



NORTHWESTERN  
UNIVERSITY

**Responsible University Official:** Vice President for Finance Operations and Treasurer  
**Responsible Office:** Office of Financial Operations  
**Origination Date:** March 31, 2015

## ANTI-BRIBERY

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### Policy Statement

Northwestern University strictly prohibits improper payments in any of its business operations, whether they involve government officials or commercial/personal relationships. Such activities can expose individuals and the University to possible criminal prosecution, reputational harm or other serious consequences.

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### Reason for Policy/Purpose

Northwestern University (University) is committed to conducting its business ethically and in compliance with all applicable laws and regulations, including the U.S. Foreign Corrupt Practices Act (FCPA) and other laws that prohibit improper payments to obtain a business advantage. This document describes the University's Policy prohibiting improper payments in the conduct of University business operations and employee responsibilities for ensuring implementation of the Policy.

Improper payments include bribes, kickbacks, excessive gifts or entertainment, or any other payment made or offered to obtain an undue business advantage. These payments should not be confused with reasonable and limited expenditures for business entertainment and other legitimate activities directly related to the conduct of Northwestern University's business.

This Policy applies to all University officers, employees and agents or other intermediaries acting on the University's behalf. Each officer and employee of the University has a personal responsibility and obligation to conduct the University's business activities ethically and in compliance with the law. Failure to do so may result in disciplinary action, up to and including dismissal.

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## **Who Approved This Policy**

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Provost  
Executive Vice President

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## **Who Needs to Know This Policy**

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All members of the Northwestern University community, including faculty, staff, students, and any other persons working on behalf of Northwestern University.

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## **Website Address for this Policy**

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<http://www.northwestern.edu/financial-operations/policies-procedures/policies/anti-bribery.pdf>

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## **Contacts**

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If you have any questions on the policy or procedure for the Anti-Bribery policy, you may:

1. Call the Office of Financial Operations at 847 -491 -7350 , or
2. Send an e-mail to [internal-controls@northwestern.edu](mailto:internal-controls@northwestern.edu)

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## **Definitions**

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Bribe:	Anything of value given in an attempt to influence a person’s actions or decisions in order to gain or retain a business advantage. Anything of value includes cash, entertainment, other gifts, courtesies, discounts not given to the public, or forgiveness of debt.
Corruption:	The misuse of a public office or power for private gain or the misuse of private power in relation to business outside the realm of government.

Facilitation Payment:	Small sums paid to a Foreign Official to facilitate or expedite a routine government action.
Foreign Corrupt Practices Act:	The U.S. Foreign Corrupt Practices Act (FCPA) prohibits U.S. persons and businesses from making corrupt payments to Foreign Officials to obtain or retain business. 15 U.S.C. § 78-dd-21 <i>et seq.</i> See Appendix A for more details.
Foreign Official:	A “Foreign Official” under the FCPA can be anyone who exercises governmental authority. This includes any officer, employee or agent of a foreign government department or agency, whether in the executive, legislative or judicial branch of government, and whether at the national, state or local level, including university and hospital leaders. Officials, their family members, and employees of government-owned or controlled enterprises also are covered, as are private citizens who act in an official governmental capacity. The FCPA prohibition also applies to political parties and candidates, and to officials of public international organizations such as the United Nations.
Kickbacks	The return of a sum already paid or due as a reward for awarding of or furthering business.
U.S. Public Official	A “U.S. public official” means Member of Congress, Delegate, or Resident Commissioner, either before or after such official has qualified, or an officer or employee or person acting for or on behalf of the United States, or any department, agency or branch of Government thereof, including the District of Columbia, in any official function, under or by authority of any such department, agency or branch of Government, or a juror. (Definition derived from 18 U.S. Code § 201.)

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## **Policy/Procedures**

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The FCPA is a criminal statute that prohibits improper payments to foreign government officials to influence performance of their official duties. The FCPA makes it unlawful for any U.S. company and its employees or agents to offer, promise, pay or authorize the payment of “anything of value” to any “Foreign Official” – a term that is very broadly defined – to help

obtain or keep business or secure some other “improper business advantage.” This prohibition applies whether the offer or payment is made directly or through another person. Therefore, anti-corruption policies should be communicated to all agents and business partners, where necessary and appropriate. If there is an agreement or contract in place with an agent or business partner, the standard provisions should include language to prevent violations of anti-corruption laws.

University personnel are prohibited from bribery and other improper payments in the conduct of Northwestern University business operations. Special care must be exercised when transactions may involve payments to public and Foreign Officials.

University personnel must consult with the Office of Government Relations prior to initiating contact with Federal, State or Local elected officials in accordance with the Policy entitled [Lobbying and Communications by Faculty and Staff with Federal, State, and Local Government Officials](#).

University personnel engaged in international activities are responsible under this Policy for inquiring whether a proposed activity or payment could involve a Foreign Official or an entity owned or controlled by a foreign government, and should consult with the Office of Financial Operations when questions about status arise.

