

The background of the cover is an abstract architectural illustration. It features a series of overlapping, curved, grid-like structures that resemble modern building facades or large-scale infrastructure. The colors are primarily teal, grey, and white. A large, semi-transparent teal rectangle is positioned in the upper left, and a large, semi-transparent grey rectangle is in the lower right. The text "Global Enforcement Report 2017" is centered within the teal rectangle.

# Global Enforcement Report 2017

**TRACE**  
**International**  
**Report**

March 2018



## Introduction

Almost every country in the world prohibits the payment of bribes to their own government officials. Anti-bribery conventions sponsored by the United Nations, the Organisation for Economic Co-operation and Development, the Organization of American States, the Council of Europe, and the African Union require signatory countries to establish binding standards for the criminalization of bribery of foreign public officials in international business transactions. Virtually every country in the world has ratified one of these international conventions and many have enacted laws that prohibit the payment of bribes to foreign government officials.

Despite the global denunciation of bribery, little information is publicly available on enforcement of these anti-bribery regulations. This can make it difficult to recognize trends concerning the extent to which countries are enforcing anti-bribery laws or where bribery is most prevalent, even though such information is critical to promoting transparency in global business. TRACE publishes the Global Enforcement Report (“GER”) annually in an attempt to provide this essential information. The 2017 GER provides an updated summary of international anti-bribery enforcement trends, based primarily on the cases and investigations tracked in the TRACE Compendium, TRACE’s online database of transnational corruption cases. The TRACE Compendium contains summaries of enforcement actions, investigations and declinations involving the alleged bribery of government officials that crosses at least one border. Neither the TRACE Compendium nor the 2017 GER include matters involving domestic companies bribing domestic government officials. The alleged bribe must have a cross-border component and must involve a government official.

The 2017 GER offers both graphic and textual analyses of investigations and enforcement actions concerning the bribery of government officials from the enactment of the U.S. Foreign Corrupt Practices Act in 1977 through 31 December 2017. The 2017 GER reflects several revisions to the statistics reported in earlier editions of the GER, as our data are updated whenever TRACE obtains new or improved information regarding an investigation or enforcement action, or when the status of an enforcement action changes. The 2017 GER also represents TRACE’s continuing efforts to refine and improve the data utilized in the report. Neither the TRACE Compendium nor the 2017 GER can provide a precise and objective measurement of global anti-corruption enforcement. Instead, they are meant to provide general information on trends in international anti-corruption efforts on a broad scale.

The 2017 GER focuses on two distinct anti-bribery enforcement events undertaken by government authorities: investigations and enforcement actions. An investigation is an ongoing probe or examination by a government authority into allegations of bribery of government officials by a foreign company or individual. TRACE recognizes that investigations into allegations of bribery are sometimes dropped due to insufficient evidence, or for security or political considerations; they may be closed without any resolution; or they may continue indefinitely with no other action ever being taken. For purposes of the 2017 GER, investigations are no longer considered ongoing if 10 years have passed since they were last discussed in a publicly available document, or if five years have passed since a government authority brought an enforcement action or issued a declination on the same allegations. An enforcement action is an adjudication of allegations of bribery of government officials by a foreign company or individual. That is, there must be a final resolution that involves fines or penalties, a guilty plea, a sentencing or a settlement of charges.

Earlier editions of the GER included information about declinations, which occur where an investigation is terminated but there is no enforcement action. That may mean a finding after trial that a company or individual is not guilty, or an authority deciding not to bring charges. In many



instances, it is difficult to ascertain whether a declination has occurred, as authorities generally do not announce the closing of an investigation. Because of the above described difficulties, the 2017 GER does not include information on declinations.

The TRACE Compendium and 2017 GER also include cases in which bribery allegations have been made against individual employees or representatives of companies (including employees of local subsidiaries of international companies). When a company and its employees or representatives face separate enforcement actions involving substantially the same conduct, only one enforcement action is counted in the 2017 GER. Except where a company specifically receives a declination, if a company does not face an enforcement action but its employees or representatives do, the enforcement action is counted as one enforcement action. Finally, while separate enforcement actions may be taken by different authorities in one country based on the same circumstances, only one such enforcement action is counted against a company or individual.

## Glossary of Terms

**Investigation** – An ongoing probe or examination by a government authority into allegations of bribery of government officials by a foreign company or individual that has not been resolved by either an enforcement action or a declination.

**Enforcement Action** – An adjudication of allegations of bribery of government officials by a foreign company or individual that is a final resolution of charges involving fines or penalties, a guilty plea, a sentencing or a settlement of charges.

**Declination** – Termination of an ongoing investigation by a government agency without any enforcement action.

**Bribery of Foreign Official** – Improper payments made by a foreign company to a government official who is not a citizen of the government undertaking the enforcement event.

**Bribery of Domestic Official** – Improper payments made by a foreign company to a government official who is a citizen of the government undertaking the enforcement event.

## Key Findings

- > The number of U.S. enforcement actions dropped dramatically from last year's record-setting pace, returning to a level more typically seen in the first half of the decade. Non-U.S. enforcement actions registered a small increase. (See Figure 3.)
- > European countries continue to predominate U.S. investigations and enforcement actions in cases involving non-U.S. companies and individuals, notably including the United Kingdom, Switzerland, Germany, and the Netherlands. (See Figure 4, Figure 5.)
- > In investigating and prosecuting allegations of bribery by U.S. companies, the Department of Justice and the Securities and Exchange Commission are maintaining roughly the same number of cases. With respect to investigation and enforcement in cases involving non-U.S. companies, the number of cases is larger for Department of Justice. (See Figure 6, Figure 7.)
- > With respect to bribes allegedly made by U.S. companies, there appears to be an increasing focus on payments to European officials, for which the share of investigations increased to 20% from the 17% reported last year. The Asia Pacific region showed relative decreases in its share of both investigations and enforcement actions related to official bribery to U.S. companies. (See Figure 11, Figure 12.)
- > The Financial Services industry has overtaken the Extractive Industries in the number of open U.S. investigations. Globally, however, the Extractive Industries continue to face the brunt of enforcement activity. (See Figures 13–16.)

