

FCPA Update

A Global Anti-Corruption Newsletter



Also in this issue:

7 Trump Administration
Releases New Drug
Control Strategy Reflecting
Expanded Enforcement Risks
for Global Businesses

[Click here for an index of
all FCPA Update articles](#)

If there are additional
individuals within
your organization who
would like to receive
FCPA Update, please email
prohlik@debevoise.com,
eogrosz@debevoise.com, or
pferenz@debevoise.com

UK Serious Fraud Office Concludes First Deferred Prosecution Agreement in Five Years

On May 1, 2026, the Crown Court approved a deferred prosecution agreement (“DPA”) between the Serious Fraud Office (the “SFO”) and Ultra Electronics Holdings Limited (“UEH”) in relation to UEH’s failure to prevent bribery under section 7 of the UK Bribery Act 2010 (“UKBA”) between 2011 and 2017.¹ The DPA requires UEH to pay a financial penalty of approximately £10 million and the SFO’s costs of £4.8 million. This is the SFO’s thirteenth DPA to date and its first in almost five years.

Below, we outline the conduct involved and some key issues arising from the case.

[Continued on page 2](#)

1. Serious Fraud Office, SFO-Ultra Deferred Prosecution Agreement (May 1, 2026), <https://www.gov.uk/guidance/sfo-dpa-with-ultra-electronics-holdings-limited-formerly-plc>.

**UK Serious Fraud Office
Concludes First Deferred
Prosecution Agreement in
Five Years**

Continued from page 1

Background

UEH is a UK-based defence and aerospace electronics systems company. At the time of the wrongdoing, UEH was a publicly-listed company. One of its subsidiaries, Ultra Electronics Limited (“UEL”), sold specialised IT software solutions to airports and airlines.

In early 2018, UEH initiated an internal investigation after the business partner of an Algerian consultant threatened legal action against UEH for fees and expenses he had incurred and referred to “dubious” payments to an agent in Algeria. In March, UEH self-reported to the SFO and the SFO subsequently opened a criminal investigation. In February 2021, the SFO invited UEH to enter into negotiations for a DPA encompassing bribery in its Algerian projects.

However, in July 2022 (when the DPA negotiations were already at a late stage), UEH disclosed to the SFO a 2015 internal investigation relating to conduct in Oman, which had not identified evidence of bribery. The SFO did not accept this analysis, withdrew from the DPA negotiations, and expanded the scope of its investigation to additional jurisdictions.

In August 2022, UEH and its subsidiaries were sold to Cobham, a UK defence and aerospace company owned by Advent International, a US private equity firm. Following the acquisition, UEH carried out extensive investigations covering Oman, China, and other countries at the SFO’s request.

Conduct

The DPA relates to three counts of failure to prevent bribery in connection with public sector contracts in Oman and Algeria, which were pursued through agents and other intermediaries. The three projects were an IT project for airports in Oman, an IT and e-commerce project for an airport in Algeria, and a “public key infrastructure” project for Algeria’s Ministry of Post and Information and Communication Technologies. UEH accepted that its anti-bribery controls at the time were inadequate, so it did not have a defence under UKBA section 7.

Count 1: Oman Project

Between 2009 and 2011, UEL partnered with a local company to bid for a major IT project for two airports in Oman, valued at approximately £150-200 million. From late 2009, UEL employees discussed including in the project budget a payment equivalent to approximately £1.3 million for a “fixer” or “third man”, who could deliver a “knockout blow” to secure the bid. After being awarded the project in July 2011,

Continued on page 3

**UK Serious Fraud Office
Concludes First Deferred
Prosecution Agreement in
Five Years**

Continued from page 2

the joint venture company formed by UEL and its partner entered into a consultancy agreement with an Omani company called Golden Way, resulting in the £1.3 million being paid into the personal bank account of Golden Way's owner. The SFO inferred that this sum was paid with a view to some or all of it being passed on to an official for providing assistance with the successful bid. Ultimately, UEL reported a loss of £31.8 million on the project.

