

Transparency International U.S. 1100 13th St NW Suite 800 Washington, DC 20005 Tel: +1 (614) 668-0258 info-us@transparency.org us.transparency.org

Pause on Enforcement of Foreign Anti-Bribery Law Threatens a Dangerous Race to the Bottom

A statement from Transparency International U.S. February 11, 2025

Yesterday President Trump issued an executive order directing U.S. Attorney General Pam Bondi to pause all actions taken under the Foreign Corrupt Practices Act (FCPA) until Bondi issues new FCPA enforcement guidelines. The FCPA, passed into law in the wake of the Watergate Scandal, makes it illegal for any U.S. person, U.S. company, or any company listed on a U.S. stock exchange to offer or give a bribe to a foreign official, or for any foreign national or foreign company to do the same while in the territory of the United States.

Gary Kalman, Executive Director of Transparency International U.S. ("TI U.S."), said the following on the FCPA executive order:

Yesterday's executive order diminishes the crown jewel in the U.S.'s fight against global corruption.

Bribery raises the cost of doing business, destroys the credibility of corrupt participants and results in real harm to local populations. For example, at the height of the COVID-19 pandemic, a U.S.-based company sold millions of dollars of mobile hospitals made of junk parts, and reused medical equipment, to vulnerable countries. These agreements are widely believed to be the result of bribes. No doubt, countless patients suffered as a result.

With the 1977 passage of the Foreign Corrupt Practices Act (FCPA), the United States became the world leader in addressing transnational corruption. The FCPA was a huge leap forward, allowing the U.S. to prosecute individuals and companies that pay bribes to foreign officials, establishing strict accounting requirements and controls for

companies in order to prevent cover-ups, and providing a model law that has been emulated across the world.

Enforcement of the FCPA has long been a truly bipartisan commitment. For instance, from 2018-2021, the U.S. Government opened nearly 200 FCPA investigations, and concluded 157 cases with sanctions.

The world must not default to where bribery and corruption are the norm. A race to the bottom harms both the citizens in the country and the businesses involved in corrupt transactions. Those who do choose to flout the law often face multiple bribery demands that delay or prevent those businesses from obtaining the licenses and permits they need to enter overseas markets. In the end, bribery is a lose-lose proposition.

The FCPA helps make American companies and the "Made in America" brand stronger and more attractive by proving that American goods and services are sought after because of their merit—not simply because they out-bribed their competition.

We strongly urge President Trump and Attorney General Bondi to resume regular enforcement of the FCPA during the review period, and ensure any new guidelines are consistent with values and intent of this landmark law.

Transparency International U.S. is part of the world's largest coalition against corruption. 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.

Related Resources

- Read the Executive Order on the FCPA;
- Read Transparency International's *Exporting Corruption* report on enforcement of foreign anti-bribery laws in leading exporting nations.

Media Contact

Gary Kalman, Executive Director, Transparency International U.S.

Telephone: +1 215-439-7090

Email: gkalman@transparency.org

Twitter: @TransparencyUSA