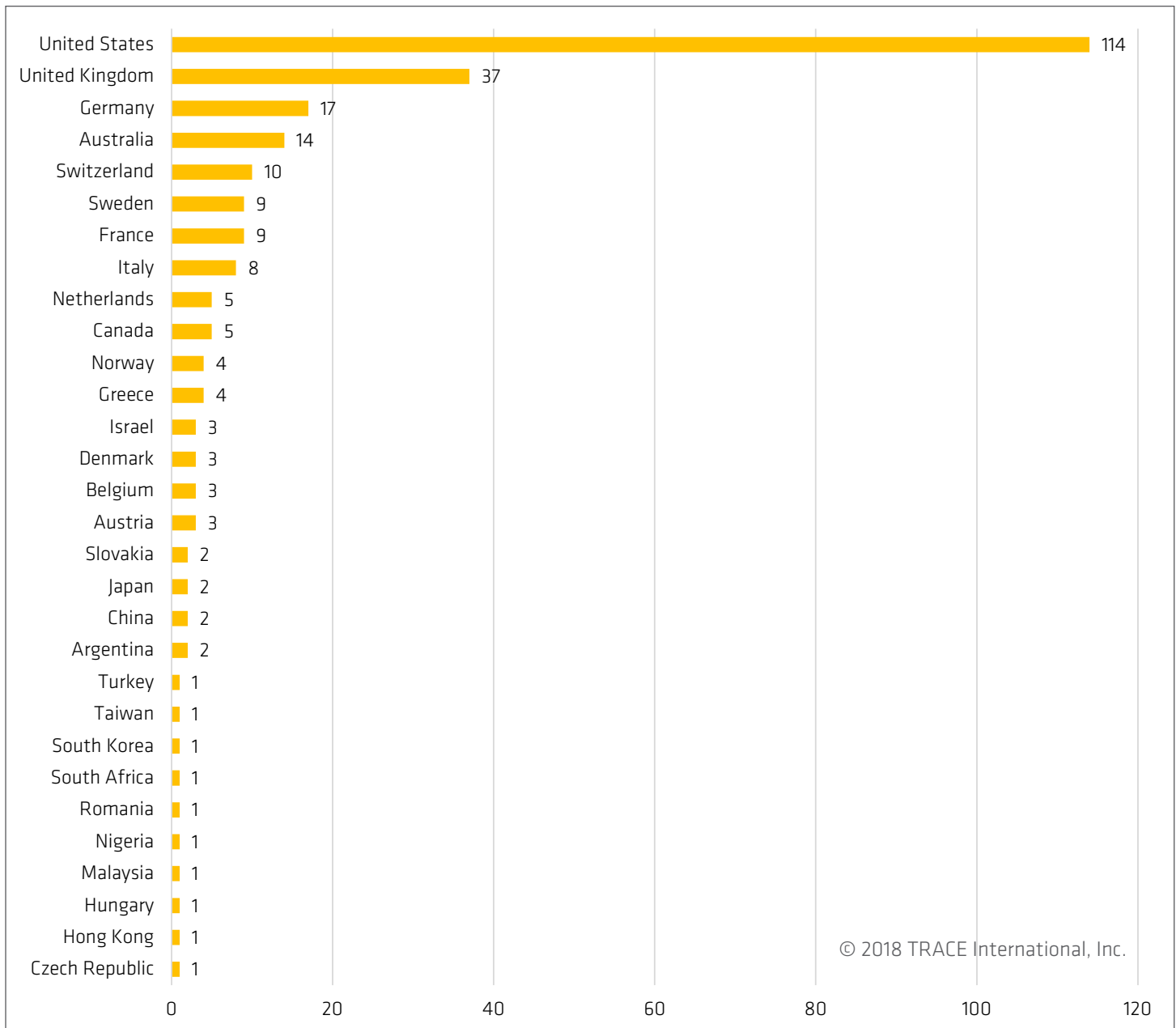




# Figures and Analysis



Figure 1: Investigations Concerning Bribery of Foreign Officials by Country

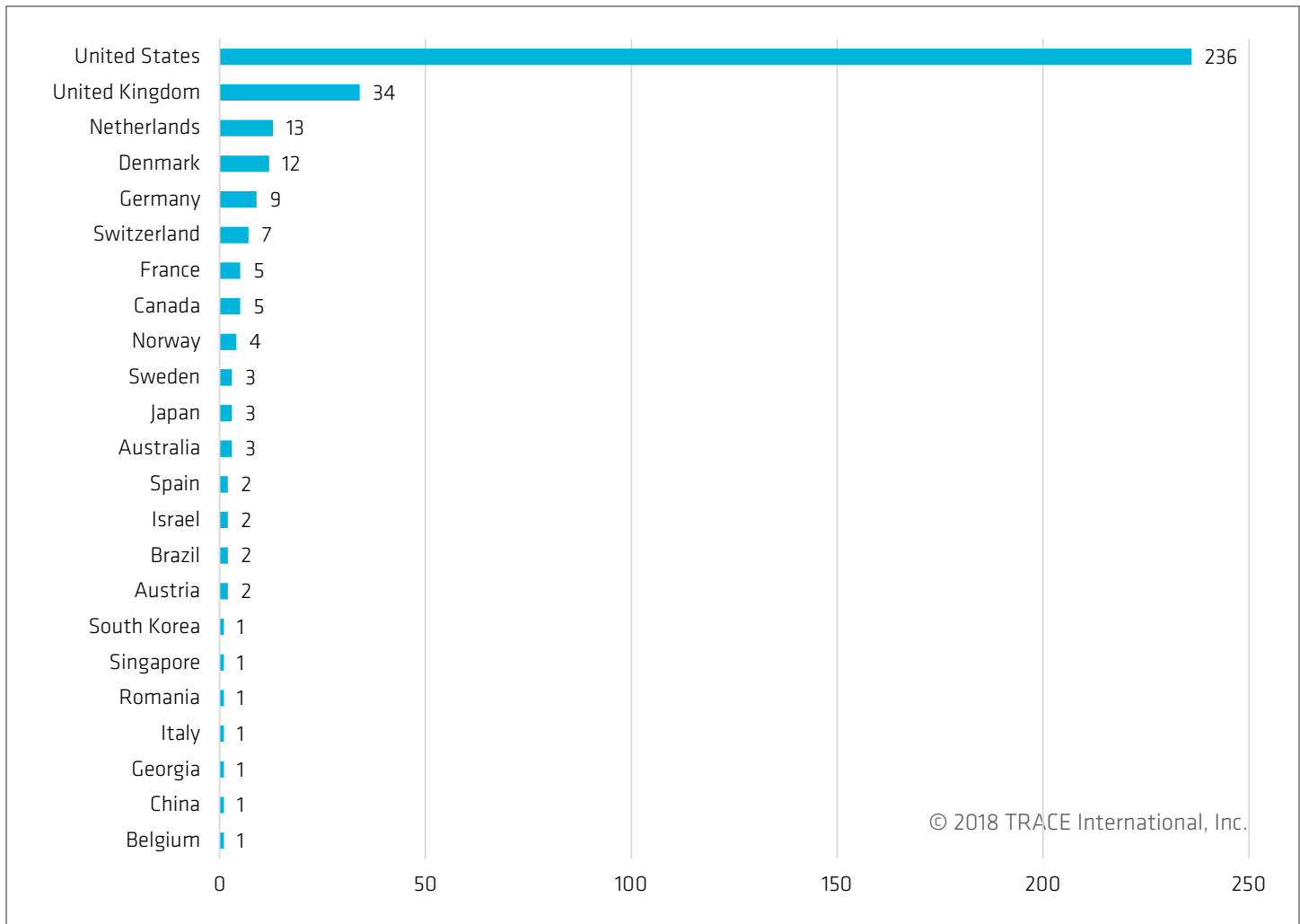


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This chart addresses where investigations of bribery of foreign officials are occurring. In total, there were 266 investigations concerning alleged bribery of foreign officials being conducted by authorities in 30 countries as of 31 December 2017. The United States was conducting 114 investigations, which represents 43% of all ongoing investigations concerning alleged bribery of foreign officials and three times as many as the United Kingdom, whose investigation count increased from 29 to 37. On the whole, Europe is more than keeping pace with the U.S., conducting a total of 118 investigations—approximately 44% of all ongoing investigations. Countries in the Asia Pacific region were conducting 8% of all ongoing investigations, followed by the Americas (excluding the U.S.) with approximately 3%, the Middle East with approximately 1%, and Africa with fewer than 1%.



Figure 2: Enforcement Actions Concerning Bribery of Foreign Officials by Country



From 1977 through 2017, 23 countries pursued 349 enforcement actions concerning alleged bribery of foreign officials. The United States maintained the strongest enforcement record during this period, with 236 enforcement actions. This represents 68% of all enforcement actions concerning alleged bribery of foreign officials taken to date, and seven times as many as the country with the next highest total (the United Kingdom). Countries in Europe undertook 95 enforcement actions, approximately 27% of all enforcement actions concerning the alleged bribery of foreign officials. Countries in Asia Pacific were responsible for approximately 3% of the total enforcement actions concerning the alleged bribery of foreign officials, followed by the Americas (excluding the U.S.) with 2% and the Middle East with fewer than 1%.

Figure 3: Enforcement Actions Concerning Bribery of Foreign Officials  
2004–2017

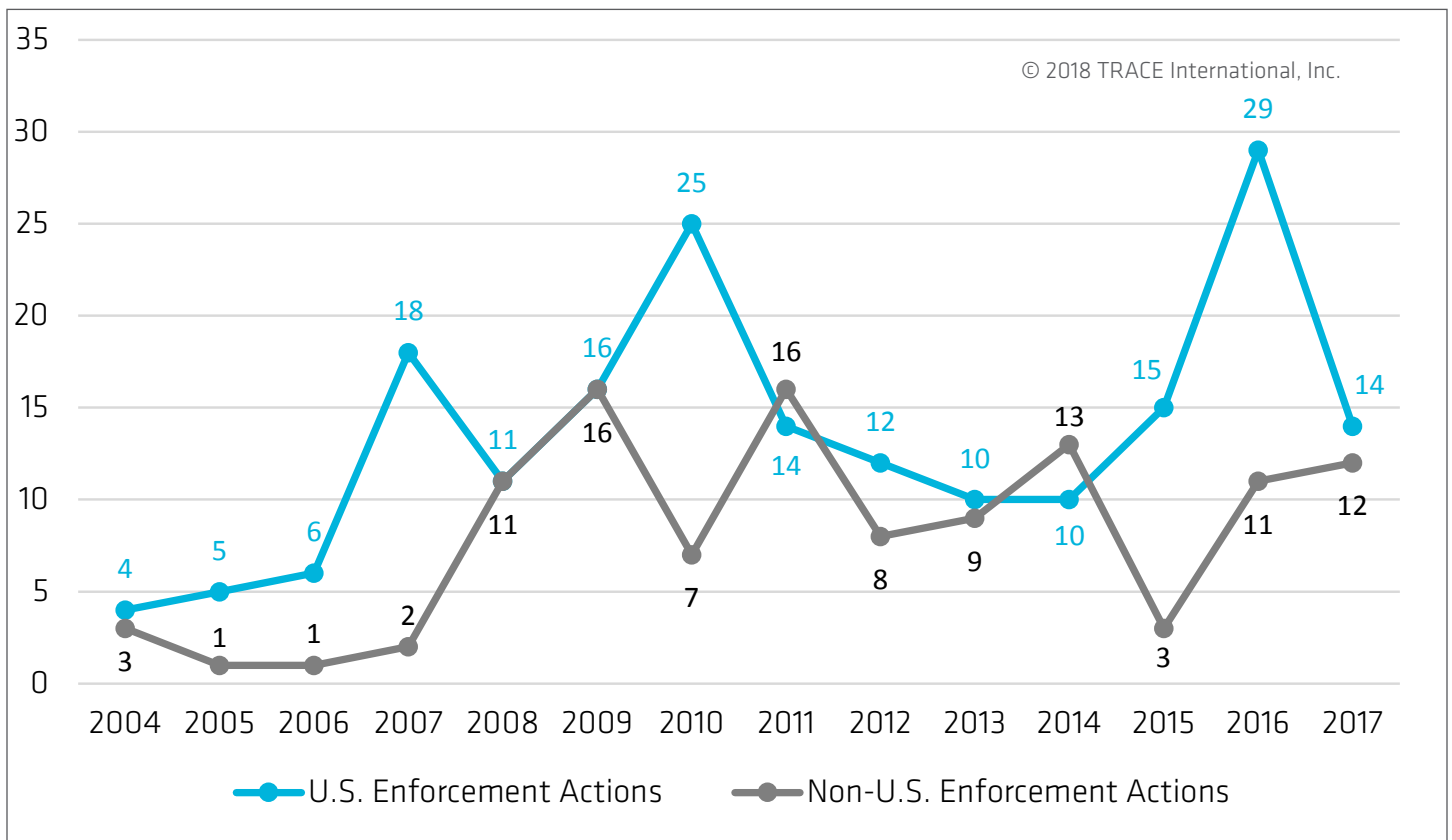
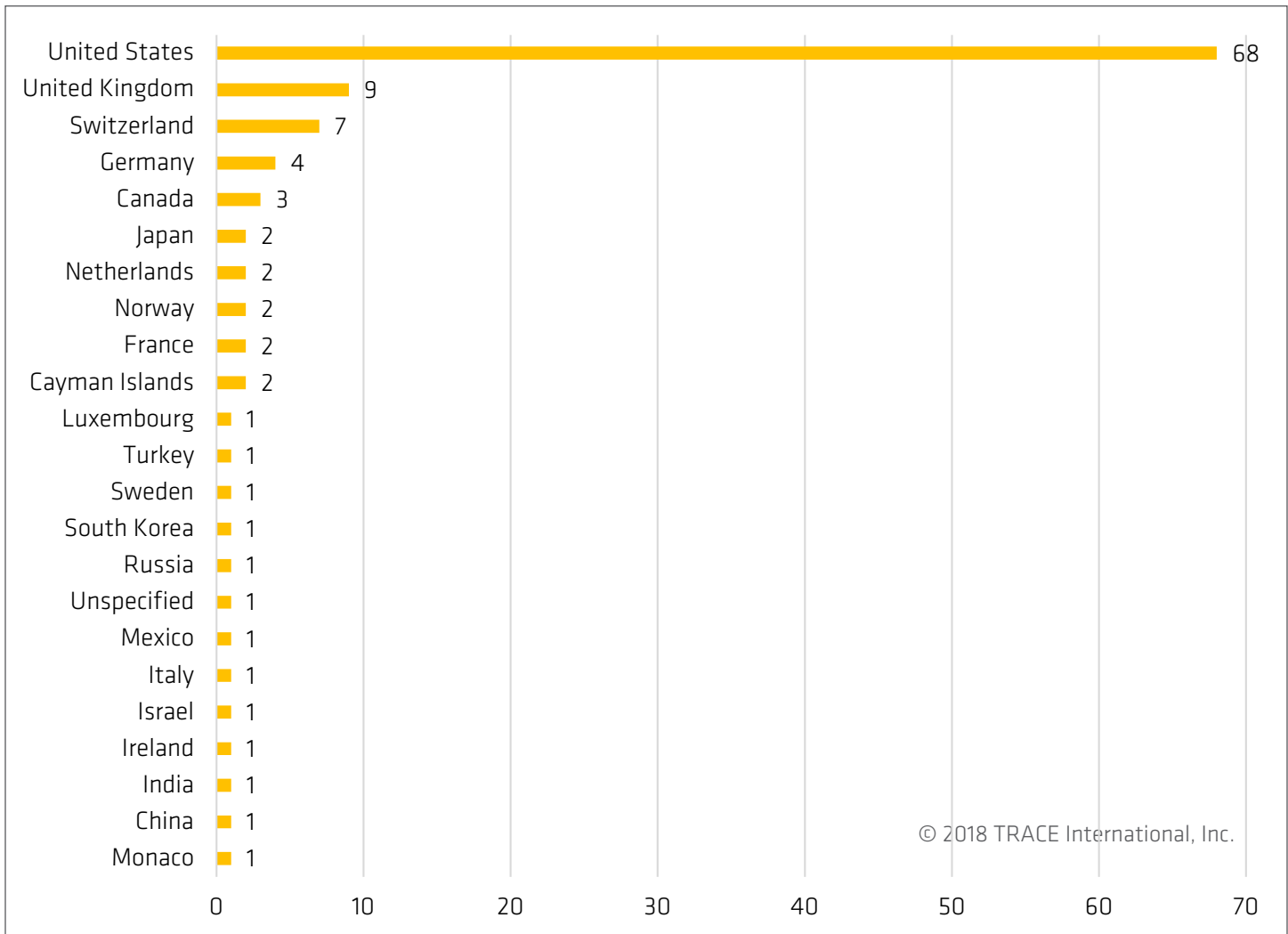