Counts 2 and 3: Algeria Projects

Between 2014 and 2017, UEL unsuccessfully bid for two projects in Algeria, an airport project and an infrastructure project:

- During the airport project (worth approximately £1.1 million), a senior executive of UEL (referred to in the DPA as "SE1") arranged consultancy agreements between a joint venture partner and two Algerian agents, stipulating substantial commissions to be paid on award of the project. The SFO inferred that these agreements were intended to facilitate the corruption of senior officials who would influence the tender. SE1 made several payments to one of the Algerian agents to reimburse him for bribes he claimed to have paid, including £22,000 in September 2016 and £15,000 in August 2017.

“The UEL DPA reaffirms that self-reporting and extensive cooperation with the SFO are essential to reaching a negotiated outcome and can help overcome even substantial problems arising during the process. . . . It also reinforces the value of pre-acquisition due diligence on corruption matters and, even more importantly here, buyers actively engaging with inherited corruption risks in the post-acquisition period.”

- During the infrastructure project (worth approximately £1.3 million), SE1 arranged separate consultancy agreements between a joint venture partner and (1) an Algerian agent, and (2) a former government minister, which included fees of \$4 million and \$1.5 million, respectively. The SFO inferred that these agreements were intended to facilitate corrupt payments to senior officials who would influence the tender and that SE1 created false employment contracts to disguise the reasons for those payments.

Continued on page 4

UK Serious Fraud Office
Concludes First Deferred
Prosecution Agreement in
Five Years

Continued from page 3

Key Takeaways

Self-Reporting and Cooperation

The UEH DPA reaffirms that self-reporting and extensive cooperation with the SFO are essential to reaching a negotiated outcome and can help overcome even substantial problems arising during the process. The DPA highlights the “*initial, prompt self-disclosure*” of the Algeria conduct (albeit that Algerian media had published reports of alleged corruption a month earlier) and UEH’s “*exemplary cooperation*” following its acquisition by Cobham in 2022. A long list of the cooperative steps cited in the DPA Statement of Facts includes UEH providing detailed reports and presentations on the findings of the internal investigations (with supporting documentation), identifying material on other matters of potential interest to the SFO, and waiving legal privilege over relevant legal advice. All of these are familiar from previous DPAs and the corporate cooperation guidance issued by the SFO in April 2025.²

Impact of Companies Being Acquired

The case illustrates the potential opportunities that can arise from ownership or management changes at a company under investigation by the SFO in terms of “cleaning house” and resetting the company’s relationship with the SFO. It also reinforces the value of pre-acquisition due diligence on corruption matters and, even more importantly here, buyers actively engaging with inherited corruption risks in the post-acquisition period. Following UEH’s belated disclosure of the issues in Oman, it is not clear that UEH would have been able to obtain a DPA. UEH’s acquisition (coupled with new management, a new legal and compliance team, and new external solicitors) appears to have occurred at an ideal time for the company from the perspective of concluding a DPA.

Notably, the DPA emphasises UEH’s post-acquisition cooperation through conducting an “*extensive compliance remediation programme*.” This included UEH appointing an experienced Chief Compliance Officer, engaging a law firm to assess the company’s anti-bribery and corruption programme and implementing its recommendations, and conducting a wholesale review of its third-party intermediaries. In finding that a DPA rather than prosecution was in the interests of justice, the Court described UEH as being “*effectively a different entity from the one that committed the offences, and it is operating in a completely different way and with different personnel*.”

Continued on page 5

2. See Karolos Seeger, et al., “New Corporate Cooperation Guidance from UK SFO: More Carrot and Less Stick – the British Version,” FCPA Update, Vol. 16, No. 10 (May 2025), <https://www.debevoise.com/insights/publications/2025/05/fcpa-update-may-2025>.

**UK Serious Fraud Office
Concludes First Deferred
Prosecution Agreement in
Five Years**

Continued from page 4

No Individual Prosecutions

Successfully prosecuting individuals involved in corporate wrongdoing is still a problematic subject for the SFO, particularly in circumstances where the company has agreed to a DPA. This resolution exacerbates this long-standing issue, as the judgment states that the SFO has decided not to bring charges against any individuals in connection with its investigation. It thus remains the case that only one individual has ever been convicted in connection with a corporate DPA.

