



COMPLIANCE AUTOMATION IN ANTI-BRIBERY AND ANTI-CORRUPTION INITIATIVES

DID YOU KNOW

One of the major ABAC laws is the Foreign Corrupt Practices Act (FCPA), a United States federal law that addresses bribery and corruption involving foreign officials, as well as accounting transparency requirements for publicly traded companies.²

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Explore the benefits of compliance automation in ABAC use cases and how technology can mitigate risks and protect organizational integrity.

The global landscape for anti-bribery and anti-corruption (ABAC) compliance is one that is characterized by increased scrutiny and enforcement.

Several countries and regions have implemented or strengthened regulations to combat bribery and corruption, and organizations are facing growing pressure to enhance their compliance programs.¹

Automated, proactive solutions like LitLingo can help organizations to detect violations before they occur.

NEXT UP: How an often-missed aspect of the FCPA can cause compliance trouble for businesses.


COMMUNICATIONS & COMPLIANCE

Failure to maintain compliance with ABAC regulations including the Foreign Corrupt Practices Act (FCPA) can result in severe consequences, including substantial fines, reputational damage, and legal repercussions.

“Corporations often focus on the foreign aspect of the FCPA,” said Carey Neal, Head of Operations at LitLingo, developer of a patented solution for recommending and implementing communication optimizations. **“But in many cases, these violations start as US-based, communications via company email addresses.”**

With the sheer volume of company communications and data, many organizations are now discovering how technology can help to mitigate risks and safeguard organizational integrity.

NEXT UP: Learn about non-compliance consequences and which companies paid the price.



THE COSTS OF
INTERNATIONAL CORRUPTION
AMOUNT TO \$3.6 TRILLION
IN THE FORM OF BRIBES
AND STOLEN MONEY

SOURCE: WORLD ECONOMIC FORUM

<https://www.weforum.org/agenda/2018/12/the-global-economy-loses-3-6-trillion-to-corruption-each-year-says-u-n/>

WHAT'S INCLUDED IN THE FOREIGN CORRUPT PRACTICES ACT (FCPA)?

1. Anti-Bribery

This includes corrupt payments to foreign officials for the purpose of obtaining or retaining business. The law applies to both public and private sector bribery.

2. Books and Records

Those required to file periodic reports with the SEC must maintain accurate and detailed records of their transactions, including transactions that involve international business dealings.

3. Internal Controls

Establish and maintain reasonable internal accounting controls to ensure transactions are executed and recorded in accordance with management authorization and in a manner that provides reasonable assurance that assets are safeguarded.

4. Jurisdiction

The FCPA applies to U.S. companies and individuals, as well as foreign companies and individuals that engage in corrupt practices outside the United States. This has significant implications for companies conducting international business.

5. Enforcement

Enforcement is carried out by the U.S. DOJ and the SEC. Violations can result in civil and criminal penalties, including fines and imprisonment. The FCPA also allows for enforcement of civil actions brought by the SEC for accounting violations.

6. Penalties

Penalties for FCPA violations include fines for companies and individuals. Companies may also be required to implement compliance measures as part of settlements or agreements with enforcement authorities.

7. Whistleblower Protections

Laws offer protection to whistleblowers who report FCPA violations. Whistleblowers may be eligible for financial rewards if their information leads to successful enforcement actions.⁴

THE COST OF NON-COMPLIANCE

Before delving into the role of automation, it is crucial to understand the consequences of non-compliance.

Over the years, numerous companies have faced astronomical fines for falling short in their ABAC efforts. One of the most notable examples is the Siemens AG case in 2008, where the German multinational conglomerate had to pay a staggering \$1.6 billion in fines to resolve allegations of widespread bribery. This case underscored the financial ramifications of inadequate anti-corruption measures.

Similarly, in 2019, Swedish telecommunications giant Ericsson agreed to pay over \$1 billion in penalties to settle charges of bribery and corruption in multiple countries.³

These examples highlight the hefty price tags associated with ABAC violations, emphasizing the critical need for robust compliance frameworks to stop these transactions before they start.

NEXT UP: [How top companies win with automation.](#)

DID YOU KNOW.