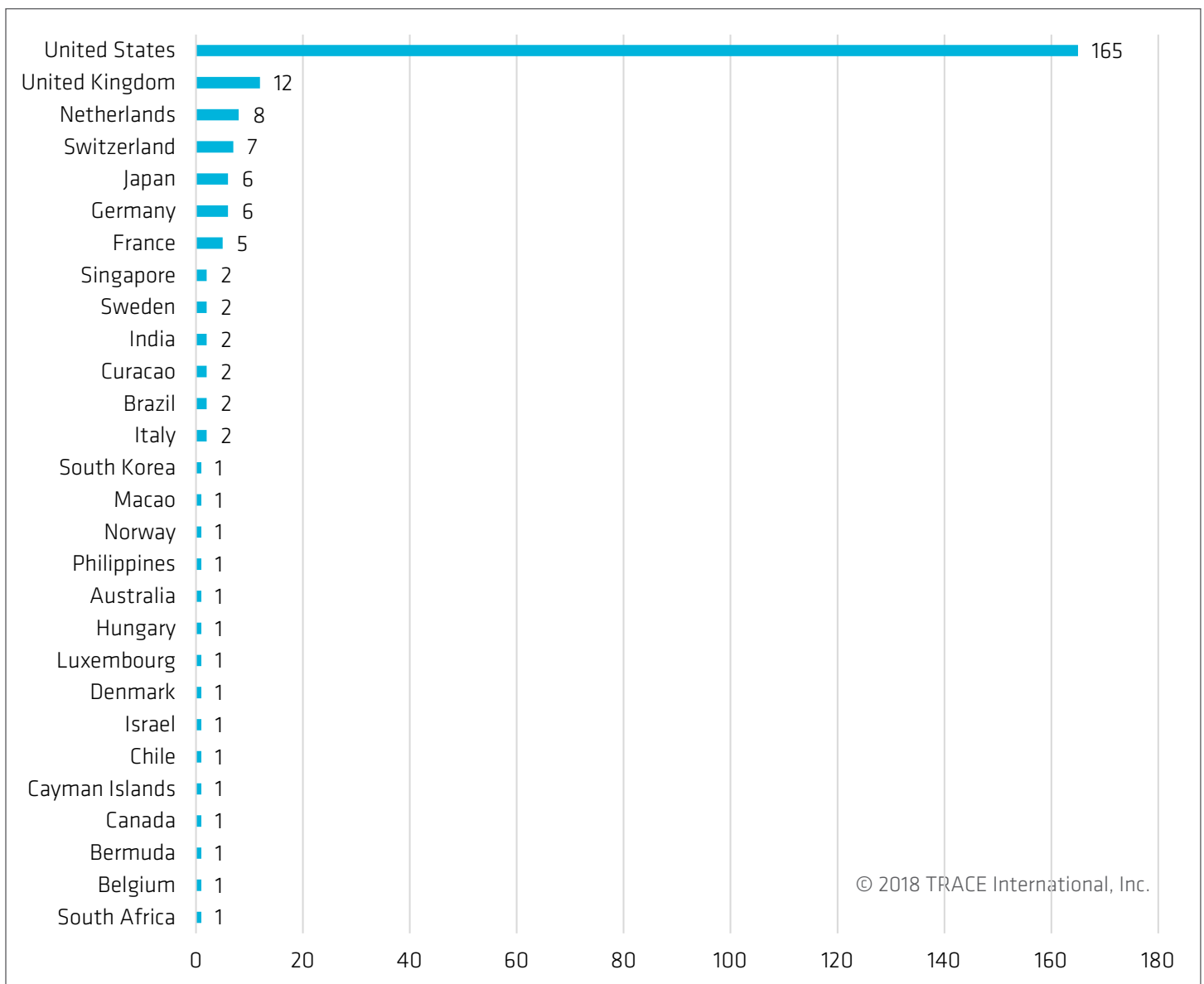
Figure 3 modifies the analysis in Figure 2 to examine enforcement actions concerning alleged bribery of foreign officials undertaken from 2004 through 2017 by U.S. and by non-U.S. enforcement agencies. After an unusually active 2016, the number of enforcement actions brought by the United States returned to a more typical level in 2017. Non-U.S. enforcement actions maintained a steady pace, in the aggregate nearly matching the amount of U.S. enforcement.

**Figure 4: U.S. Investigations Concerning Bribery of Foreign Officials by Company Headquarters or Individual Citizenship**



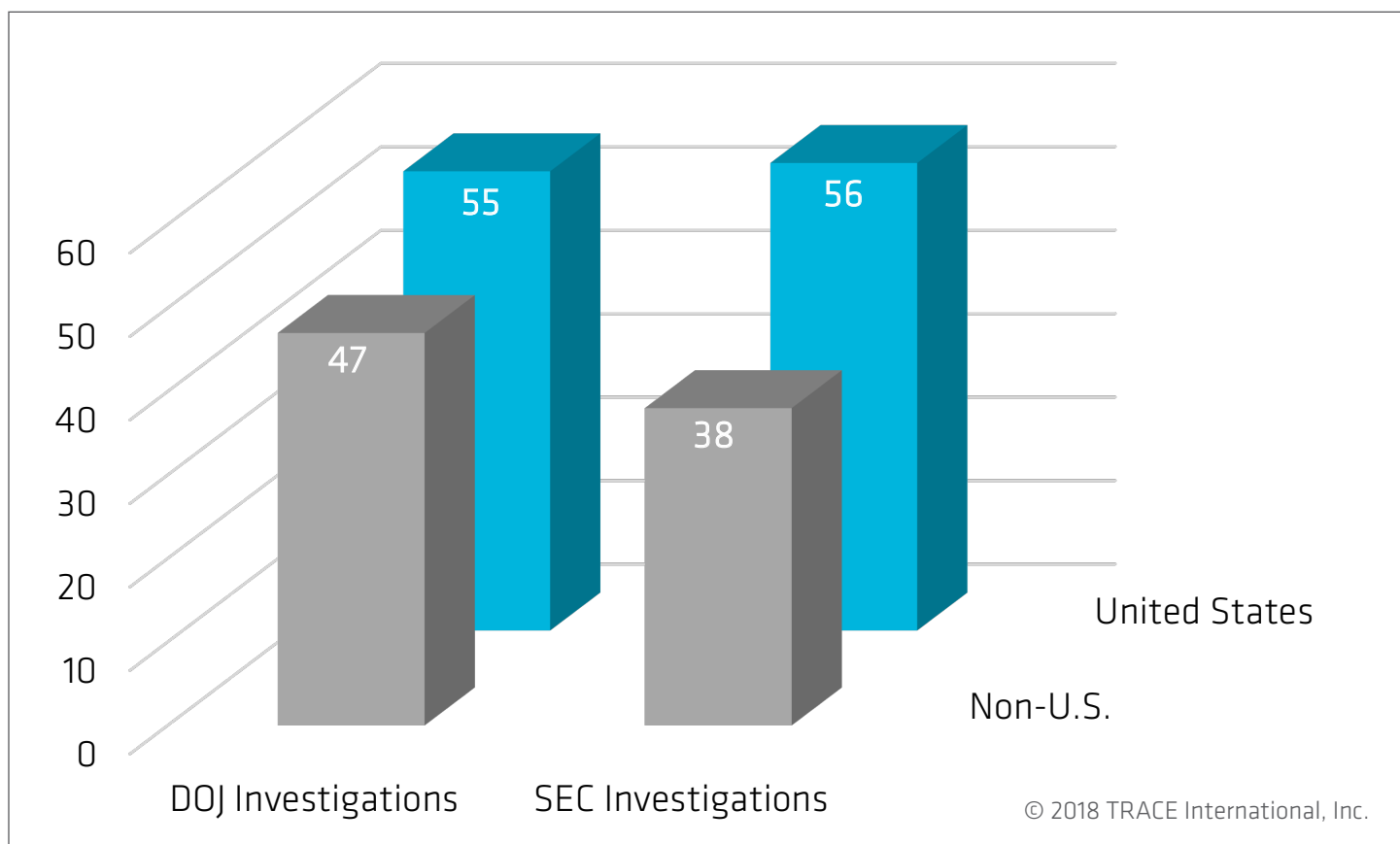
The United States was conducting 114 investigations concerning alleged bribery of foreign officials in 23 countries as of 31 December 2017. There were 46 investigations concerning alleged bribery of foreign officials involving companies headquartered outside of the United States or individuals with non-U.S. citizenship, representing 40% of all such investigations being conducted by the United States. Of the investigations concerning alleged bribery of foreign officials being conducted against non-U.S. companies and individuals, the highest number involved companies or individuals in the United Kingdom, followed by Switzerland and Germany. Companies or individuals from Europe made up 72% of U.S. investigations concerning alleged bribery of foreign officials being conducted against non-U.S. companies and individuals, followed by the Americas (excluding the U.S.) with 13%, Asia Pacific with 11%, and the Middle East with 2%.

