

## Cross Border Business Law Blog

# International Law Enforcement: The Easy Way

Foster Garvey on 2.18.15 | Posted in General

By either the easy way or the hard way, most international companies have learned that the Foreign Corrupt Practices Act (“FCPA”) prohibits offering foreign officials gifts to obtain or retain a business advantage. Similarly, many companies are learning that, despite the widespread [notion](#) that Japan does not actively pursue foreign bribery cases, law enforcement authorities in Japan and around the world happily cooperate with the United States to apprehend and prosecute Japanese FCPA violators.

### The Hard Way

[Misao Hioki](#) found out the hard way. Mr. Hioki was a general manager for Tokyo-based Bridgestone, and he bribed various foreign government officials to secure sales contracts. In May 2007, federal and Japanese agents coordinated their searches of locations around the United States and Japan. Their searches found evidence that formed the basis for Mr. Hioki’s [prosecution](#). “Today’s arrests, combined with the raids in the U.S. and Europe, demonstrate our ability to work effectively with foreign competition authorities to shut down international cartels,” DOJ [announced](#). Ultimately, Mr. Hioki [pled guilty](#) in December 2008. He received a two-year sentence and an \$80,000 fine.

Thus began the era of cooperation between United States and foreign law enforcement officials to prosecute Japanese companies for FCPA violations. In 2012, the federal government [indicted](#) Yokohama-based JGC Corporation for FCPA violations. As a member of a joint venture, JGC sought to obtain contracts in Bonny Island, Nigeria, and bribed Nigerian officials to improve its chances of obtaining these contracts. French prosecutors discovered the scheme and delivered the relevant facts to United States officials, who prosecuted and [convicted](#) JGC and its co-conspirators. JGC paid a [\\$218.8 million](#) criminal penalty.

JGC had employed Japanese trading company Marubeni Corp. to implement the bribes, and Marubeni ended up paying a [\\$54.6 million fine](#). Last year, Marubeni again [violated](#) the FCPA to secure a contract in Indonesia. The DOJ cooperated with law enforcement officials around the world, including the Indonesian Komisi Pemberantasan Korupsi (Corruption Eradication Commission), the Swiss Office of the Attorney General, and the Serious Fraud Office in the United Kingdom. Marubeni’s [pled guilty](#) and paid an [\\$88 million fine](#). Marubeni’s fine was greater this time because it was a repeat violator. The government is willing to teach its lessons

the hard way.

**The Easy Way**

The easy way is to have a compliance program and to teach employees about FCPA rules. The easy way is to investigate potential violations aggressively and thoroughly, and to address the investigation's findings in accordance with the law.

For more information on this topic, see this [blog post](#) on special enforcement considerations for international healthcare companies.