

Definitions

Admission of Guilt: This data field indicates whether defendants/respondents to FCPA-related Enforcement Actions admitted wrongdoing in connection with the negotiated resolution of claims.

Compliance Obligation: This data field indicates whether the government required entity defendants/respondents to FCPA-related Enforcement Actions to adopt new compliance policies and procedures as part of a resolution of claims.

Enforcement Action: An Enforcement Action is a proceeding that is brought by the Securities and Exchange Commission (SEC), the Department of Justice (DOJ) or both against individuals or entities based on violations of the FCPA or FCPA-related misconduct. Declinations with disgorgement issued pursuant to the DOJ's Pilot Program or revised FCPA Corporate Enforcement Policy are treated as Enforcement Actions. If a proceeding raises FCPA-related claims, but does not allege a violation of the FCPA itself, the proceeding will only be included in the database if the SEC or DOJ lists the proceeding as an FCPA-related action on its website, or if the proceeding is directly "related" to an FCPA Enforcement Action. Proceedings that do not raise FCPA claims may be excluded from some statistics and analytics.

An Enforcement Action is not necessarily predicated on the filing of an official charging document. An Enforcement Action might be instituted in district court, an administrative court, or resolved entirely out of court through, for example, a Non-Prosecution Agreement. A proceeding against multiple defendants under the same court docket or administrative file number is treated as a single Enforcement Action in the database. Conversely, proceedings that are filed under different court docket or administrative file numbers, or that are prosecuted by different government agencies working independently, are treated as separate Enforcement Actions in the database. By way of example, if both the SEC and DOJ file charges against the same entity in two separate complaints under two separate court docket numbers, two separate Enforcement Actions are recorded in the database. Enforcement Actions included in the database should correspond to FCPA-related actions identified on the SEC and DOJ websites.

Entity: An Entity is a company-defendant or other company related to an Investigation or Enforcement Action. Entities are parent companies within an entity group, or private companies that are not alleged to be majority owned by another entity. Entities can include the companies involved with an FCPA-related investigation, the companies charged with FCPA-related violations, the companies that settle with the government (even if no charges are filed), the companies that are sanctioned for FCPA violations, as well as the parent and successor companies of FCPA violators, the offending predecessors, and the employers of individuals who are charged with FCPA violations. If both a parent company and its subsidiary were investigated and charged with FCPA violations, only the parent would be deemed an "Entity."

Entity Group: An entity group is a collection of parent and subsidiary, affiliate, or joint venture companies.

Estimated Length of Investigation: The Estimated Length of Investigation is calculated by comparing the "initiation date" of the investigation with the "resolution date."

The initiation date of a government investigation is the earliest of: SEC/DOJ commencement date, disclosure of commencement, date of self-reporting to the relevant agency, disclosure of self-reporting to the relevant agency, date of subpoena/notice/request, disclosure of subpoena/notice/request, date of Wells Notice/Target letter, disclosure of Wells Notice/Target letter, date of grand jury empanelment, or disclosure of grand jury empanelment. The initiation date of a government investigation may be inferred if initial disclosures reveal an investigation by unspecified U.S. authorities that is later confirmed to be a DOJ and/or SEC investigation.

The initiation date of an internal investigation is the earliest of: the commencement date, disclosure of commencement, date of self-reporting to the relevant agency, disclosure of self-reporting to the relevant agency.

The investigation resolution date is the earliest of: the latest date on which any defendant to an enforcement action is formally charged with FCPA-related offenses, the investigation closure/declination date, or disclosure of the investigation closure/declination. If disclosures regarding an investigation terminated more than two years from the present date, we presume the investigation to be resolved and use the last disclosure date as the date of resolution. However, if disclosures about an investigation terminated because the company went private or was acquired by a private company, then we presume the investigation to be resolved five years after the last disclosure date, and we use the last disclosure date as the date of resolution. When an investigation is not publicly disclosed prior to its resolution, it is impossible to estimate the length of an investigation with any real precision, and the investigation length is reported to be “unknown.”