**Figure 5: U.S. Enforcement Actions Concerning Bribery of Foreign Officials by Company Headquarters or Individual Citizenship**



The United States has undertaken 236 enforcement actions concerning alleged bribery of foreign officials, from 1977–2017. A total of 71 of these enforcement actions have involved companies headquartered outside of the United States or individuals with non-U.S. citizenship, representing approximately 30% of all enforcement actions initiated by the United States concerning alleged bribery of foreign officials. Of the enforcement actions undertaken against non-U.S. companies and individuals, the highest number involved companies or individuals in the United Kingdom, followed by the Netherlands and Switzerland. Companies or individuals from Europe represent approximately 66% of U.S. enforcement actions concerning alleged bribery of foreign officials undertaken against non-U.S. companies and individuals, followed by Asia Pacific with 20%, the Americas (excluding the U.S.) with approximately 11% and Africa and the Middle East with 1.4% each.

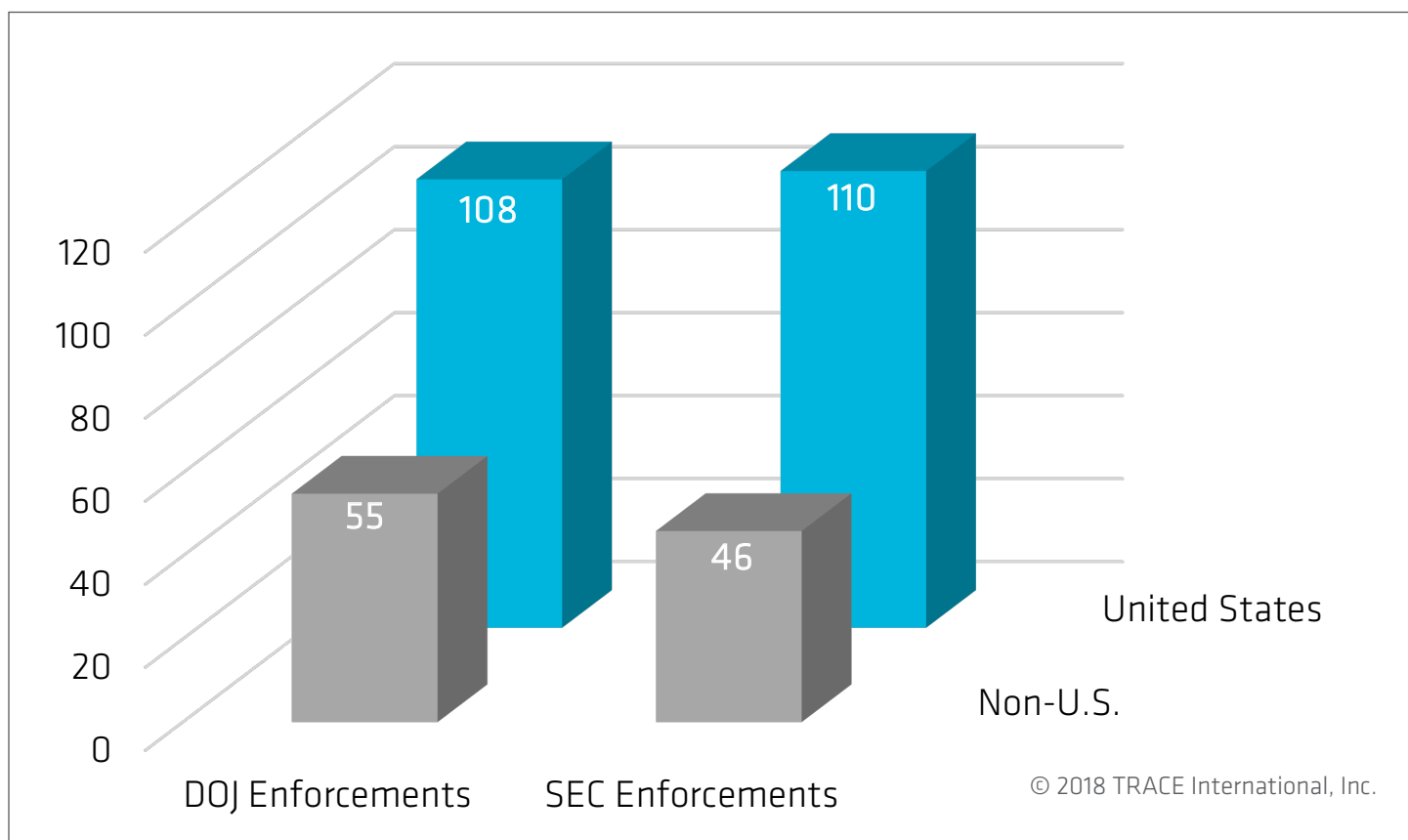
Figure 6: U.S. Investigations Concerning Bribery of Foreign Officials by Country of Headquarters



While separate investigations may be conducted by different authorities in one country based on the same circumstances, generally only one such investigation is counted in this report against a company or individual. This chart addresses where separate investigations are conducted by the U.S. Securities and Exchange Commission (SEC) and the U.S. Department of Justice (DOJ).

The U.S. is conducting 196 foreign bribery investigations between the SEC and the DOJ, with 43% involving companies headquartered outside of the U.S. or individuals with non-U.S. citizenship. The SEC and the DOJ are conducting approximately the same number investigations into U.S. companies and individuals concerning the alleged bribery of foreign officials. However, with respect to non-U.S.-based companies and individuals, the DOJ is currently conducting a slightly greater number of investigations into alleged bribery of foreign officials than the SEC, at a ratio of approximately 55% to 45%.

Figure 7: U.S. Enforcement Actions Concerning Bribery of Foreign Officials by Country of Headquarters

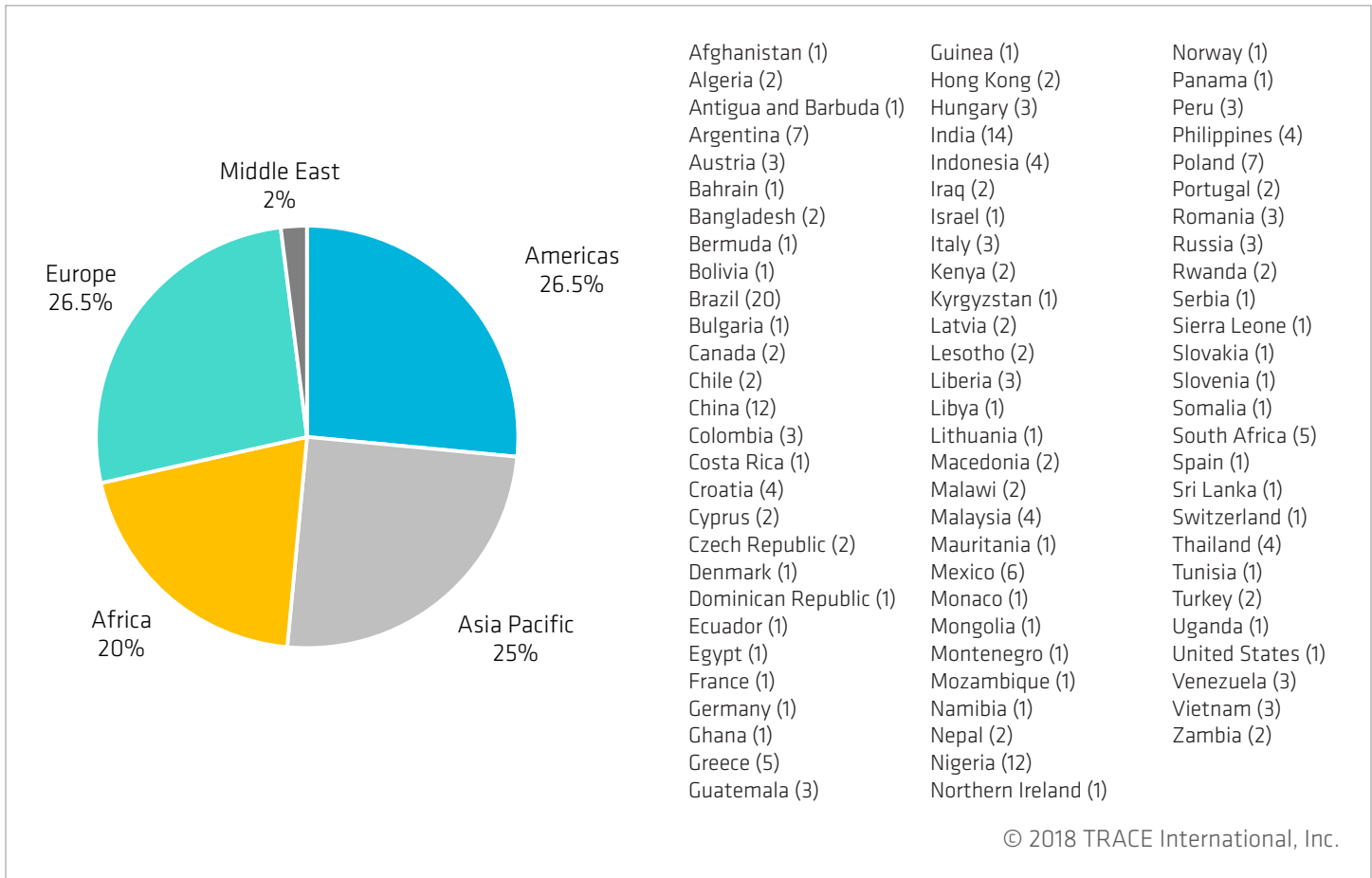


While separate enforcement actions may be taken by different authorities in one country based on the same circumstances, generally only one such enforcement action is counted in this report against a company or individual. This chart addresses separate enforcement actions taken by the SEC and the DOJ.

