

Red Flags That May Indicate You Are at Risk of Violating Corruption of Foreign Public Officials (CFPOA) Act

Contact Information

To learn more about Crowe Global Risk Consulting services, please contact:

Jim Barbour, CPA, CIA, CRMA, CFE
 Managing Director, Ontario, Canada
 416.963.7118 office
 416.414.2892 mobile
jim.barbour@crowehorwathgrc.net

CFPOA Risk Exposure Questions

	If this is your answer, you might be exposed:
1. Is your company buying or selling products or services internationally?	Yes
2. Are there any suspicions of CFPOA violations by company personnel or third-party agents acting on the company's behalf within any of the countries where business is conducted internationally?	Yes
3. Do employees or third-party agents acting on the company's behalf come into contact with foreign officials (for example, customs agents, business licensing officials, government employees, and local political officials)?	Yes
4. Are bribes, entertaining, and gift-giving historically and culturally acceptable in the countries where your company does business?	Yes
5. Are contracts to provide goods or services to foreign governments or state-owned entities a source of revenue for your company?	Yes
6. Have employees who are directly or indirectly responsible for international operations been trained on CFPOA issues? Do such employees represent via written confirmation their understanding of and compliance with CFPOA policies?	No
7. Does your company have an established, well communicated anti-corruption policy that <i>specifically addresses</i> CFPOA concerns?	No
8. Are procedures in place for periodic monitoring of employee and third-party agent compliance with CFPOA or anti-bribery laws?	No
9. Does your company use third-party agents, consultants, intermediaries, or distributors when performing business overseas?	Yes
10. Does your company have a robust due diligence process to scrutinize third parties securing international contracts on your company's behalf?	No
11. Is your company doing business in a high-risk CFPOA industry such as aerospace and defense, telecommunications, oil, pharmaceuticals, or manufacturing?	Yes
12. Is your company doing business in high-risk countries such as Brazil, China, Russia, India, Nigeria, Afghanistan, Venezuela, or the United Arab Emirates?	Yes
13. Has your company recently merged or are you in the process of merging with a company that does business internationally?	Yes
14. Does your company have or is your company considering a joint venture with a company that does business internationally?	Yes
15. Does your company appropriately account for gifts and entertaining expenses?	No

The Corruption of Foreign Public Officials Act (CFPOA) makes it unlawful for Canadian companies and individuals to make, or direct others to make, corrupt payments to foreign officials in order to obtain or retain business. In addition, companies in Canada are required to maintain accurate books and records and a system of good internal accounting controls.

Anti-corruption violations are a “hot button” issue with regulators and prosecutors across the globe. Potential anti-corruption law violations can result in the expenditure of staggering amounts of time, money, and resources by both public and private companies to investigate suspicious transactions, not to mention government fines, penalties, and the possibility of prison terms for executives. Crowe Horwath Global Risk Consulting has the expertise to assist companies in performing investigations, potentially saving these companies hundreds of thousands of dollars.

Practice Philosophy and International Resources

We recognize the importance of having international resources in performing anti-corruption work. It has been our direct experience that having native professionals from the country or jurisdiction involved helps in understanding local laws and customs, and bridges cultural and communication gaps, which ultimately increases our effectiveness and efficiency. As an independent member of Crowe Horwath International, Crowe Horwath Global Risk Consulting is able to tap into nearly 28,000 professionals, located in more than 400 cities around the world, who possess detailed and specialized knowledge regarding local accounting principles, tax laws, and business practices.

Relevant Services

Response

- Forensic accounting investigations;
- Analysis of books and records and other financial data;
- Determination of the accounting methods used in financial reporting;
- Forensic technology;
- Electronic data discovery;
- Data mining and analysis;
- Background and asset searches;
- Preservation, organization, and production of relevant documents;
- Preparation of formal reports or expert reports

Compliance

- CFPOA risk assessments;
- Red flag reviews;
- Supply chain analysis and review;
- Due diligence of acquisition targets, merger candidates, possible joint ventures, or new business partners;
- Design and implementation of internal controls to help deter recurrence;
- Development of proactive CFPOA compliance programs; and
- Monitoring and internal review testing of policies and procedures as part of the compliance program or pursuant to government settlement agreements.