

Recent FCPA Settlements Prohibit Executives from Serving as Officers or Directors of Public Companies

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May 16, 2017

Three former executives of a Hungarian telecommunications company recently settled Federal Corrupt Practices Act (FCPA) charges filed by the U.S. Securities & Exchange Commission (SEC). In addition to financial penalties, under the settlements two of the three executives are barred from acting as an officer or director of a public company for a period of five years.

Hinshaw's Ken Yeadon – a former Assistant U.S. Attorney and SEC enforcement attorney – was quoted in a story by Nicole Di Schino of *The FCPA Report* reporting on the settlements. Yeadon explained that officer and director bars are a “very significant” punishment, adding that even if the defendants “don’t intend to take a C-Suite position with an SEC-reporting company in the future, it could have negative collateral effects on their ability to raise capital or get loans.”

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