The U.S. has brought 319 enforcement actions concerning the alleged bribery of foreign officials between the SEC and the DOJ, with 101—approximately 32%—involving companies headquartered outside of the U.S. or individuals with non-U.S. citizenship. As with investigations, the number of enforcement actions concluded by the SEC and by the DOJ against U.S. companies and individuals concerning the alleged bribery of foreign officials are nearly at par with one another. And again, with respect to non-U.S.-based companies and individuals, the DOJ has concluded a slightly greater number of enforcement actions than the SEC, at a ratio of approximately 54% to 46%.

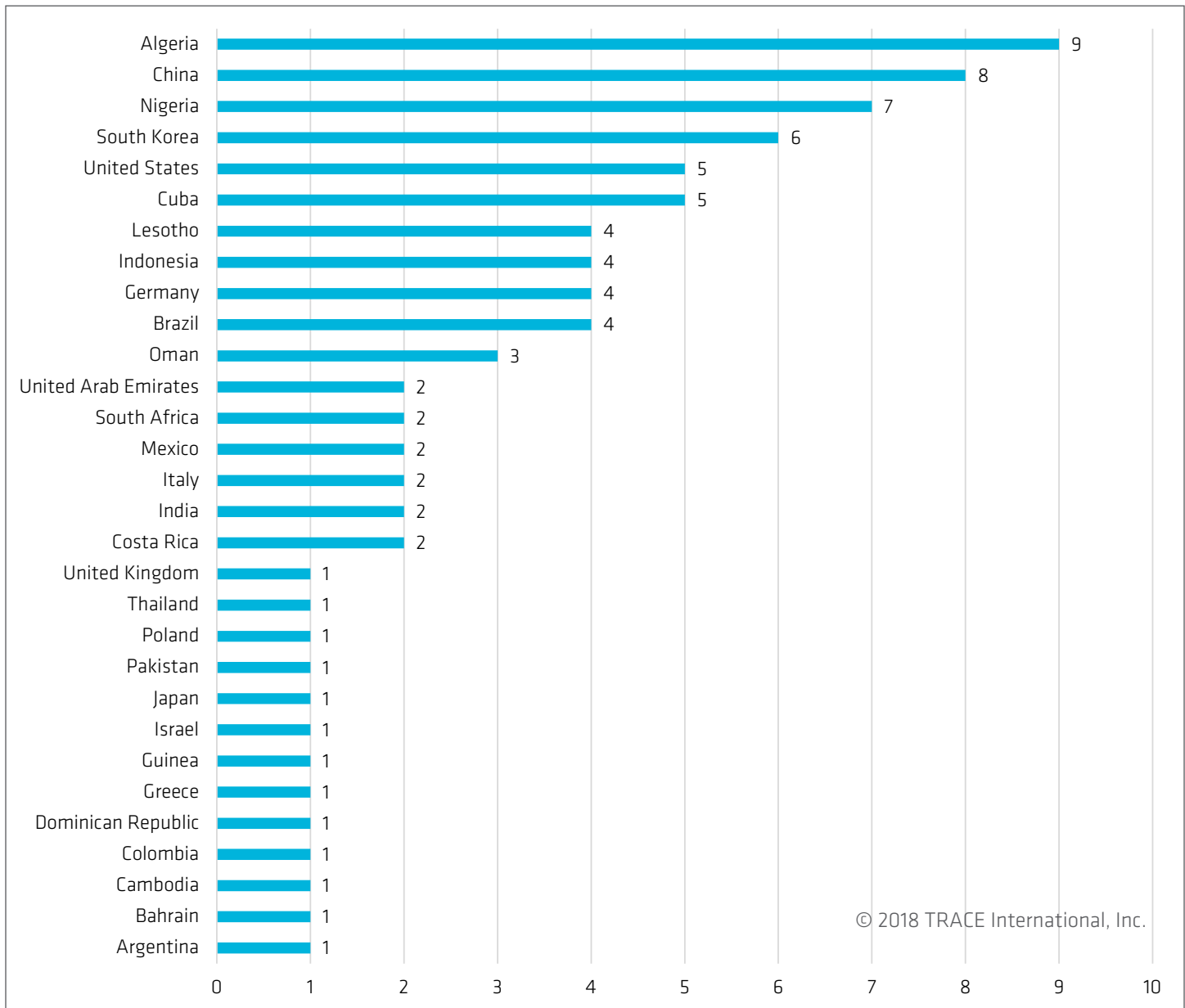


Figure 8: Investigations Concerning Bribery of Domestic Officials by Country



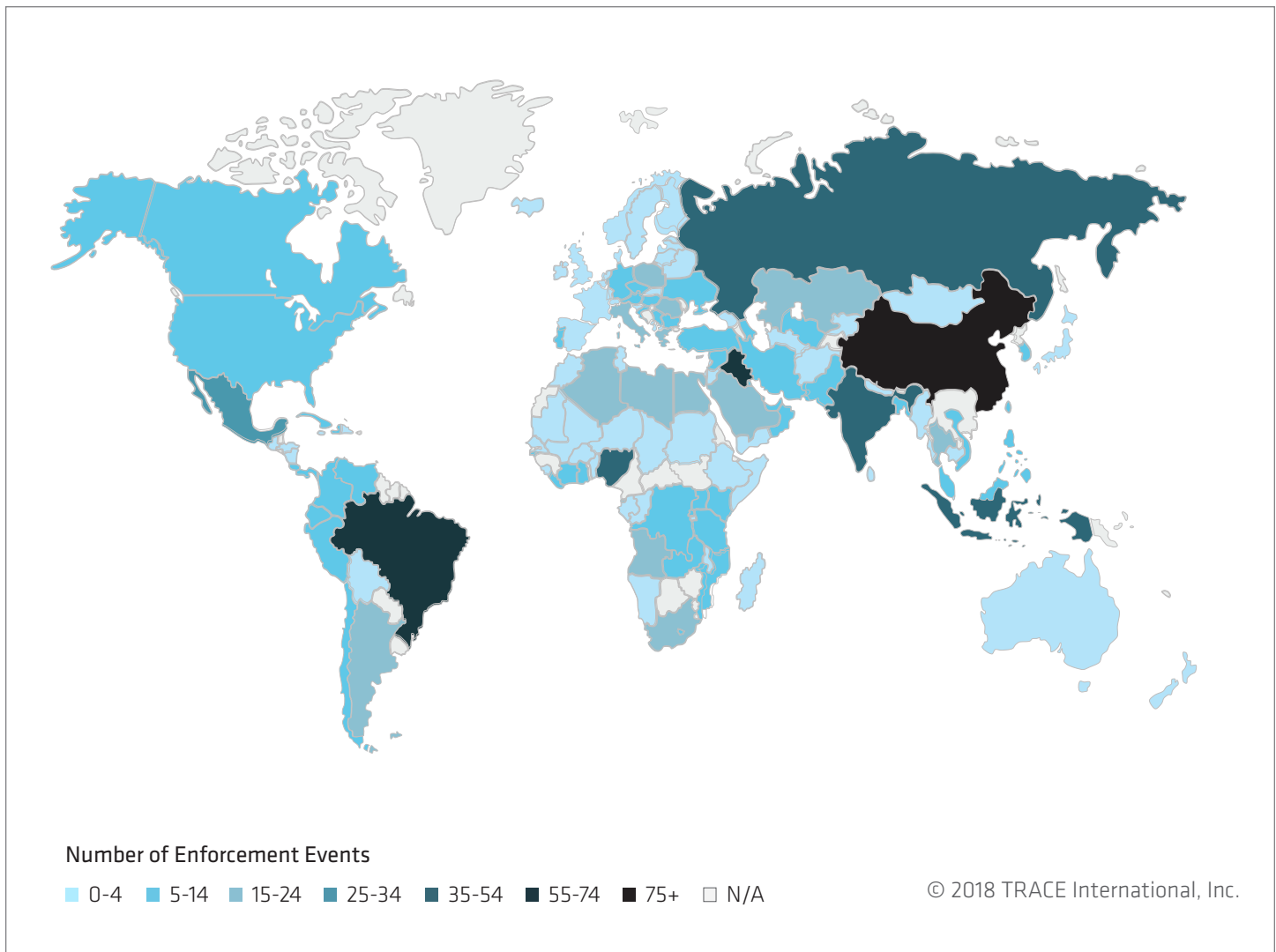
Of the 82 countries conducting investigations concerning alleged bribery of domestic officials as of 31 December 2017, Brazil was conducting the most, followed by India, China and Nigeria. Countries in Europe and the Americas together accounted for approximately 53% of all such investigations, evenly split between the two continents. Countries in Asia Pacific were conducting 25% of the investigations, followed Africa with 20% and the Middle East with approximately 2%. Of the 14 countries conducting four or more investigations concerning alleged bribery of domestic officials, 6 are in Asia Pacific, 3 are in the Americas, 3 in Europe, and 2 in Africa. Of the 68 countries conducting one to three investigations concerning alleged bribery of domestic officials, 25 are in Europe, 18 are in Africa, 14 in the Americas, 7 in Asia Pacific, and 4 in the Middle East.

