

TABLE OF CONTENTS

PREFACE	V
ACKNOWLEDGMENTS	VII
TABLE OF CASES	XIX
Chapter 1. Introduction	1
I. The Meaning of Public Corruption	1
A. Corruption by Individuals, and of the System	1
B. Different Approaches to Understanding Public Corruption	5
C. Public Corruption Outside the United States—National and International Issues	6
1. The FCPA	7
2. Country-Specific Laws Outside the United States	7
3. Multilateral Instruments	8
D. Anti-Corruption Enforcement and Perceptions of Public Corruption: Culture and Incentives	9
II. Introductory Readings	11
A. Some Academic Perspectives on Public Corruption	12
Susan Rose-Ackerman, Bribes, Patronage and Gift Giving	12
William Easterly, Corruption and Growth	21
B. A Culture of Corruption Exposed: Operation Greylord	32
United States v. Murphy	33
United States v. Maloney	40
Chapter 2. Individual Public Corruption: Traditional Prohibitions on Bribery, Fraud and Other Crimes	47
I. Bribery	49
18 U.S.C. § 201 Bribery of Federal Officials	49
18 U.S.C. § 666 Bribery of State and Local Officials	50
A. Jurisdictional Element	51
Sabri v. United States	51
B. Statutory Language and Elements of the Offenses	56
1. Quid Pro Quo, “Corruptly,” and “Intent to Influence”	57
United States v. Ganim	62
2. More on Corrupt Intent	70
United States v. Alfisi	71
3. Thing of Value	80
People ex rel. Dickinson v. Van De Carr	81
United States v. Blagojevich	84
4. Official Acts	90
McDonnell v. United States	92
C. Weight of the Evidence	113
United States v. Massey	113

D.	State Bribery Laws.....	117
1.	Illinois.....	118
2.	California.....	119
	United States v. Frega	123
	People v. Biane.....	127
3.	New Jersey	128
	State v. Scirrotto.....	129
II.	Gratuity.....	132
	18 U.S.C. § 201(c) Gratuity of Federal Officials.....	132
	United States v. Sun-Diamond Growers of California.....	133
III.	Hobbs Act—Extortion Under Color of Official Right	145
	18 U.S.C. § 1951 Interference with Commerce by Threats of Violence	146
	United States v. Aguon	146
	McCormick v. United States.....	158
	Evans v. United States	175
	United States v. Giles	190
IV.	Honest Services Fraud.....	198
	18 U.S.C. §§ 1341, 1343 Mail and Wire Fraud.....	198
	18 U.S.C. § 1346 Definition of Scheme or Artifice to Defraud	199
	United States v. Holzer (“ <i>Holzer I</i> ”).....	201
	United States v. McNally.....	209
	United States v. Holzer (“ <i>Holzer II</i> ”).....	226
	United States v. Czubinski.....	231
	Sorich v. United States	241
	Skilling v. United States.....	245
A.	Racketeer Influenced and Corrupt Organizations Act (“RICO”)	265
	United States v. John Murphy	267
	United States v. Maloney.....	269
	Department of Justice, Office of Public Affairs, Nine FIFA Officials and Five Corporate Executives Indicted for Racketeering Conspiracy and Corruption.....	272
B.	Congressional Conflicts and Ethics Rules	276
 Chapter 3. Public Corruption and Power: Patronage and Campaign Finance..... 281		
I.	Patronage Systems: Statutory and First Amendment Issues	282
A.	Party Affiliation.....	282
B.	Promotions, Transfers, Recalls, and Hiring	288
	Rutan v. Republican Party of Illinois.....	288
C.	The Cook County Consent Decree	298
	1. The 1972 Consent Decree.....	300
	2. Enforcement of the 1972 Consent Decree	300
II.	Patronage and Power in the Twenty-First Century	301

