

## Anti-Bribery Provisions of the FCPA

The Foreign Corrupt Practices Act ("FCPA") generally applies to all US corporations, partnerships and other business organization (generically, a "company"), as well as all persons acting on behalf of those entities. The FCPA applies to Huron Consulting Group Inc. and its corporate subsidiaries, as well as their **officers, directors, employees, agents and shareholders.**

The FCPA prohibits any payment or offer of payment to a **"foreign official" for the purpose of influencing that official** to assist in obtaining or retaining business for a company.

Foreign official is defined to include **members of political parties**, even if not government employees, and **candidates for foreign political office.**

The FCPA applies to any act or event that is "in furtherance of" a payment to a foreign official. **It covers not only the actual payment of money but also an offer, promise or authorization** of the payment of money and an offer, gift, promise or authorization of the giving of **"anything of value."**

## Record Keeping Requirements of the FCPA

In addition to its anti-bribery provisions, the FCPA requires that a company maintain books, records and accounts that, in reasonable detail, accurately reflect the transactions and dispositions of that company.

## FCPA Compliance

Penalties:

- The consequences of failing to comply with the FCPA are potentially disastrous for Huron and its employees.
- Violation of the FCPA and related laws by a Huron employee can result in millions of dollars in fines against Huron and can subject the employee to prosecution, criminal fines, and imprisonment.

Guidelines:

- Expenditures for **meals, entertainment** and other normal social amenities with respect to foreign officials are permitted provided they are not be extravagant and otherwise conform to the laws and customs of the country in which the expenditures are incurred.
- Similarly, **gifts** may be given to foreign officials only if the gifts are of modest value and conform to laws and normal social customs in the official's country.

- Because the actions of a third party acting as an **agent or representative** of Huron can expose Huron to liability under the FCPA, great care should be taken in the retention of such agents and representatives.
  - An investigation should be undertaken to ensure that any such representative does not intend to engage in any improper practices.
  - In determining whether to engage a particular representative, consider factors such as:
    - The representative's reputation and qualifications,
    - The manner and reasonableness of compensation,
    - The relationship, if any, between the owners and employees of the representative and a foreign official,
    - The presence or absence of any secret partners,
    - The willingness of the representative to fully disclose its relationship with us, and
    - The legality of the relationship under local law.
- In many countries it is a common practice for **government officials to own or operate business enterprises**.
  - While the FCPA and related laws do not prohibit legitimate business relationships with business enterprises owned or controlled by foreign officials, great care must be taken to avoid any association with any such enterprise in circumstances that might constitute an evasion of the FCPA.
- The FCPA also would prohibit Huron from entering into transactions with agents, contractors, consultants, lawyers or others intended or designed to permit such persons to **circumvent currency, tax or other laws of a foreign country**
  - "Split payments" (i.e., payments for services that are made outside the country in which the services are performed) will be subject to particular scrutiny