Figure 9: Enforcement Actions Concerning Bribery of Domestic Officials by Country



As of 31 December 2017, there were more than twice as many investigations (216) as there have been enforcement actions concerning alleged bribery of domestic officials from 1977–2017 (84). Algeria has brought the most enforcement actions concerning alleged bribery of domestic officials, followed by China and Nigeria. Countries in Asia Pacific have undertaken 29% of the enforcement actions concerning alleged bribery of domestic officials, followed by Africa with approximately 27%, the Americas with 25%, Europe with approximately 11%, and the Middle East with approximately 8%. Three countries had undertaken seven or more enforcement actions: 2 in Africa and 1 in Asia Pacific. Seven countries had undertaken between four and six enforcement actions: 3 in the Americas, 2 in Asia Pacific, and one each from Europe and Africa. Of the 20 countries that had undertaken between one and three enforcement actions concerning alleged bribery of domestic officials, 5 each are in the Americas or Asia Pacific; 4 each in Europe and the Middle East; and 2 in Africa.

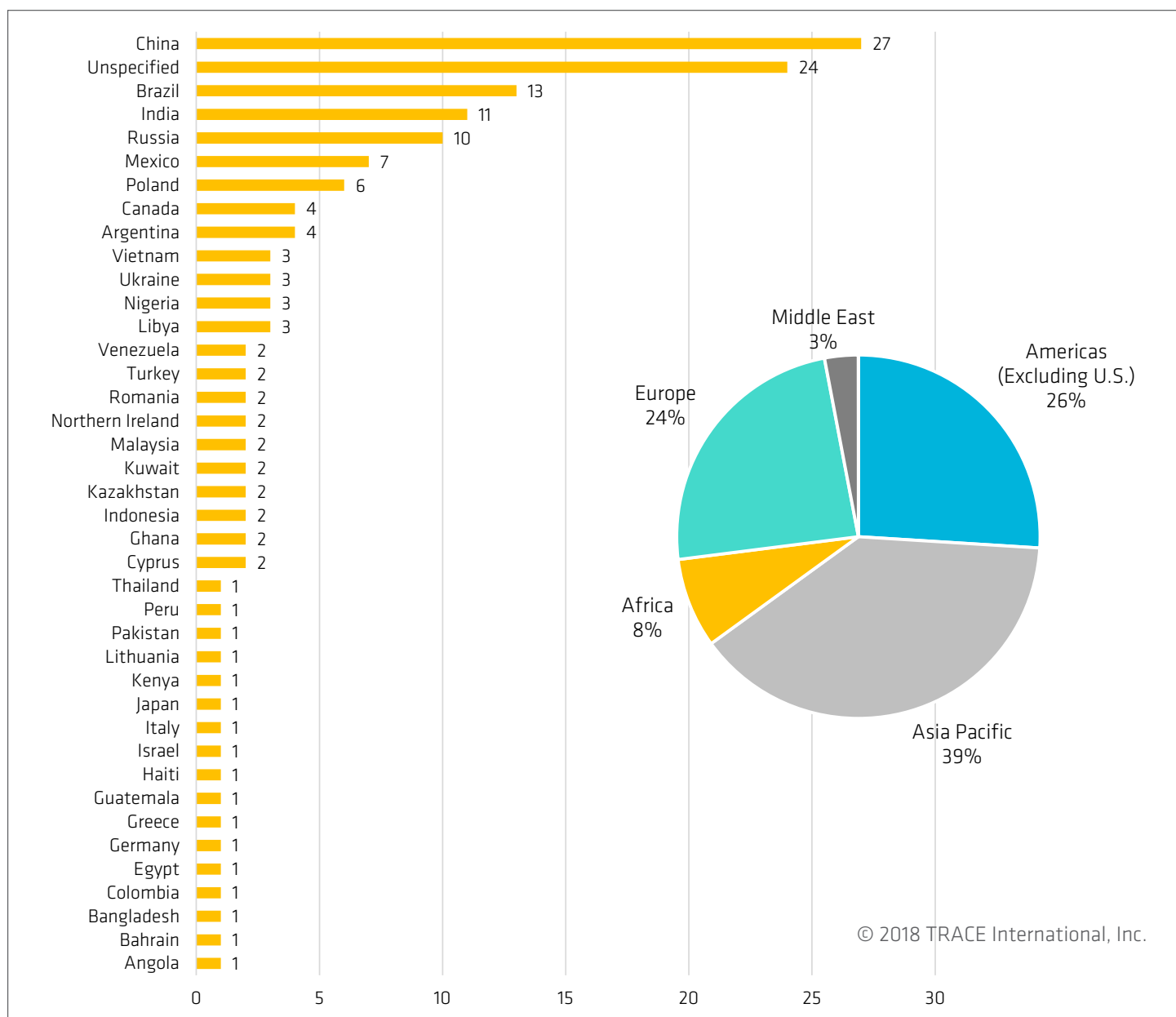
Figure 10: Prevalence of Bribery  
1977–2017



This Figure shows the prevalence of alleged bribery of government officials within a country. Each country indicated on the map has a corresponding number of enforcement events concerning the alleged bribery of that country's government officials. China surpasses every other country, with Chinese officials being the alleged recipients of bribes in almost 100 different enforcement events. Iraq has the next-highest number of enforcement events, followed by Brazil, Nigeria, India and Russia. Officials in Asia Pacific were the alleged recipient of bribes in approximately 26% of enforcement events, followed by Africa with approximately 22%, Europe and the Americas with approximately 16% each, and the Middle East with 12%. Eleven countries had more than 20 enforcement events, with 4 in Asia Pacific, 3 in the Americas, 2 in the Middle East, and 1 each in Europe and Africa. There were 24 countries with between 11 and 20 enforcement events, 7 each in Asia Pacific and Africa, 5 in Europe, 3 in the Americas, and 1 in the Middle East. There were 112 countries with between 1 and 10 enforcement events, 34 in Africa, 30 in Europe, 20 in the Americas, 17 in Asia Pacific, and 1 in the Middle East.

There were 84 enforcement events where the nationality of the government officials who were allegedly bribed is unspecified. This is because the information is taken from publicly available resources, and there may be instances where companies do not specify information about where alleged bribery took place.

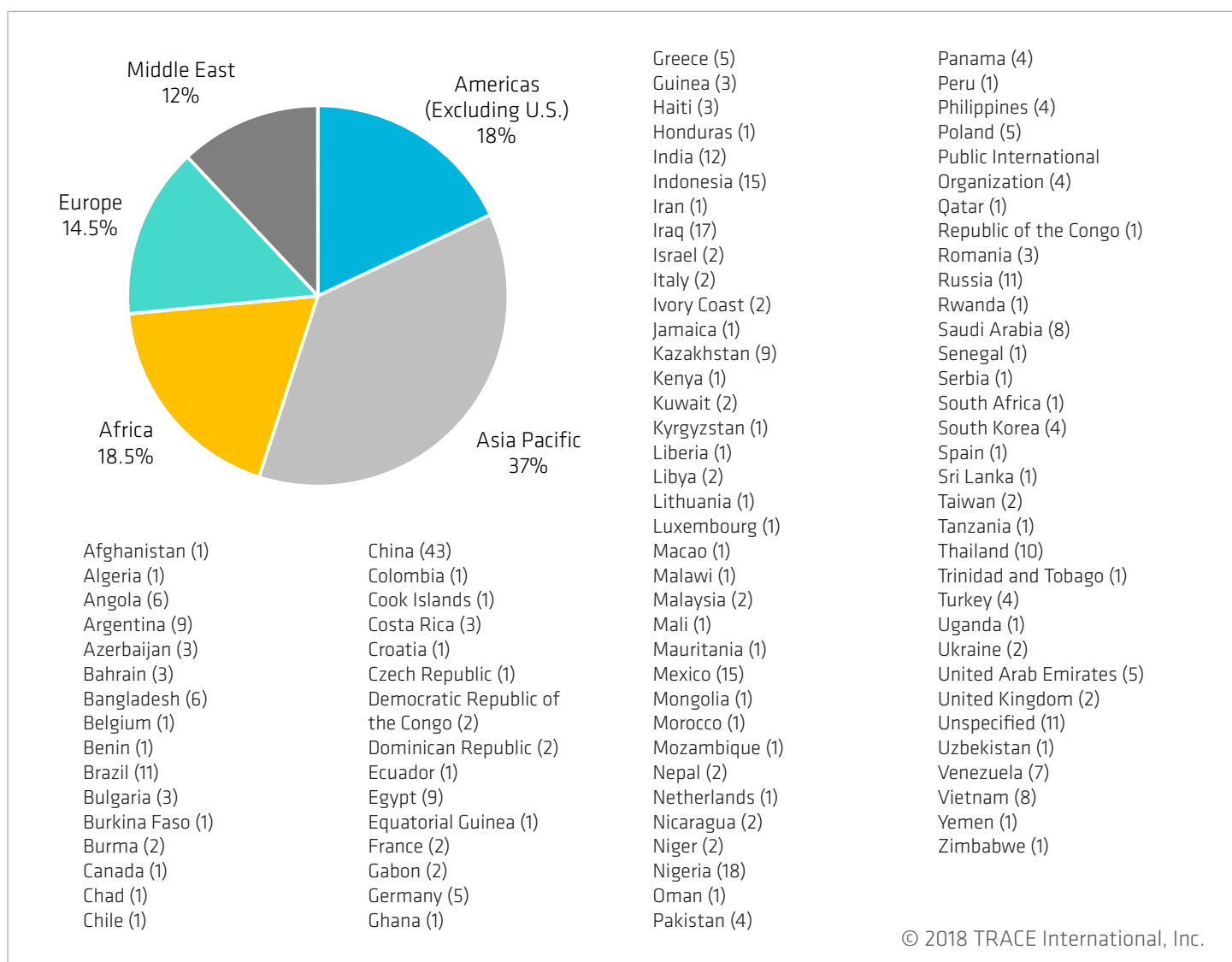
Figure 11: Total Investigations Concerning Bribery by Companies Headquartered in the U.S.