FCPA Matter: An FCPA Matter is a group of one or more related Investigations and/or Enforcement Actions that share a common locality, time period, and bribery scheme. An FCPA Matter may consist of a single Investigation or Enforcement Action if there are no other Investigations or Enforcement Actions that satisfy the above-referenced criteria. By way of example, an Investigation involving Company A, an Enforcement Action filed by the SEC against Company A, an Enforcement Action filed by the DOJ against Company B (a foreign subsidiary of Company A), and an Enforcement Action filed by the DOJ against Individual C (an employee of Company A) may be consolidated into a single FCPA Matter if all Investigations and Enforcement Actions are predicated on a common bribery scheme conducted in one or more of the same localities over the same general time period. Investigations or Enforcement Actions against unaffiliated entities may also be consolidated into the FCPA Matter if all entities participated in a shared bribery scheme.

Initiation Date: The initiation date of an Investigation is the earliest initiation date of an SEC, DOJ or internal investigation. For a detailed description of when an investigation is deemed to commence, see “Estimated Length of Investigation” above.

The initiation date of an FCPA Enforcement Action is the date on which the official charging document is filed in district court or in an administrative proceeding. If a charging document is filed but is not publicly available, the initiation date is based on the earliest available press release or pertinent case filing. If no charging document is filed but the case is settled (for example, through a Non-Prosecution Agreement), the initiation date is the earlier of the date on which the settlement document is signed or the date on which the resolution is publicly announced. Initiation dates are generally culled from charging documents, press releases, or settlement documents, in that order.

The initiation date of an FCPA Matter is the earliest initiation date of any Investigation or Enforcement Action linked to the Matter.

Investigation: An Investigation is an inquiry conducted by a company, the SEC, the DOJ, and/or unspecified “US Authorities” into potential FCPA violations by a company or its affiliates, subsidiaries or joint ventures. A single Investigation could thus consist of three connected investigations – one by the company and two by the U.S. government. Investigations that are conducted exclusively by foreign agencies are excluded from the database, even if the conduct might be considered FCPA-related.

In some instances, two or more companies may be investigated for the same bribery scheme. There are multiple scenarios in which this might occur. Under one scenario, the companies disclose information about the investigation in succession. This would happen if one company is a successor to the company that committed the misconduct. For example, Company A is investigated and discloses the investigation, during the course of the investigation Company A is acquired by Company B, and after the acquisition Company B discloses information about the investigation. In this case, the investigation into Company A (which later becomes Company B) is treated as a single investigation in the database. Under another scenario, two companies might disclose information about an investigation concurrently. For example, Company A and Company B used to be a single company. During the course of an investigation into potential FCPA-related misconduct, Company B was spun off as an independent company, and both companies then separately disclosed information about the ongoing investigation. The investigations of Company A and Company B are also treated as a single investigation in the database.

Only investigations that are publicly disclosed by a company or confirmed by company representatives or the investigating agency are included in the database. Press reports that are speculative or based on anonymous sources will not generally confirm the existence of an investigation.

Information about Investigations is generally disclosed in a company's annual, quarterly and interim reports filed with the SEC. Information about investigations may also be gleaned from company or government press releases or, in certain instances, from news reports. Because private companies are not generally obligated to file reports with the SEC, investigations into private companies may not be publicly disclosed or captured in this database.

Investigation Costs: Investigation Costs include the money that companies spend investigating and resolving FCPA-related misconduct. Incurred expenses may include, among other things: 1) fees spent on third parties (lawyers, accountants) that assist with the investigation, 2) the cost of enhancing compliance policies & undertaking other pre-enforcement remedial measures, 3) the costs of locating and reviewing documents & gathering evidence from witnesses; and 4) the cost of a large-scale review of company policies and practices. Accruals are accounting charges that, at least in the FCPA context, typically represent money the company anticipates spending in order to settle a prospective lawsuit. Information about costs is not disclosed in all investigations.

Investigation Costs are always represented in U.S. Dollars, even when the underlying documents report the costs in foreign currencies. The U.S. Dollar amount is calculated based on the average exchange rate for the time period during which the costs were accrued/expended.