The UEH Statement of Facts is highly unusual in naming numerous individuals (including company employees, agents, and overseas government officials) and describing their roles in the misconduct in some detail, while the SFO nevertheless chose not to charge any of them. It is difficult to understand why the SFO decided to expose them to such publicity and the potential damage to their reputation this may cause. Only SE1 – who was central to the Algeria conduct – remains anonymous.

Financial Penalty

While UEH's penalty of £10 million is not insignificant, it is far less than previous DPAs and might be criticised as representing a poor "return" on an eight-year investigation that cost the SFO almost £5 million, as well as having little impact in deterring companies from committing similar misconduct. Moreover, the offending conduct was clearly serious in nature, involving "endemic and longstanding" bribery in multiple jurisdictions and the corruption of public officials. Nevertheless, the penalty was limited by the required starting point for the penalty calculation being that the Oman and Algeria contracts were only expected to result in a relatively modest total gross profit of £6.8 million for UEH. The SFO also determined that UEH had engaged in bribery in China prior to the commencement of the UKBA in 2011 but decided not to pursue UEH under the UK's preceding anti-bribery laws.

Enforcement Landscape

The UEH DPA contains many elements that are typical of previous DPAs, but it comes at a time of major change and uncertainty for the SFO. The previous SFO Director, Nick Ephgrave QPM, retired at the end of March 2026, halfway through a five-year term. No permanent replacement has been announced. Meanwhile, the SFO's enforcement toolkit is wider than ever and its policies have been overhauled, a position it has been working towards for many years. These include a new corporate offence of failure to prevent fraud, expansion of the identification doctrine for corporate offences from top-level executives to senior managers, new corporate cooperation guidance, and new guidance on evaluating corporate compliance programmes.

Continued on page 6

**UK Serious Fraud Office
Concludes First Deferred
Prosecution Agreement in
Five Years**

Continued from page 5

Given the recent extended drought in SFO enforcement and regular criticism of its collapsed cases, a new DPA should broadly be welcomed as a return to action by the SFO. However, the DPA itself potentially sends mixed messages to companies that are considering how to approach allegations of criminal conduct. On the one hand, early self-reporting and full cooperation enabled UEH to avoid an extremely damaging prosecution and instead pay a relatively small fine, strengthening the SFO's message that companies will best protect their business through close engagement with the SFO. On the other hand, the case serves as a warning – most companies cannot accept being under a criminal investigation with an unpredictable scope for eight years. If the SFO intends companies to view self-reporting as a rational commercial decision, it will need to demonstrate that cooperation can lead not only to better outcomes, but also considerably faster ones.

Karolos Seeger

Andrew Lee

Aisling Cowell

Karolos Seeger is a partner in the London office. Andrew Lee is a counsel in the London office. Aisling Cowell is an associate in the London office. Full contact details for each author are available at www.debevoise.com.

Continued on page 7

Trump Administration Releases New Drug Control Strategy Reflecting Expanded Enforcement Risks for Global Businesses

On May 4, 2026, the U.S. Office of National Drug Control Policy released its latest National Drug Control Strategy (the “Strategy”), now published biennially, outlining the federal government’s approach to combatting criminal organizations and the illicit drug trade.¹ The Strategy signals an aggressive “whole-of-government” approach to enforcement against Transnational Criminal Organizations (“TCOs”) and Foreign Terrorist Organizations (“FTOs”). It emphasizes the coordinated use of existing criminal, sanctions, customs, and anti-money laundering laws against entities and individuals that facilitate illicit drug trafficking or related financial activity. This Strategy has significant implications for companies that may have direct or indirect ties to TCOs or FTOs.