III. Money in Politics, Undue Influence, Corruption, and the First Amendment	302
A. Introduction	302
B. The Federal Election Campaign Act, <i>Buckley v. Valeo</i> , and the Origins of the Contribution/Expenditure Dichotomy	307
1. Contribution Limits	309
2. Expenditure Limits	313
3. <i>Buckley's</i> Legacy	316
C. Post- <i>Buckley</i> Distinctions Between Contributions and Expenditures	319
D. Limitations on Expenditures by Political Parties	330
E. Political Spending by Corporations	347
F. The Modern State of Campaign Finance—McCain-Feingold, <i>McConnell</i> , <i>Citizens United</i> , <i>McCutcheon</i> , and <i>Arizona Free Enterprise</i>	361
1. The Rise of Soft Money and the Proliferation of Issue Ads	361
2. The Bipartisan Campaign Reform Act (McCain-Feingold) and the Majority's Holding in <i>McConnell v. Fed. Elec. Comm'n</i>	365
a. Title I—Soft Money Contributions	372
b. Title II—Noncandidate Campaign Expenditures	374
3. The <i>McConnell</i> Dissents	376
a. Chief Justice William Rehnquist	376
b. Justice Antonin Scalia	377
c. Justice Anthony Kennedy	383
d. Justice Clarence Thomas	387
4. The Beginning of the Libertarian Era of Campaign Finance Jurisprudence	393
5. Campaign Finance Law Today	403
a. The <i>Citizens United</i> Majority	404
b. The Concurrence	411
c. The <i>Citizens United</i> Dissent	414
6. Post- <i>Citizens United: McCutcheon</i> and the Further Curtailing of Aggregate Contribution Limits	444
7. Equalization	448
a. <i>Buckley v. Valeo</i> , 424 U.S. 1 (1976)	448
b. <i>Austin v. Michigan Chamber of Commerce</i> , 494 U.S. 652 (1990)	451
c. <i>Randall v. Sorrell</i> , 548 U.S. 230 (2006)	452
d. <i>Davis v. Federal Election Commission</i> , 554 U.S. 724 (2008)	454
e. <i>Citizens United v. Federal Election Comm'n</i> , 558 U.S. 310, 130 S.Ct. 876, 175 L.Ed.2d 753 (2010)	461
f. <i>Arizona Free Enterprise Club's Freedom Club</i> , 564 U.S. 721 (2011)	466

g.	Scholarly Responses to the Court’s Approach to Equalization	474
IV.	Judicial Elections: A Different Standard?	477
V.	Improper Manipulations of the Electoral System? Redistricting and Gerrymandering	480
A.	The Gerrymandering Process	481
B.	Federal and State Redistricting Laws	482
C.	Partisan Gerrymandering Jurisprudence.....	484
D.	The Present and Future of Gerrymandering.....	487
 Chapter 4. Public Corruption and the Law Outside the United States		
	States	491
I.	The Foreign Corrupt Practices Act and International Corporate Bribery: A Matter of Ethics or Economics?.....	491
A.	Origin of the Foreign Corrupt Practices Act: Turmoil in the Wake of Watergate	491
B.	1988 Amendments	499
C.	1998 Amendments	500
II.	Enforcement of the FCPA	501
A.	Overview	501
B.	Primary Enforcement Authorities: Department of Justice and Securities and Exchange Commission	502
III.	Anti-Bribery Provisions: 15 U.S.C. §§ 78dd–1, 78dd–2, & 78dd–3	503
A.	To Whom Do the Anti-Bribery Provisions Apply?	503
1.	Issuers—15 U.S.C. § 78dd–1	503
2.	Domestic Concerns—15 U.S.C. § 78dd–2	503
3.	Foreign Nationals and Entities—15 U.S.C. § 78dd–3	504
B.	Jurisdiction—Establishing a United States Hook	504
SEC v. Straub	506	
SEC v. Sharef.....	510	
C.	Elements of an FCPA Anti-Bribery Offense	517
D.	Offers, Payments, and “Anything of Value”	517
1.	Offers and Payments	517
2.	Anything of Value	518
In the Matter of Diageo plc	521	
E.	Foreign Officials, Political Parties, and International Organizations.....	525
United States v. Esquenazi.....	528	
F.	“Corruptly” and “Willfully”	535
Stichting Ter Behartiging Van de Belangen Van Oudaandeelhouders in Het Kapitaal Van Saybolt International B.V. v. Schreiber.....	536	
United States v. Kay	549	
G.	Knowledge and the Use of Third Parties	554
United States v. Kozeny.....	556	
H.	To Obtain or Retain Business: The Business Purpose Test	559
United States v. Kay	560	

I.	Facilitation Payment Exception and Affirmative Defenses	581
1.	Facilitating or Expediting Payments Exception.....	581
	SEC v. Jackson	582
J.	Affirmative Defenses	585
1.	Local Laws Defense	585
	Department of Justice, FCPA Opinion Procedure Release No. 1983-02.....	586
2.	Reasonable and Bona Fide Promotional Expenses	588
IV.	Accounting Provisions	588
A.	Personal Jurisdiction	588
B.	Application of the Accounting Provisions	589
	SEC v. World-Wide Coin Investments	591
V.	FCPA Liability Where the Target Is Not the Principal Actor	603
A.	Parent-Subsidiary Liability Principles	603
1.	Anti-Bribery Provisions.....	603
2.	Accounting Provisions	604
	In the Matter of Diageo plc	605
B.	Joint Venture Partners	613
	Department of Justice, FCPA Opinion Procedure Release 2001-01	613
C.	Successor Liability in Mergers and Acquisitions	616
	Department of Justice, FCPA Opinion Procedure Release 2014-02	617
	United States v. Blondek	621
	United States v. Hoskins	626
VI.	Corporate Compliance Programs	636
	Hallmarks of Effective Compliance Programs	637
VII.	FCPA Enforcement	644
A.	The Charging Determination and Resolution	644
1.	Department of Justice Charging and Cooperation Determinations	645
2.	Securities and Exchange Commission Charging and Cooperation Determinations	652
B.	Negotiated Resolutions	656
1.	Department of Justice Resolutions.....	656
2.	Securities and Exchange Commission Resolutions	660
C.	Penalties, Sanctions, and Remedies.....	665
1.	Penalties for Individuals	665
2.	Penalties for Companies.....	668
VIII.	A Comparative Analysis of the FCPA and Other Domestic Laws Related to Bribery	669
A.	Bribery of Federal Officials—18 U.S.C. § 201(b).....	669
B.	Travel Act Violations, Money Laundering, and Mail and Wire Fraud.....	674
C.	Dodd-Frank Wall Street Reform and Consumer Protection Act.....	675
D.	Sarbanes-Oxley Act of 2002	675

