

No. 86-01

Date: July 18, 1986

#### Review Procedure Releases

The Department of Justice has received requests from three United States corporations which seek to employ individual members of the Parliaments of Great Britain and Malaysia to represent the firms in their business operations in the respective nations.

Request No. 1 involves a proposal by a U.S. corporation to retain as a consultant a member of Parliament (MP) in Great Britain. The MP is a "back bencher" who occupies no other position in the nation's government and who does not occupy, by virtue of committee or other parliamentary assignment, any other governmental position of authority with respect to the business of the U.S. corporation in Britain. As the company's consultant, it is proposed that he be compensated at a rate of \$6,000 per month for six months. This member will not be involved in the day-to-day operations of the company.

Request No. 2 involves a second U.S. corporation which proposes to enter into a joint venture with a member of the British Parliament. This member similarly holds no other position in the British Government. The joint venture will consist of the purchase and operation of airports in Great Britain and it is proposed that the MP will receive compensation in the range of \$40,000 to \$60,000 per year. He will be involved in the actual conduct of the joint venture's business operations.

Request No. 3 involves a proposal by a third U.S. corporation which seeks to retain a member of the Malaysian Parliament to act as its representative in the purchase and sale of commodities in that nation. The MP occupies no position in the Malaysian government other than his seat in the Parliament. The company proposes to pay him \$4,000 per month for a period of one year. He will also be paid 30% of the net profits generated by his representation, to the extent that amount exceeds his basic compensation.

Each member of Parliament in the three requests occupies no special legislative position of influence other than that possessed by a single member in a legislative body of many members (Great Britain, over 600; Malaysia, over 350). In each instance, the member of Parliament's compensation from the U.S. corporation is reasonable and shall be paid directly to the MP. Furthermore the employment relationships comply with all the laws, regulations and practices of the parliaments of the respective countries. In each request, the member has entered into a written employment agreement in which he agrees to make full disclosure of his representation relationship with the U.S. corporation and agrees not to vote or conduct any other legislative activity for the benefit of the corporation. Each corporation and member agrees that the member will not use his influence as a member of Parliament with his government to affect or influence any of its act[s] or decisions which would be of benefit to the United States corporation.

Each party agrees to comply with both U.S. and his government's laws as well as the relevant parliamentary rules. In addition, in each business venture or relationship, detailed records of expenditures will be kept and reviewed by the United States corporation. Direction over each business venture will be retained by the corporation, assuring compliance with United States laws.

Each corporation recognizes, for purposes of the Foreign Corrupt Practices Act, that members of Parliament are "foreign officials." Nevertheless, it is not our present intention to take any enforcement action with respect to the particular relationships described in these request. This determination is specifically limited to the facts and circumstances disclosed to us by the requestor.

The FCPA Review Letter and this Release have no application to any parties which did not join in the request, and can be relied upon by the requesting parties only to the extent that the disclosure of facts and circumstances accurately and completely reflect[s] such facts and circumstances.