M&A: This field indicates whether a merger or acquisition transaction occurred during the course of the FCPA-related misconduct, the investigation, or the resolution, or whether a transaction was being negotiated at the time of the Investigation or Enforcement Action. Wholly internal corporate reorganizations may not be counted as M&A transactions for purposes of generating some statistics and analytics.

Misconduct by Predecessor in Connection with M&A: This field indicates whether the predecessor entity to an M&A transaction (as defined above) was involved in the FCPA-related misconduct. Our ability to identify predecessor misconduct is necessarily limited by the information that is disclosed in publicly available documents filed in connection with the Enforcement Action, including information about potential, ongoing, completed or withdrawn M&A transactions.

Misconduct by Subsidiary: This field indicates whether a subsidiary was involved in the FCPA-related misconduct. Our ability to identify subsidiary misconduct is necessarily limited by the information that is disclosed in publicly available documents filed in connection with the Enforcement Action, including information about the nature and organizational structure of entities involved in the misconduct.

Ongoing: An Investigation is deemed “ongoing” if it has not been “resolved” (as defined below). An Enforcement Action is deemed “ongoing” if it has not been “resolved” (as defined below), or if any of the defendants to the Enforcement Action is a fugitive and the action against the fugitive-defendant remains active.

Origin of the Proceeding/Government Investigation: This data field indicates how the SEC and/or DOJ first became aware of the FCPA-related misconduct. By way of example, the government may be alerted to the misconduct by a company's own voluntary disclosure, by a foreign investigation that triggers U.S. scrutiny, or by the complaints of an anonymous whistleblower.

Parent Liability: This data field indicates whether a parent entity was held liable for the FCPA-related misconduct of its subsidiary (as defined above), whether by being sued, by settling claims filed against the subsidiary, or by assuming a monetary or non-monetary sanction or a compliance obligation. Data regarding parent liability is culled from publicly available documents filed in connection with the Enforcement Action, and may not reflect all instances of subsidiary misconduct or parent liability for such misconduct.

Reporting Obligation: This data field indicates whether an entity defendant with an ongoing compliance obligation is required to report to the government regarding its efforts to implement new compliance policies and procedures and, if so, what that reporting obligation looks like. “Outside monitor” means that the entity is required to hire an independent, third party monitor to evaluate the entity’s efforts to implement new compliance policies and procedures and to report to the government regarding those efforts. “Self-reporting” means that the entity is required to provide intermittent reports to the government regarding its efforts to implement new compliance policies and procedures. A “hybrid” reporting obligation is a combination of both self-reporting and an outside monitor, and often takes the form of an outside monitor for 18 months followed by 18 months of self-reporting. “No reporting” means that the entity is not required to provide the government with any status reports about its ongoing compliance obligations.

Resolved: A government investigation is deemed “resolved” if an enforcement action is filed, if the government formally closes the investigation without taking further action, if the government issues a declination or a declination with disgorgement pursuant to the Pilot Program or revised FCPA Corporate Enforcement Policy, if disclosures regarding the investigation terminated more than two years from the present date and the company remains a public company with reporting obligations, or if disclosures regarding the investigation terminated more than five years from the present date and the company went private or was acquired by a non-reporting company during the course of the investigation. The resolution date of an Investigation that results in an enforcement action is the latest date on which any defendant to the action is formally charged with FCPA-related offenses.

An Enforcement Action is deemed “resolved” upon the signing of a NPA, DPA, consent agreement, or cease and desist order, even if an ongoing compliance obligation remains in place and even if the court has not yet approved the settlement (where required to do so). A plea agreement is deemed resolved when all defendants to the action have been sentenced. However, certain actions concluded by plea agreement may be deemed “resolved” even if we do not have access to the judgment or sentencing documents, if it reasonably appears that the action has concluded. A litigated enforcement action may be “resolved” upon acquittal, pre-trial or post-trial dismissal, or sentencing of all defendants after the conclusion of a trial.

Sanction to Bribe Ratio: The “sanction to bribe ratio” represents the total sanctions imposed in an Enforcement Action as a percentage of the completed bribery payments.