This Figure shows the 39 countries where U.S.-based companies under investigation as of 31 December 2017 have allegedly paid bribes. Chinese officials are the alleged recipients of bribes in 27 investigations, followed by in which the recipient's nationality was known Brazil and India. Officials in Asia Pacific were the alleged recipient of bribes in approximately 39% of investigations, followed by the Americas (excluding the U.S.) with approximately 26% Europe with approximately 24%, Africa with approximately 8% and the Middle East with approximately 3%. Three countries were implicated in more than 10 investigations: two in Asia Pacific and one in the Americas (excluding the U.S.). There were 36 countries implicated in between one and ten investigations: 11 in Europe, 8 each in Asia Pacific and the Americas (excluding the U.S.), 5 in Africa, and 3 in the Middle East.

There were 24 investigations where the nationality of the government officials who were allegedly bribed is unspecified. This is because the information is taken from publicly available resources, and there may be instances where companies do not specify information about where alleged bribery took place.

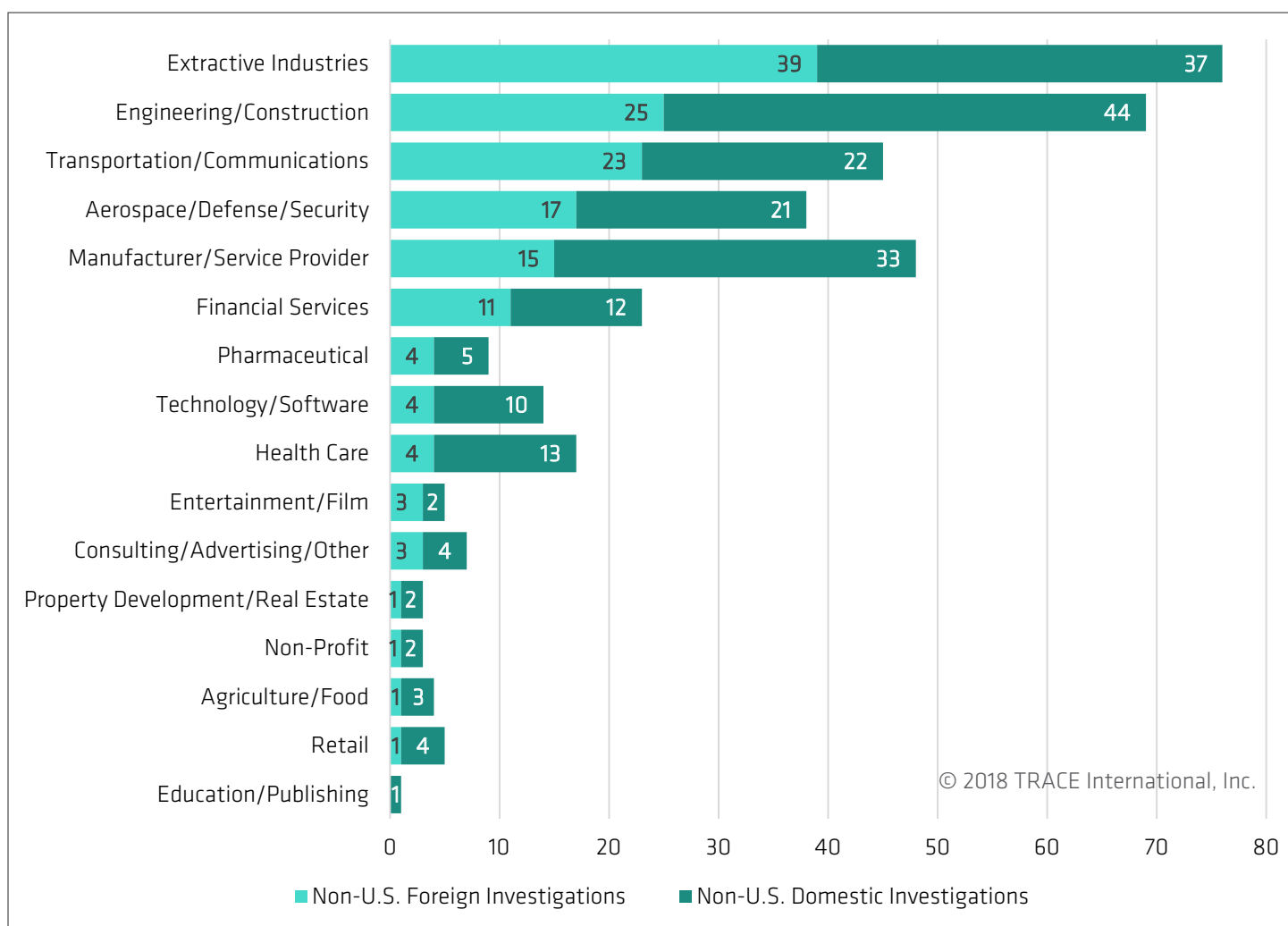
Figure 12: Total Enforcement Actions Concerning Bribery by Companies Headquartered in the U.S.



This Figure shows the 97 countries where U.S.-based companies who were subject to an enforcement action between 1977 and 2017 allegedly paid bribes. Chinese officials are the alleged recipients of bribes in 43 enforcement actions, followed by Nigeria and Iraq. Officials in Asia Pacific were the alleged recipient of bribes in approximately 37% of enforcement actions in which the recipient's nationality was known, followed by Africa with 18.5%, the Americas (excluding the U.S.) with 18%, Europe with 14.5%, and the Middle East with approximately 12%. Eight countries were implicated in more than 10 enforcement actions: 3 in Asia Pacific, 2 in the Americas (excluding the U.S.), and 1 each in Africa, the Middle East, and Europe. There were 89 countries implicated in between one and ten enforcement actions: 28 in Africa, 18 each in Europe and Asia Pacific, 15 in the Americas (excluding the U.S.) and 10 in the Middle East.

There were 11 enforcement actions where the nationality of the government officials who were allegedly bribed is unspecified. This is because the information is taken from publicly available resources, and there may be instances where companies do not specify information about where alleged bribery took place.

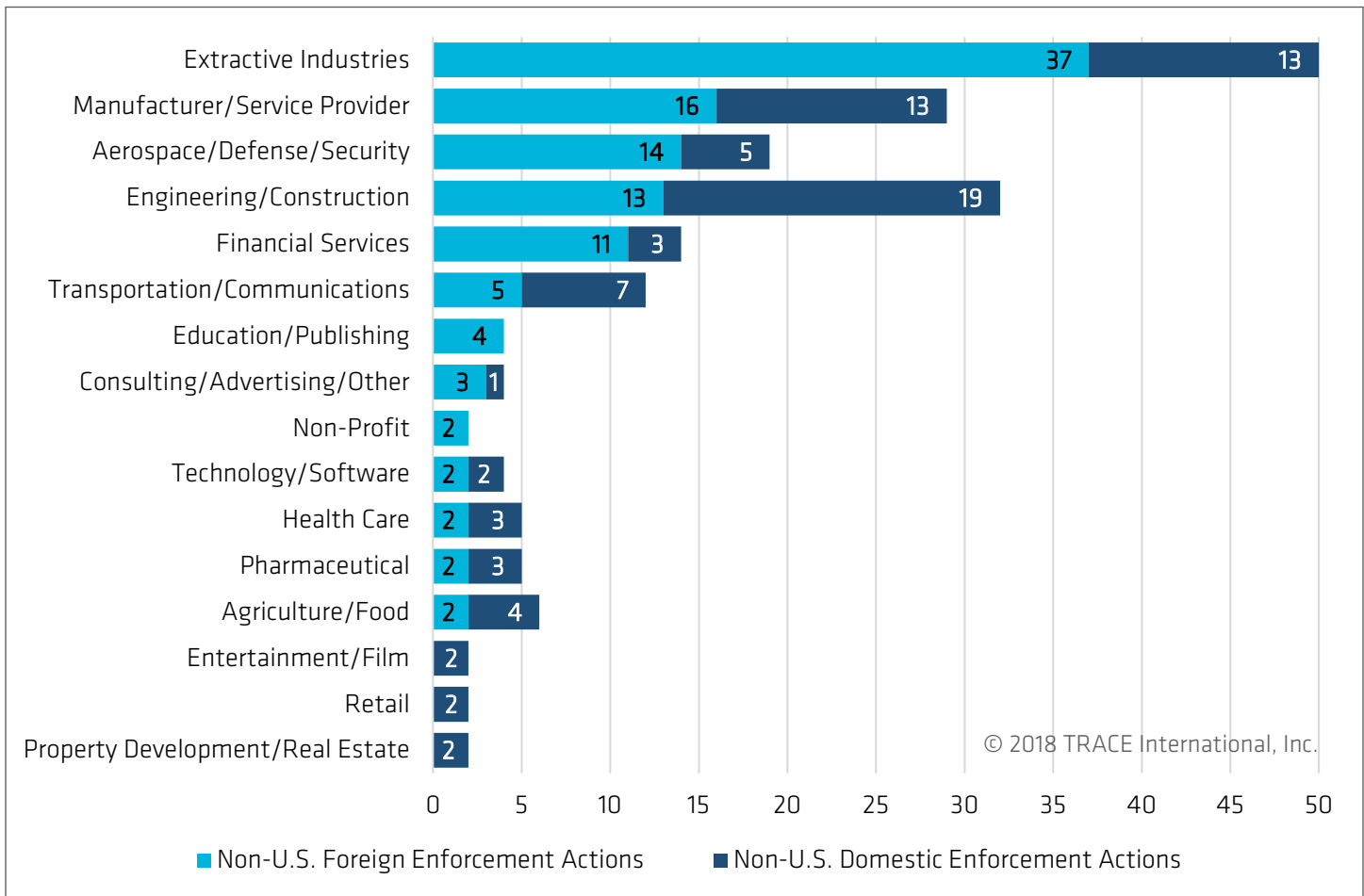
Figure 13: Total Investigations Concerning Bribery of Domestic and Foreign Officials by Industry (excluding United States)



This Figure shows the industries that have experienced the most investigations of alleged bribery of foreign or domestic officials, excluding investigations being conducted by the United States, as of 31 December 2017. The Extractive Industries represent the highest number of bribery investigations, with 21% of all non-U.S. investigations, followed by Engineering/Construction with 19% and Manufacturer/Service Provider with 13%.

