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New Bill to Combat Demand-Side of Foreign Bribery is a "Triple Bottom Line"

U.S. Should Update Bribery Laws for the 21st Century

A statement from the U.S. office of Transparency International July 29, 2021

Today, Representatives Sheila Jackson Lee (D-TX) and John Curtis (R-UT) announced the introduction of the Foreign Extortion Prevention Act ("FEPA"). The bill would make it a crime for a foreign official to demand or accept a bribe, including a bribe from a U.S. company.

Scott Greytak, Director of Advocacy for Transparency International's U.S. Office (TI-US), said the following on the introduction of FEPA:

Bribery is costly: Diverted funds to unqualified contractors and unethical practices are some of the harms that everyday people who seek basic services experience when corrupt officials exchange favors for bribes. Honest businesses lose out, and small businesses can't afford to compete.

Current U.S. law makes it a crime for an American company or citizen to pay a bribe to a foreign official, yet does nothing to prevent or punish the foreign official from demanding one.

The current rules leave us with incomplete justice. U.S. companies face criminal liability for their involvement in bribery schemes while corrupt foreign officials face no threat of U.S. prosecution. It's time that the U.S. put a cost on demanding as well as offering a bribe.

This bill is a "triple bottom line"—good for people accessing public services, good for business, and good for workers. It builds on standard-setting U.S.

laws like the Foreign Corrupt Practices Act by providing much-needed protections to law-abiding U.S. businesses operating abroad, by leveling the playing field for U.S. businesses competing for business abroad, and by fighting foreign corruption at its source.

Similar anti-bribery laws that prohibit foreign officials from demanding bribes are already on the books in dozens of other countries, including the United Kingdom, Germany, France, and Poland. This bill would bring the U.S in line with our global economic competitors and with international best practices.

We thank Reps. Jackson Lee and Curtis for their leadership, and urge Congress to pass the bill quickly.

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Transparency International is the world's largest coalition against corruption. We give voices to victims and witnesses of corruption, and work with governments, businesses, and citizens to stop the abuse of entrusted power. In collaboration with national chapters in more than 100 countries, we are leading the fight to turn our vision of a world free from corruption into reality.

Our U.S. office focuses on stemming the harms caused by illicit finance, strengthening political integrity, and promoting a positive U.S. role in global anti-corruption initiatives. Through a combination of research, advocacy, and policy, we engage with stakeholders to increase public understanding of corruption and hold institutions and individuals accountable.

Related Resources

- Read TI-US's factsheet on FEPA: "Fight Foreign Corruption, Protect U.S. Business"
- Read TI-US's 2021 policy plan for fighting foreign corruption: <u>"Combating Global Corruption: A Bipartisan Plan"</u>

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