Strategic Priorities. The Strategy bolsters the Trump Administration’s campaign to dismantle TCOs and FTOs, which the Administration has classified as posing a national security threat to the United States. Relative to prior editions, the Strategy places particular emphasis on coordinated enforcement and supply-side disruption efforts. It builds on Executive Orders and related actions taken in 2025, including designating several international drug cartels as FTOs and Specially Designated Global Terrorists, creating the Homeland Security Task Forces (“HSTFs”) to combat transnational criminal and terrorist organizations, and designating illicit fentanyl and its core precursor chemicals as Weapons of Mass Destruction.²

The Strategy also communicates the Administration’s intent to increase scrutiny of companies operating internationally, particularly those with operations or counterparties in jurisdictions identified by the Administration as significant source or transit points for illicit drugs or precursor chemicals. It further highlights an enforcement focus on commercial entities, logistics providers, and financial intermediaries alleged to have knowingly or through willful blindness facilitated illicit drug trafficking or related financial transactions.

Continued on page 8

-
1. The White House, “2026 National Drug Control Strategy Released” (May 4, 2026), <https://www.whitehouse.gov/releases/2026/05/2026-national-drug-control-strategy-released>.
 2. Executive Order 14159, “Protecting the American People Against Invasion” (Jan. 20, 2025), <https://www.federalregister.gov/documents/2025/01/29/2025-02006/protecting-the-american-people-against-invasion>; U.S. Department of State, “Designation of International Cartels” (Feb. 20, 2025), <https://www.state.gov/designation-of-international-cartels>; Executive Order 14367, “Designating Fentanyl as a Weapon of Mass Destruction” (Dec. 15, 2025), <https://www.federalregister.gov/documents/2025/12/18/2025-23417/designating-fentanyl-as-a-weapon-of-mass-destruction>.

Trump Administration
Releases New Drug Control
Strategy Reflecting Expanded
Enforcement Risks for
Global Businesses

Continued from page 7

Supply Chain Security. Consistent with these priorities, the Strategy aims to safeguard global supply networks from exploitation by FTOs and TCOs. The Strategy emphasizes the importance of private sector cooperation, noting that companies involved in global trade often have greater access to information about traded commodities than the government. It also indicates that companies engaged in the sale, brokering, financing, or transportation of goods should consider adopting enhanced security and risk mitigation measures that address existing customs obligations.

To support these objectives, the Administration plans to expand trusted trade programs, such as the Customs Trade Partnership Against Terrorism, which are voluntary public-private partnership programs designed to strengthen supply chain security. The expanded programs would incorporate updated minimum-security standards grounded in supply chain integrity principles, including accountability, transparency, and traceability from sourcing through delivery. Bilateral and multilateral engagement will reinforce these efforts. In particular, the Administration intends to encourage countries identified as source or transit points for illicit drugs, such as Mexico, China, India, and Colombia, to strengthen supply-chain security measures, improve oversight of legitimate industries, and develop trusted-trade and anti-trafficking frameworks aligned with the Strategy.

Investigative Coordination and Enforcement. The Strategy also places significant emphasis on intelligence sharing across agencies to promote coordinated investigations of TCOs and FTOs. The Strategy contemplates that HSTFs, jointly led by DOJ and the Department of Homeland Security, will serve as the principal mechanism for counter-TCO and FTO operations, bringing together relevant personnel and resources from federal law enforcement and intelligence agencies.

Where cartels or TCOs have been designated as FTOs, intelligence gathered by HSTFs may be shared with the National Counterterrorism Center through the HSTF National Coordination Center and incorporated into broader counterterrorism efforts, enabling coordinated, enterprise-wide investigations that target organizational leadership, logistics networks, and financial infrastructure. Commercial entities, whether foreign or domestic, that fail to protect their supply chains from exploitation by TCOs and FTOs could face heightened enforcement risk, including sanctions restricting their access to the U.S. financial system and criminal investigations or prosecutions by DOJ.

Continued on page 9

Trump Administration
Releases New Drug Control
Strategy Reflecting Expanded
Enforcement Risks for
Global Businesses

Continued from page 8

The Strategy highlights the Administration's intent to use existing sanctions, anti-money laundering, and financial enforcement laws more aggressively to disrupt the infrastructure that supports the illicit activity of TCOs and FTOs. It signals an intent for DOJ to prosecute material support of cartels designated as FTOs and for the Treasury Department to increase the use of targeted sanctions and financial measures against FTOs and their global networks, including through asset-freeze and forfeiture measures. The Strategy also directs the Treasury Department to target foreign financial institutions involved in laundering drug proceeds and contemplates intensified investigation and prosecution of sophisticated money-laundering networks by relevant enforcement authorities. The Strategy further contemplates using Bank Secrecy Act reporting, financial intelligence from international partners, and Treasury special-measures authorities, which permit enhanced restrictions on certain financial institutions and transactions, to identify TCO- and FTO-related financial activity and restrict TCOs, FTOs, and their facilitators from accessing the U.S. financial system.