Sanction to Profit Ratio: The “sanction to profit ratio” represents the total sanctions imposed in an Enforcement Action as a percentage of the profit earned (or expenses avoided) from completed bribery payments.

Sanction to Revenue Ratio: The “sanction to revenue ratio” represents the total sanctions imposed in an Enforcement Action as a percentage of the revenue generated from completed bribery payments.

Successor Liability: This field indicates whether a successor to the M&A transaction (as defined above) was held liable for the FCPA-related misconduct of a predecessor, whether by being sued, by settling claims filed against the predecessor, or by assuming a monetary or non-monetary sanction or a compliance obligation. Data regarding successor liability is culled from publicly available documents filed in connection with the Enforcement Action, and may not reflect all merger and acquisition activity.

Third-Party Intermediary: A “third-party” intermediary is an entity or individual that acts as a conduit for goods or services offered by a supplier to a consumer. Third-party intermediaries can include agents, consultants, sub-contractors and lawyers.

Total Bribery Payments: This data field identifies the aggregate dollar value of all bribery payments made during the period of alleged misconduct. Offers or promises to pay bribes that are not actually paid are excluded from the total to the extent they can be segregated. Bribery totals include all completed bribery payments that allegedly violate any provision of the FCPA (including bribery payments that are made to private individuals in violation of the books and records or internal controls provisions of the FCPA). Bribery payments are culled from publicly available documents filed in connection with the Enforcement Action, and may not reflect all bribery payments that were offered or made.

Total Bribery Payments are always represented in U.S. Dollars, even when the underlying documents report the payments in foreign currencies. The U.S. Dollar amount is calculated based on the average exchange rate for the time period of the alleged misconduct.

Total Global Monetary Sanctions (All Charges): This data field identifies the total dollar value of sanctions imposed by U.S. regulators, or by U.S. and foreign regulators if the resolution was global, on defendants/respondents to FCPA-related Enforcement Actions. Sanctions imposed for FCPA-related misconduct and for non-FCPA-related misconduct (e.g. Libor fraud) are included in the total if they are imposed as part of the same settlement.

Total Monetary Sanctions Imposed by U.S. Government (FCPA-Related Charges Only): This data field identifies the aggregate dollar value of all sanctions imposed by U.S. regulators on defendants/respondents to FCPA-related Enforcement Actions. Sanctions may include amounts paid to foreign regulators in a global settlement if they were imposed and credited by U.S. regulators. Where it is possible to isolate sanctions, only sanctions attributable to FCPA-related misconduct are included in the total (and sanctions attributable to unrelated misconduct (e.g. Libor fraud) are excluded).

Total Monetary Sanctions Owed to U.S. Government (FCPA-Related Charges Only): This data field identifies the aggregate dollar value of all sanctions owed to U.S. regulators by defendants/respondents to FCPA-related Enforcement Actions. Where it is possible to isolate sanctions, only sanctions attributable to FCPA-related misconduct are included in the total (and sanctions attributable to unrelated misconduct (e.g. Libor fraud) are excluded). This data specifically excludes sanctions paid to foreign regulators, whether credited by U.S. regulators or not.

Total Profit Earned or Expenses Avoided from Bribery: This data field identifies the aggregate dollar value of all profit earned or expenses avoided as a result of completed bribery payments that allegedly violate any provision of the FCPA (including bribery payments that are made to private individuals in violation of the books and records or internal controls provisions of the FCPA). Profit that might have been earned from offers or promises to pay bribes that are not actually paid are excluded from the totals to the extent they can be segregated. Profit values are culled from publicly available documents filed in connection with the Enforcement Action, and may not reflect all profit earned or expenses avoided as a result of the bribery payments.

Total Revenue Generated from Bribery: This data field identifies the aggregate dollar value of all revenue generated as a result of completed bribery payments that allegedly violate any provision of the FCPA (including bribery payments that are made to private individuals in violation of the books and records or internal controls provisions of the FCPA). Revenue that might have been generated from offers or promises to pay bribes that are not actually paid are excluded from the totals to the extent they can be segregated. Revenue values are culled from publicly available documents filed in connection with the Enforcement Action, and may not reflect all revenue generated from the bribery payments.