25%

of worldwide respondents said they had had to pay a bribe to access public services in the past 12 months.⁵

SOURCE: WORLD ECONOMIC FORUM,

<https://www.weforum.org/agenda/2018/12/the-global-economy-loses-3-6-trillion-to-corruption-each-year-says-u-n/>

AUTOMATION FOR COMPLIANCE

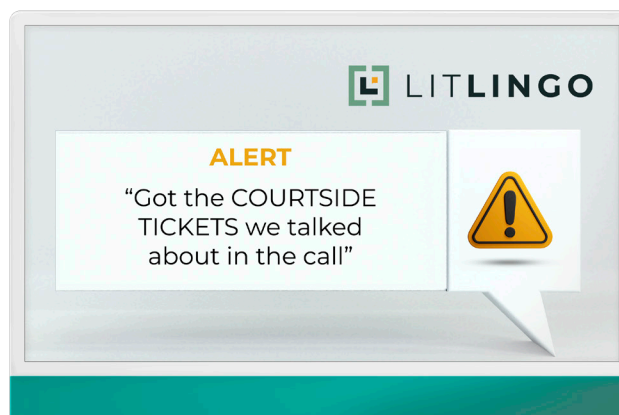
In the face of evolving regulatory landscapes and increasing global business complexities, manual compliance processes are no longer sufficient.

Enter compliance automation—a powerful ally in the quest for adherence to ABAC standards. Automation leverages cutting-edge technologies, including artificial intelligence and machine learning, to streamline and enhance compliance efforts.

LitLingo is an AI-powered communication monitoring solution that dramatically reduces antitrust and anti-bribery legal and compliance risks. As the DOJ strongly recommends compliance programs be designed to detect and prevent these types of violations, LitLingo analyzes emails, chats, and attachments in real-time before they are sent, detecting potentially harmful language and alerting users to rephrase or delete them. This approach prevents costly policy violations and associated reputational, financial, and legal harm from occurring.

“When it comes to anti-bribery and anti-corruption, most of the published cases are being found by financial analysts through anomalies in the receipts,” said Neal. **“They aren’t looking at the language accompanying these attachments, but focusing instead on the numbers, which is only going to find behaviors that have already occurred. With LitLingo, we detect the language surrounding the planning and orchestration of these events, before they happen.”**

Specializing in antitrust, ABAC, and other significant areas covered in corporate codes of conduct, LitLingo analyzes 100 percent of relevant communications, provides instant notifications of harmful messages, and dramatically reduces false positives compared to traditional keyword searches. Fortune 500 companies use LitLingo to improve compliance, save time and money on audits, and facilitate efficient escalation processes.



SOURCES

1. Deloitte, Anti-Bribery and Corruption (ABC) Due Diligence Services for M&A transactions, <https://www2.deloitte.com/ch/en/pages/financial-advisory/articles/eyes-wide-shut.html>
2. Criminal Division, DOJ, <https://www.justice.gov/criminal/criminal-fraud/foreign-corrupt-practices-act>
3. SEC.gov, <https://www.sec.gov/enforce/sec-enforcement-actions-fcpa-cases>
4. DOJ, <https://www.justice.gov/sites/default/files/criminal-fraud/legacy/2012/11/14/fcpa-english.pdf>
5. World Economic Forum, <https://www.weforum.org/agenda/2018/12/the-global-economy-loses-3-6-trillion-to-corruption-each-year-says-u-n/>

NEXT STEPS: SOLUTIONS TO SUPPORT A COMPREHENSIVE COMPLIANCE PROGRAM

As the regulatory landscape becomes more stringent, the cost of noncompliance continues to rise. Companies must proactively adopt modern solutions to navigate the intricate web of ABAC regulations.

Compliance automation has emerged as a game-changer, not only minimizing the risk of financial penalties but also safeguarding an organization's reputation and fostering a culture of integrity.

In the ever-evolving business environment, investing in compliance automation isn't just a choice, but a strategic imperative for those aspiring to thrive in a world where ethical conduct is non-negotiable.

Learn more about how LitLingo can support your corporate compliance program by scheduling time with a compliance strategy expert today.