
DOJ and SEC Issue FCPA Guidance

NOVEMBER 20, 2012

On November 14, the Department of Justice and the Securities and Exchange Commission jointly issued guidance on the Foreign Corrupt Practices Act. As discussed in this [WilmerHale Client Alert](#), the guidance provides detailed information on the agencies' joint FCPA approach and priorities. This guidance is important for audit committees for several reasons. Many committees have oversight responsibilities with respect to legal and regulatory compliance, which can encompass anti-corruption laws. And the FCPA's requirements for public companies to maintain accurate books and records and effective internal accounting controls—which are separate from the FCPA's anti-bribery provisions—relate directly to the company's financial reporting. In fact, the guidance explains that internal controls over financial reporting includes “various components” such as “the tone set by the organization regarding integrity and ethics,” “risk assessments,” “policies and procedures designed to ensure that management directives are carried out,” “information and communication” and “monitoring.” The DOJ and SEC provide detailed information in the guidance on the elements of an adequate FCPA compliance program. Audit Committees and/or Boards should review their companies' compliance programs with management in light of the guidance. The guidance also provides suggestions with respect to appropriate FCPA due diligence in M&A transactions.

Authors



**Kimberly A.
Parker**

PARTNER

Vice Chair,
Litigation/Controversy
Department

Co-Chair, White Collar Defense and
Investigations Practice

 kimberly.parker@wilmerhale.com

 +1 202 663 6987