“Consistent with existing enforcement priorities and policies, the Strategy conveys the Administration’s commitment to using the available resources and laws more aggressively against organizations and individuals viewed as facilitating cartel-linked activity.”

Takeaways. Consistent with existing enforcement priorities and policies, the Strategy conveys the Administration's commitment to using the available resources and laws more aggressively against organizations and individuals viewed as facilitating cartel-linked activity. Companies thus could face increased scrutiny and investigative activity in this area.

Especially given these developments, companies operating in high-risk jurisdictions may wish to reassess whether their existing compliance programs and internal controls adequately address the risks highlighted by the Strategy. Areas for review may include risk assessment and supply-chain mapping processes, relevant compliance policies and training, third-party due diligence and onboarding protocols, escalation and internal investigations procedures, ongoing monitoring and periodic testing, and remediation of identified compliance gaps.

Continued on page 10

Trump Administration
Releases New Drug Control
Strategy Reflecting Expanded
Enforcement Risks for
Global Businesses

Continued from page 9

Satish M. Kini

Andrew M. Levine

Winston M. Paes

Erich O. Grosz

Aseel M. Rabie

Delia M. Arias De Leon

Raffaella Cattani

Satish M. Kini is a partner in the Washington, D.C. office. Andrew M. Levine and Winston M. Paes are partners in the New York office. Erich O. Grosz is a counsel in the New York office. Aseel M. Rabie is a counsel in the Washington, D.C. office. Delia M. Arias De Leon and Raffaella Cattani are associates in the New York office. Full contact details for each author are available at www.debevoise.com.

FCPA Update

FCPA Update is a publication of
Debevoise & Plimpton LLP

66 Hudson Boulevard
New York, New York 10001
+1 212 909 6000
www.debevoise.com

Washington, D.C.
+1 202 383 8000

San Francisco
+1 415 738 5700

London
+44 20 7786 9000

Paris
+33 1 40 73 12 12

Frankfurt
+49 69 2097 5000

Hong Kong
+852 2160 9800

Shanghai
+86 21 5047 1800

Luxembourg
+352 27 33 54 00

Andrew J. Ceresney
Co-Editor-in-Chief
+1 212 909 6947
aceresney@debevoise.com

David A. O'Neil
Co-Editor-in-Chief
+1 202 383 8040
daoneil@debevoise.com

Karolos Seeger
Co-Editor-in-Chief
+44 20 7786 9042
kseeger@debevoise.com

Douglas S. Zolkind
Co-Executive Editor
+1 212 909 6804
dzolkind@debevoise.com

Philip Rohlik
Co-Executive Editor
+852 2160 9856
prohlik@debevoise.com

Andrew M. Levine
Co-Editor-in-Chief
+1 212 909 6069
amlevine@debevoise.com

Winston M. Paes
Co-Editor-in-Chief
+1 212 909 6896
wmpaes@debevoise.com

Jane Shvets
Co-Editor-in-Chief
+44 20 7786 9163
jshvets@debevoise.com

Erich O. Grosz
Co-Executive Editor
+1 212 909 6808
eogrosz@debevoise.com

Please address inquiries regarding topics covered in this publication to the editors.

All content © 2026 Debevoise & Plimpton LLP. All rights reserved. The articles appearing in this publication provide summary information only and are not intended as legal advice. Readers should seek specific legal advice before taking any action with respect to the matters discussed herein. Any discussion of U.S. Federal tax law contained in these articles was not intended or written to be used, and it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer under U.S. Federal tax law.

Please note:
The URLs in *FCPA Update* are provided with hyperlinks so as to enable readers to gain easy access to cited materials.