IX. Anti-Bribery Acts and Other Public Corruption Laws in Common Law Systems	679
A. The Bribery Act of 2010 (United Kingdom)	680
<i>Serious Fraud Office v. Standard Bank</i>	688
B. The Corruption of Foreign Public Officials Act (Canada)	689
C. The Prevention and Combating of Corrupt Activities Act (South Africa)	706
Prevention and Combating of Corrupt Activities Act 12 of 2004	706
D. Corruption in the BRICs	717
X. Multilateral Instruments	719
A. OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions	719
Convention on Combating Bribery of Foreign Public Officials in International Business Transactions	719
XI. Country Monitoring of the OECD Anti-Bribery Convention	722
A. The United Nations Convention Against Corruption	723
United Nations General Assembly, <i>United Nations Convention Against Corruption</i>	723
XII. Corruption and Organized Crime	730
Chapter 5. The Unique Enforcement Problems Presented by Public Corruption	735
I. Challenges in Defining, Identifying and Measuring Corruption	736
A. Definition and Identification	736
B. Measurement	739
II. The Unique Challenge of Investigating and Prosecuting Public Corruption	741
A. Why Public Corruption Offenses Are So Difficult to Investigate Effectively	741
Benjamin Wagner and Leslie Gielow Jacobs, Retooling Law Enforcement to Investigate and Prosecute Entrenched Corruption	743
B. Models for Investigating and Prosecuting Public Corruption: The Importance of Independence	753
John R. Heilbrunn, Anti-Corruption Commissions	759
III. Special Situations Presenting Additional Challenges in Investigating and Prosecuting Public Corruption	762
A. Issues in Investigating and Prosecuting Police Corruption	762
1. The Enhanced Difficulty of Police Corruption Investigations	762
Jinhua Cheng, Police Corruption Control in Hong Kong and New York City: A Dilemma of Checks and Balances in Combating Corruption	765
2. The <i>Garrity</i> Doctrine	774
Edward J. Garrity et al. v. State of New Jersey	776

B.	Issues in Investigating and Prosecuting Corruption in the Military	786
	United States v. Charles O. Finch, et al.	787
C.	Issues in Investigating and Prosecuting Corruption in Congress	794
	United States v. Rayburn House Office Building, Room 2113, Washington, D.C. 20515.....	795
D.	Issues in Investigating and Prosecuting Corruption by the President	808
	United States v. Richard M. Nixon, President of the United States.....	809
	Articles of Impeachment Article 1	828
	Articles of Impeachment Article 2	830
	Articles of Impeachment Article 3.....	832
	Watergate Special Prosecution Force, Department of Justice, Memorandum.....	834
	Watergate as an Agent of Change.....	836
	Chapter 6. Different Legal Conceptions of Public Corruption	839
I.	Economics and Corruption.....	841
	Richard A. Posner, “Economics of Corruption”	841
	Gary S. Becker, “Comment on Corruption”	843
II.	Morality and Corruption.....	846
	John T. Noonan, Jr., Bribes: The Intellectual History of a Moral Idea.....	847
III.	Culture, Incentives, and Public Norms.....	849
A.	Culture and Corruption	849
	The Illinois Reform Commission	850
	Illinois Reform Commission Chapter I: Executive Summary	852
B.	Incentives and Enforcement: Sentencing	857
	United States v. Rod Blagojevich	859
C.	Incentives, Enforcement, and Public Norms	868
D.	Professor Lawrence Lessig: A Culture of Corruption from Congress’s “Dependence” on Campaign Funds.....	870
IV.	Freedom from Corruption as a Right or Core Principle Inherent in Republicanism and the U.S. Constitution	871
	Zephyr Teachout, The Anti-Corruption Principle	873
V.	Conclusion.....	888
	INDEX.....	891