

ALERTS

Government Launches FCPA Inquiry into Investments by Sovereign Wealth Funds in U.S. Banks and Private Equity Firms

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In recent years, the U.S. Department of Justice (“DOJ”) and the Securities and Exchange Commission (“SEC”) have stepped up their enforcement of the anti-bribery provisions of the U.S. Foreign Corrupt Practices Act of 1977 (“FCPA”), imposing record criminal fines and civil penalties, such as the \$800 million fine in 2008 against Siemens, the German conglomerate. The DOJ and SEC have declared FCPA enforcement a high priority, bulked up their enforcement teams, and shown a readiness to apply the statute in increasingly expansive and creative ways. Last week, in a development that should be of particular interest to the private investment fund community, the *Wall Street Journal* reported that the SEC is investigating whether banks and private equity firms may have violated the FCPA in their dealings with sovereign wealth funds (“SWFs”).

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