that "Smartmatic will continue to stand by its people and principles" and "will not be intimidated by those pulling the strings of power").

China Tightens Frugality Rules for Public Officials

The Chinese government and the Communist Party of China ("CPC" or the "Party") have listed battling corruption as their central concern for more than a decade. In recent years, enforcement authorities have focused on the finance and healthcare sectors, primarily involving investigations of Chinese entities.[1] From the beginning of the anti-corruption campaign, the conduct of public officials and CPC cadres has been a focus of authorities, with the government first issuing relevant rules in 2013.[2]

In May 2025, the CPC and State Council jointly issued the updated "Rules on Practicing Frugality and Opposing Waste in Party and Government Organs (the "2025 Rules").[3] The 2025 Rules introduce stringent requirements and explicitly prohibit excessive spending by party and government bodies, which means that the rules apply to internal expenditures on travel, events, meals, and hospitality provided by government entities or Party organs. These rules do not directly impose obligations on outside parties hosting government or Party officials, but serve as a useful guide regarding what those officials are likely to accept.

While the 2013 Rules set out a general prohibition on extravagance, the 2025 Rules provide stricter and highly specific requirements for frugality. The 2025 Rules cover a broad range of topics, including management of funds, procurement, travel, meals, hospitality, meetings, and use of office buildings and other resources such as office decorations and supplies. Most significantly, the 2025 Rules tighten controls in the following areas:

- **Bans on "High-end Dishes" and Alcohol and Cigarettes.** The 2013 Rules required centralized budget control over meals and hospitality and detailed record-keeping and reimbursements for official hospitality and meals. But those rules were not precise. By contrast, the 2025 Rules add absolute bans on "high-end dishes," alcohol, and cigarettes at business meals.[4]

Continued on page 7

1. *See* Andrew J. Ceresney, et al., "The Year 2024 in Review: Global Anti-Corruption Developments Amidst Uncertainty," FCPA Update, Vol. 16, No. 6, at 35-36 (Jan. 2025), https://www.debevoise.com/insights/publications/2025/01/fcpa-update-january-2025.
2. "中共中央、国务院印发《党政机关厉行节约反对浪费条例》" (The CPC Central Committee and the State Council issued the Regulations on Practicing Economy and Opposing Waste for Party and Government Organs) (Nov. 18, 2013), https://www.gov.cn/gongbao/content/2013/content_2541872.htm ("2013 Rules").
3. "中共中央国务院印发党政机关 《厉行节约反对浪费条例》" (The CPC Central Committee and the State Council issued the Regulations on Practicing Economy and Opposing Waste for Party and Government Organs) (May 18, 2025), https://www.gov.cn/zhengce/202505/content_7024130.htm.
4. *Id.*, Art. 23. "High-end dishes" are not defined in the 2025 Rules or elsewhere, which is not unusual in Chinese regulations. Such dishes certainly would include expensive delicacies such as shark's fin or rare game, but whether a particular dish is "high-end" would be determined in disciplinary proceedings.

China Tightens Frugality Rules for Public Officials
Continued from page 6

- **Tightened Budgets for Meetings.** The 2025 Rules tighten budget control over in-person meetings, requiring tiered approvals and prohibiting off-site meetings at scenic locations or tourist attractions.[5] The Rules also encourage virtual meetings.
- **Stricter Scrutiny of Travel.** The 2025 Rules ban domestic and international travel that does not involve "substantial [business-related] content" or that is "disguised tourism."[6] The 2025 Rules also strictly limit overseas travel, including the number of trips, number of participants, and length of the trips, and prohibit "general overseas study, routine research, and exchange study."

Other prohibitions, although unchanged from the 2013 Rules, also demonstrate the government's zero-tolerance policy against corruption. For example, during official visits, officials are categorically prohibited from accepting cash, gifts, or "local specialty products (土特产)," [7] which are common in China.

The 2025 Rules regulate activities by "Party and Government Organs," including "party organs, NPC organs, administrative organs, CPPCC organs, supervisory organs, judicial organs, procuratorial [prosecutorial] organs, as well as people's organizations such as trade unions, the Communist Youth League, the Women's Federation, and other public institutions managed in accordance with the Civil Service Law,"[8] all of which are funded by the state. But in addition to updating administrative requirements to reduce public spending; the 2025 Rules represent a renewed effort to "thoroughly implement the spirit of the Eight-Point Rule"[9] as part of China's long-standing battle against public corruption.[10]

The 2025 Rules do not directly apply to state-owned enterprises ("SOEs"), i.e., enterprises wholly or majority owned by the state that conduct commercial business (such as state-owned banks, telecommunication companies, and energy companies). Gifts, meals, and hospitality provided by SOEs are currently governed by internal rules, sometimes specific to each enterprise, and are informed by the *Management Rules on the Administration of Commercial Hospitality by State-owned Enterprises*, released by the State-owned Assets Supervision and Administration Commission under the State Council in 2020 ("SASAC Rules").[11] The SASAC Rules provide guidance for circumstances in which the SOE incurs an expense. Like the 2025 Rules, the SASAC Rules

Continued on page 8

5. *Id.*, Arts. 32, 33, and 35.
6. *Id.*, Arts. 15 and 17.
7. *Id.*, Art. 16.
8. *Id.*, Art. 2. In China, public institutions managed with reference to the Civil Servant Law (参照公务员法管理的事业单位, or so-called "参公单位") are a special category of public service entities that perform administrative or regulatory functions and are fully funded by the state, such as social insurance service centers and communist party schools.
9. The Eight-Point Rule is a principle first introduced in 2012 to curb official extravagance, bureaucratism, and privilege, and to promote integrity, frugality, and closer ties between officials and the people.
10. As we previously noted, according to the CCDI, 58 high-ranking officials under the supervision of the CPC Central Committee were investigated in 2024. *See* "The Year 2024 in Review," *supra* n.1.

