

CLIENT ALERT

FCPA's Ever-Expanding Reach Goes Private

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As U.S. regulators continue to explore new, more aggressive ways to prosecute foreign bribery under the Foreign Corrupt Practices Act, the Department of Justice has sent a clear warning that prosecution is not reserved for publicly traded companies on U.S. exchanges or their executives.

The DOJ announced yesterday that it had arrested a Los Angeles film executive and his wife on a criminal complaint. DOJ alleges that the couple paid more than \$1.7 million in bribes to a Thai tourism official to obtain contracts worth approximately \$10 million for their private company to run an international film festival in Bangkok. The complaint further alleges that the couple attempted to conceal the bribes by using multiple business entities and making "commission" payments through intermediaries and foreign bank accounts.

While the vast majority of FCPA individual prosecutions have focused on executives at publicly traded companies, by charging this case, the DOJ has reiterated that private individuals and companies are also within the crosshairs of FCPA enforcement.

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