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## National News

### Companies Urged to Recognize Foreign Corrupt Practices Act Exposure

September 17, 2009

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In a new survey by Deloitte Financial Advisory Services, only 31 percent of respondents indicated that their company had in place a "comprehensive FCPA (Foreign Corrupt Practices Act) compliance program."

Only 32 percent of respondents said their company addresses FCPA risks "proactively."

This is a problem, according to Butler University's Mike Koehler, assistant professor of business law for the College of Business.

"While it perhaps used to be the case that only oil and gas companies needed to be concerned about FCPA compliance, the game has changed and U.S. enforcement agencies are initiating [FCPA actions at a record-level](#) against large and small companies alike in a variety of industries, and against individuals. No company is immune from FCPA scrutiny," he said.

Another thing companies need to be aware of is that FCPA enforcement actions are not just about providing a suitcase full of cash to a government official to secure a government contract. According to Koehler, recent enforcement actions have been based on providing excessive travel and entertainment benefits to "foreign officials" and making payments to secure a foreign license or permit. "This interpretation surprises most business leaders," he said.

How do businesses best achieve FCPA compliance when doing business in foreign countries, particularly FCPA high-risk jurisdictions such as China and India? Koehler suggests that a company first conduct an FCPA risk assessment specifically tailored to how the company does business in a foreign jurisdiction and then develop robust and pro-active FCPA compliance policies and procedures based on the risk assessment.

Koehler is an assistant professor of business law at [Butler University's College of Business](#). He practiced law for nearly a decade at a large international law firm and focused on the FCPA. He currently runs the popular blog "[FCPA Professor](#)."

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