

## Steve Corso in Texas Lawyer: Self-Reporting of FCPA Violations on the Rise

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**PRACTICES** Government and Public Policy, Litigation

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HMT LLC, a liquid storage tank company based in The Woodlands bribed Venezuelan and Chinese officials. A Chinese subsidiary of NCH Corp., an industrial supply and maintenance company based in Irving illegally provided Chinese officials with cash, gifts, meals and entertainment.

Both companies could have faced a hefty fine or even a criminal indictment. But instead they agreed with the U.S. Department of Justice to a relative slap on the wrist: The disgorgement of their illegally gained profits—in NCH's case, an amount totaling just \$335,342—in exchange for a declination of prosecution. They owe their good fortune to the DOJ's new one-year pilot enforcement program, announced in April, which encourages companies to self-report illegal payments under the Foreign Corrupt Practices Act.

At first, executives and in-house counsel seemed unsure of how this program would differ from previous DOJ policies designed to promote self-reporting. But nearly eight months and five declinations later, there seems to be a steady trickle of companies coming forward to avail themselves of the DOJ's leniency ...

The pilot program seeks to change that. This new guidance, which was published in a nine-page memorandum released on April 5, will be implemented for one year. It spells out what constitutes voluntary self-reporting and what actions a company is expected to take to be deemed to have fully cooperated with the investigation and timely and appropriately remediated the violation. The memo also offered a defined formula for calculating cooperation credit—an apparent response to criticism that the circumstances under which credit has been granted in past cases are not clear or consistent. "It communicates in writing to corporate America what they can get if they cooperate," says Stephen Corso, a partner in the Houston office of Haynes Boone. "They know they'll get the same deal or reward as someone else, which feels fairer to them."

***Excerpted from Texas Lawyer. To read the full article, please [click here](#) (subscription required).***