China Tightens Frugality Rules for Public Officials

Continued from page 7

do not directly impose requirements on third parties. The requirements for provision of gifts, meals, and entertainment in the 2025 Rules and SASAC Rules are set out below:

	Party and Government Organs (2025 Rules)	SOEs (SASAC Rules)
Alcohol and Cigarettes	Complete ban	Permits alcohol (≤¥500/ bottle) at banquets; does not mention cigarettes[12]
Meals	No "high-end dishes" at business meals	≤¥600/person including beverages; no "high-end dishes"[13]
Gifts	Complete ban on cash, gifts, and "local specialty products"	Permits souvenirs (≤¥600)[14]; bans cash, cash equivalents, vouchers, and "expensive local specialty products"[15]

"[The 2025] rules do not directly impose obligations on outside parties hosting government or Party officials, but serve as a useful guide regarding what those officials are likely to accept."

The differences in these standards may be explained by those between "Government and Party Organs," which serve public administrative functions, and SOEs, which operate in the market. That said, as China continues its anti-corruption campaign, it is possible that the SASAC Rules will be tightened as well.

The 2025 Rules and the SASAC Rules that are mandatory for state-affiliated entities can be compared to recently issued guidelines for other companies. For example, in January 2025, China's State Administration for Market Regulation ("SAMR") released the *Compliance Guidelines for Pharmaceutical Enterprises to Prevent Commercial Bribery Risks* ("SAMR Guidelines"),[16] the first set of national industry-specific anti-corruption guidelines issued by a Chinese regulator.[17] The SAMR Guidelines advise (mostly local) pharmaceutical companies on

Continued on page 9

11. "国务院国资委财政部关于印发《国有企业商务招待管理规定》的通知" (Management Rules on the Administration of Commercial Hospitality by State-owned Enterprises), https://www.sadc.net.cn/listing/lawsshow.php?id=4340. SASAC is a central government entity that holds shares in state-owned enterprises.
12. *Id.*, Art. 7.
13. *Id.*, Art. 7.
14. *Id.*, Art. 13.
15. *Id.*, Art. 14.

China Tightens Frugality Rules for Public Officials
Continued from page 8

anti-corruption compliance and are not legally binding.

The SAMR Guidelines identify hospitality as a high-risk area and provide high-level recommendations, such as establishing specific standards for hospitality, avoiding unreasonably frequent or commercially excessive hospitality, and prohibiting offering tourism and entertainment to healthcare professionals. The SAMR Guidelines do not contain recommendations for monetary thresholds for hospitality or other expenses. A follow-up publication of typical case studies published by the Shanghai SAMR provided examples of non-compliant activities.[18] Those examples involve gifts and entertainment far in excess of what normally would be considered commercially reasonable,[19] possibly suggesting that the frugality expected in the public sector is not (yet) expected in the private sector.

Appropriate limits for gifts, meals, and entertainment are a constant concern for multinational companies. Although the U.S. Department of Justice's recent "Guidelines for Investigations and Enforcement of the Foreign Corrupt Practices Act" suggest that the Department of Justice will focus less on these issues than it has done in the past,[20] the 2025 Rules and other recent guidance from Chinese authorities demonstrate that this topic remains an important compliance concern in China.

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16. "市场监管总局关于发布《医药企业防范商业贿赂风险合规指引》的公告" (SAMR Compliance Guidelines for Pharmaceutical Enterprises to Prevent Commercial Bribery Risks), https://www.samr.gov.cn/zw/zfxxgk/fdzdgknr/jjjzs/art/2025/art_0cee28b1eba84820addc024b351b7bac.html.
17. *See also* "The Year 2024 in Review," *supra* n.1 at 36.
18. "市局执法总队发布《<医药企业防范商业贿赂风险合规指引>配套案例》" (Shanghai SAMR Published the Case Studies of the Compliance Guidelines for Pharmaceutical Enterprises to Prevent Commercial Bribery Risks), https://ncstatic-file.clewm.net/rsrc/2025/0418/11/498ef2f0db07b8554ad54bcc6f2a07e1.pdf.
19. There are two case studies involving gifts and entertainment. One involves the provision of high-end meals and cash (of undisclosed value) to doctors and their family members, with such meals and cash being falsely accounted for, and the other involves the provision of high-end travel for a healthcare professional with a gift valued at RMB 20,000 (~USD 2,800). *See id.*, 5-6.
20. *See* Andrew M. Levine, et al., "DOJ Issues FCPA Enforcement Guidelines, Focusing on Conduct Harming U.S. Economic and National Security Interests," FCPA Update Vol. 16, No. 11 (June 2025), https://www.debevoise.com/insights/publications/2025/06/fcpa-update-june-2025.

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