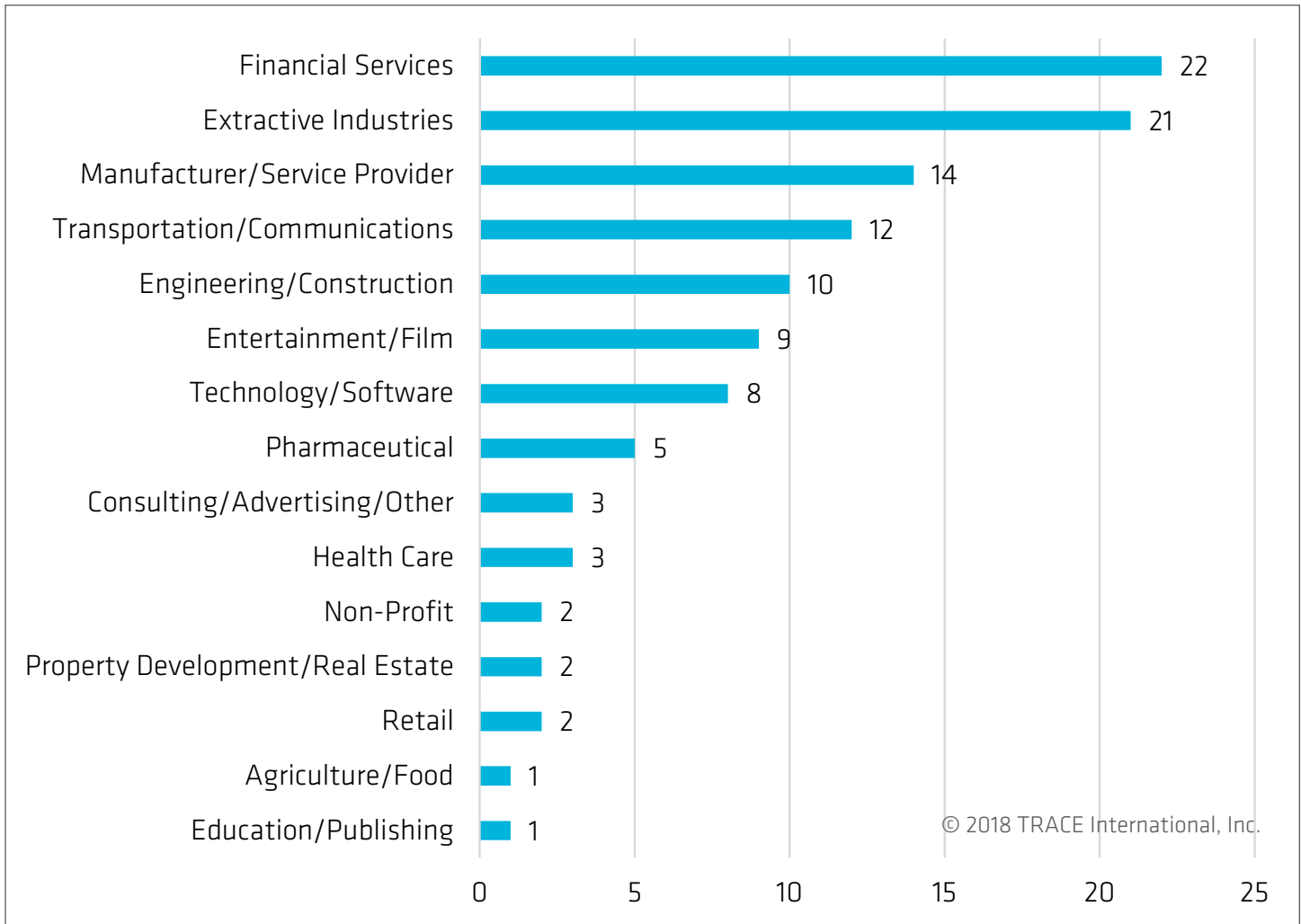


**Figure 14: Total Enforcement Actions Concerning Bribery of Domestic and Foreign Officials by Industry (excluding United States)**



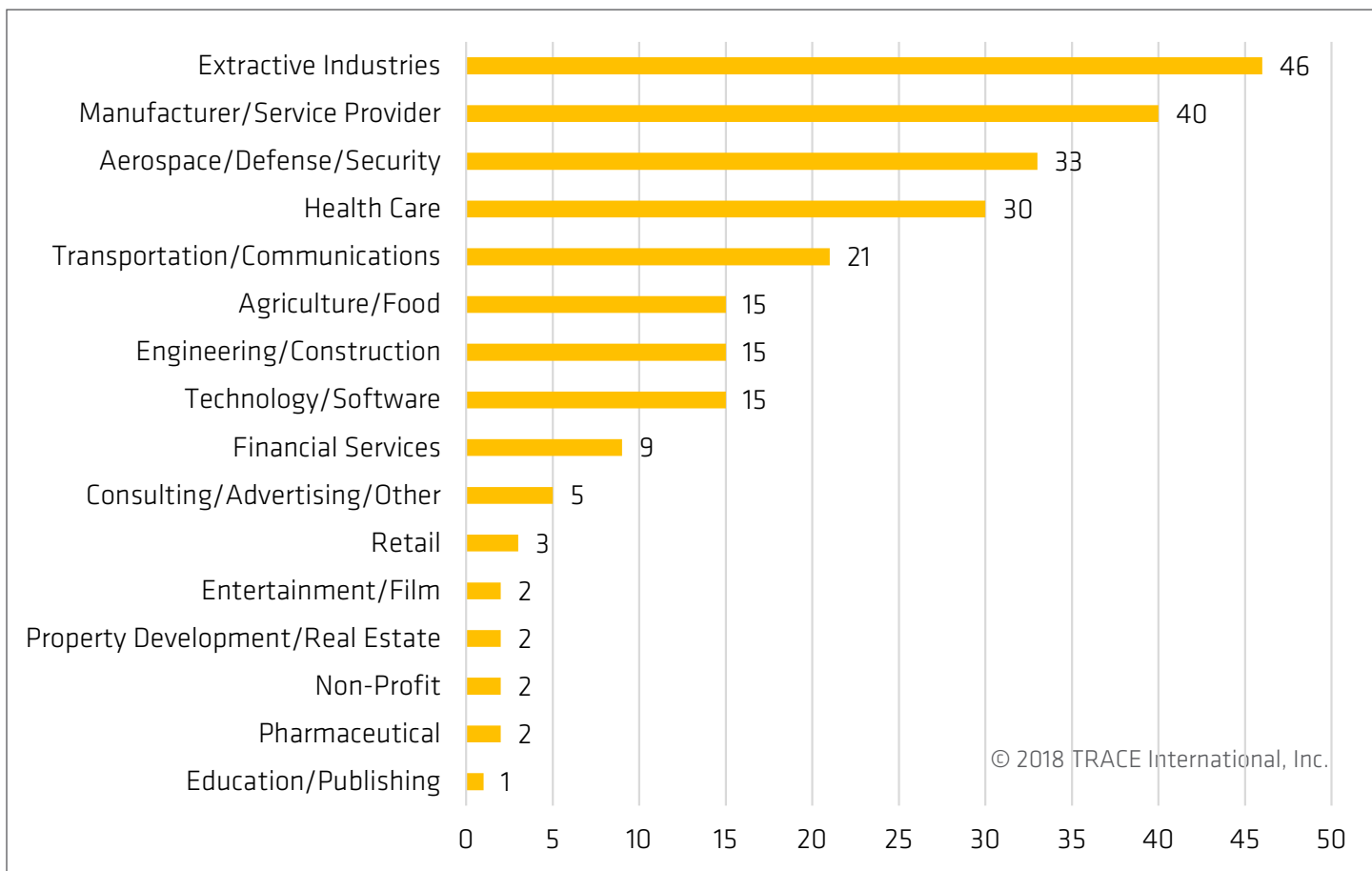
This Figure shows the industries that have experienced the most enforcement actions concerning alleged bribery of domestic or foreign officials, excluding enforcement actions brought by the United States, from 1977–2017. The Extractive Industries represent the highest number of bribery enforcement actions, with approximately 26% of all non-U.S. bribery enforcement actions, followed by Engineering/Construction with approximately 17% and Manufacturer/Service Provider with 15%.

Figure 15: U.S. Investigations Concerning Bribery of Domestic and Foreign Officials by Industry



This Figure shows U.S. investigations concerning alleged bribery of domestic and foreign officials as of 31 December 2017, separated by industry. Financial Services faced the most investigations, with approximately 19% of all U.S. investigations, followed by the Extractive Industries with approximately 18% and Manufacturer/Service Provider with approximately 12%.

Figure 16: U.S. Enforcement Actions Concerning Bribery of Domestic and Foreign Officials by Industry



This Figure shows U.S. enforcement actions concerning alleged bribery of domestic and foreign officials from 1977–2017, separated by industry. The Extractive Industries have seen the most enforcement actions, with approximately 19% of all such U.S. enforcement actions. That is followed by Manufacturer/Service Provider with approximately 17% and Aerospace/Defense/Security with 14%.

## About the Global Enforcement Report

TRACE's annual Global Enforcement Report provides graphic and textual analyses of all known enforcement events—including investigations, enforcement actions and declinations—since the first bribery cases were prosecuted in the United States following the enactment of the U.S. Foreign Corrupt Practices Act. Data from the GER is based primarily on the cases and investigations tracked in the TRACE Compendium, TRACE's online database of transnational corruption cases. TRACE cannot know or accurately estimate how many enforcement events may be underway but not made public or not included in a major international publication. The analyses exclude purely domestic matters involving local companies bribing local government officials, reflecting only enforcement events for an alleged bribe with an international component that involve an alleged payment to a government official or an employee of a state-owned entity.

The GER 2017, TRACE's eighth annual compilation, provides anti-bribery enforcement data from 2017 and provides a summary of 41 years of anti-bribery enforcement activity. The complete GER 2017 is available for download online at [www.TRACEinternational.org/publications](http://www.TRACEinternational.org/publications).

## About TRACE

TRACE is a globally recognized anti-bribery business organization and leading provider of cost-effective third party risk management solutions. Members and clients include hundreds of multinational companies headquartered worldwide.

For more information, visit [www.TRACEinternational.org](http://www.TRACEinternational.org). Follow TRACE:    



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