In certain limited circumstances, a payment to a Foreign Official may qualify under a narrow FCPA exception for “facilitating” payments made to secure “routine government action.” Examples of routine action recognized under the FCPA can be found in Appendix A.

Facilitation or other payments to Foreign Officials should be promptly reported to the Vice President for Finance Operations and Treasurer and properly recorded, with respect to purpose, amount and other relevant factors.

Requests for false invoices, reimbursements or payment of expenses that are unusual, excessive or inadequately described must be rejected and promptly reported. Misleading, incomplete or false entries in the University’s financial system are never acceptable. Unrecorded transactions are not permitted.

Northwestern University and its affiliates must keep accurate financial records that reflect transactions and asset dispositions in reasonable detail, supported by a proper system of internal accounting controls. These requirements are implemented through the [University’s policies and procedures](#), which all personnel are required to follow.

University personnel who violate this Policy may be subject to criminal sanctions and disciplinary action up to and including discharge or exclusion from the University, consistent with Northwestern University disciplinary procedures.

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## **Forms/Instructions**

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N/A

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## Appendices

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Appendix A – FCPA Overview

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### Related Information

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[Lobbying and Communications by Faculty and Staff with Federal, State, and Local Government Officials](#)

[Resource Guide to the FCPA](#)

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### History/Revision Dates

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**Origination Date:** March 31, 2015

**Last Amended Date:** March 31, 2015

**Next Review Date:** March 31, 2016

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## Appendix A

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### FCPA Overview

The FCPA is a criminal statute that prohibits improper payments to foreign government officials to influence performance of their official duties. The FCPA makes it unlawful for any U.S. company and its employees or agents to offer, promise, pay or authorize the payment of “anything of value” to any “Foreign Official” – a term that is very broadly defined – to help obtain or keep business or secure some other “improper business advantage.” This prohibition applies whether the offer or payment is made directly or through another person. Therefore, anti-corruption policies should be communicated to all agents and business partners, where necessary and appropriate. If there is an agreement or contract in place with an agent or business partner, the standard provisions should include language to prevent violations of anti-corruption laws.

In addition to cash payments, “anything of value” may include any item, service, favor, monies, credits, or discounts not available to others which could influence decisions, including the following:

- Gifts, entertainment or other business promotional activities;
- Covering or reimbursing an official’s expenses;
- Forgiveness of debt;
- Offers of employment or other benefits to a family member or friend of a Foreign Official;
- Political party and candidate contributions;
- Charitable contributions and sponsorships.

University personnel may accept trivial items as a matter of courtesy, but may not solicit them. Acceptance of social invitations to occasional business meals, entertainment, and hospitality will be subject to prudent judgment as to whether the invitation places or appears to place the recipient under any obligation, the appropriateness of the occasion, frequency, and choice of facilities.

In addition to prohibiting improper payments to Foreign Officials, the FCPA requires U.S. companies and their controlled affiliates to keep accurate financial accounts and records of the transactions in which they engage and to maintain a system of internal controls that, among other things, can prevent “slush funds” and “off-the-books” accounts that might be used to facilitate or conceal questionable foreign payments. FCPA accounting requirements apply to all business activities, not just those involving Foreign Officials.

### FCPA Exceptions

The FCPA does not prohibit reasonable promotional or other business activities, including legitimate sponsorships. Special care is required, however, when Foreign Officials may be involved to avoid any appearance that benefits are being offered to improperly influence the performance of official duties.

The FCPA also contains a limited exception for payments expressly authorized under the host country’s written law. This is a very narrow exception, however, requiring prior approval by the Office of Financial Operations.

In certain limited circumstances, a payment to a Foreign Official may qualify under a narrow FCPA exception for “facilitating” payments made to secure “routine government action.” Examples of routine action recognized under the FCPA include:

- Obtaining permits, licenses or other official documents that qualify a person to do business in a foreign country;
- Processing governmental papers such as visas;
- Providing police protection or mail service;
- Scheduling inspections associated with contract performance or shipment of goods;
- Providing phone, power or water service;
- Loading or unloading cargo, or protecting perishable products or commodities from deterioration;
- Other similar actions that are ordinarily and commonly performed by an official.

Payments under this exception may only be made to expedite actions to which the University is already entitled and may not involve discretionary action by the Foreign Official. Facilitation payments may never be used to win or retain business or to influence discretionary decisions regarding compliance with building codes, environmental, health and safety rules or other regulatory requirements.

Even if a payment falls within the FCPA exception it may still violate local law in the host country or counterpart laws in other countries prohibiting foreign bribery that may not exempt facilitation payments. Because facilitation payments can raise significant legal and business issues, reliance on this narrow exemption from FCPA liability is strongly discouraged and may not be undertaken without prior written approval of the Office of Financial Operations.

All facilitation payments remain subject to FCPA accounting and recordkeeping requirements and must be properly described in University records.