12.1.2 ANTI-BRIBERY

Authroty:
Approved by the President.

Applicability:
Applies to these members of the Stanford community:

- Faculty, Staff, employees of Stanford affiliates and Students
- Members of the Board of Trustees
- Consultants, vendors, and contractors doing business with the University; and
- Volunteers who assert an association with the University

Additional Stanford University guide memos may provide guidance on issues addressed in this guide memo. In particular, please refer to Guide Memos 1.1.1: Code of Conduct [1], 1.5.1: Political Activities [2], 1.5.2: Staff Policy on Conflict of Commitment and Interest [3], and the Fundamental Standard [4].

1. Purpose

Members of the Stanford community are required to act with honesty and integrity and comply with applicable laws at all times when transacting University business. This guide memo clarifies that all forms of bribery and corruption are absolutely prohibited, provides guidance regarding what constitutes bribery and corruption, and requires reporting of actual or suspected incidents of bribery and corruption. This guide memo has been drafted to comply with the requirements of the U.S. Foreign Corrupt Practices Act and the United Kingdom Bribery Act. Many countries also have local laws prohibiting bribery which must be followed by members of the Stanford community when conducting activities in or involving those countries, including contracting with third parties whose acts can pose liability for the University under the FCPA and local laws. Bribery does not need to take place in the foreign country to fall within the purview of FCPA or local anti-bribery laws. For example, entertainment provided in the United States for the purpose of influencing decisions and related activities could violate the FCPA and local anti-bribery laws. In addition to institutional consequences to the University, individuals who violate anti-bribery laws may be subject to personal fines or criminal prosecution.

2. Definitions
a. Bribery

(1) To offer, give, or promise to another person any financial or other advantage with the intention to induce or reward that person or another person to perform his or her responsibilities or duties improperly or to give an improper advantage.

(2) To request, agree to receive, accept, or direct a financial or other advantage for oneself or others if such advantage is intended to induce or reward improper performance of one’s responsibilities or duties or to gain an improper advantage.

(3) To do either (1) or (2) without the intention to induce or reward improper performance of duties or responsibilities or gain an improper advantage, but which nonetheless could reasonably be interpreted as such an inducement or reward.

b. Facilitation Payments

Facilitation or “grease” payments are any payments, no matter how small, given to a government official to increase the speed at which they do their job. Such payments are not permitted under this policy. Only a payment to speed up a governmental act that is not discretionary in nature would potentially be considered a permissible payment. For example, this could include speeding up a business registration license or permit approval or customs processing, only if such government acts simply involved the payment of a standard fee and the permit or registration was automatically issued.

c. Public Official

Public officials include not only employees working in government departments, but also may include employees of government owned or controlled commercial enterprises, universities and research institutions, international organizations, political parties and political candidates. Public officials also include the family members of any of the employee groups listed above.

3. Policy

a. Bribery Prohibited

Stanford University has a zero tolerance policy towards bribery and corruption. All forms of bribery are prohibited. A bribe does not actually have to take place or be accepted; offering or agreeing to accept a bribe is itself a violation of the Policy. Facilitation payments are not permitted under this guide memo, even where such payments may be allowable under U.S. law.

b. Forms of Bribery

A bribe is defined as anything of value. Bribery can take many forms in addition to cash, for example:

- Cash equivalent such as stock shares;
- Unreasonable gifts, entertainment, travel expenses or other hospitality;
- Unwarranted rebates or excessive commissions (e.g. to sales or marketing agents);
- Unwarranted allowances or expense reimbursements;
- Political/charitable contributions;
- Uncompensated use of University services or facilities;
- Kickbacks; or
- Anything else of value

c. Prevention of Bribery
Members of the Stanford community should assess the risk of bribery in the activities under their purview and take appropriate care to prevent and detect bribery. Certain countries have a high incidence of corruption, and particular care should be taken when undertaking activities in or involving those countries. For information regarding high risk countries, see the Transparency International Corruption Perceptions Index [5]. Appropriate steps could involve training of employees concerning this guide memo and reporting requirements, requiring due diligence before engaging third party service providers, ensuring that contracts contain anti-bribery provisions, and requesting guidance from the Office of the General Counsel before expanding operations into a new geographic location. Failure to take such steps to prevent and detect bribery creates legal risk for the University and potential personal liability for individuals involved.

d. Dealing with Government Officials
While this Policy applies to both the public and private sectors, dealing with public officials poses a particularly high risk related to bribery and corruption. Members of the Stanford community should be especially cautious when dealing with public employees, including faculty and staff at public universities or workers at state-owned enterprises. Local laws often severely limit what a public employee may receive and there can be greater legal liability for giving inappropriate advantages to a public employee.

e. Dealing with Third Parties
Stanford could be liable for improper payments made by a third party acting on its behalf, such as a contractor, consultant, agent, or research partner, even if the University did not authorize the payment. When entering into a relationship with a third party, members of the Stanford community should complete sufficient due diligence to ensure that the retained individual or organization does not have a history of corrupt payments, and understands and agrees that they are not authorized to engage in bribery on Stanford’s behalf. The level of due diligence required may vary depending on the level of risk involved in the transaction, e.g. whether the third party will be interacting with government officials on behalf of the University or whether the services will occur in a country that involves a high risk of corruption. Care should be taken to ensure vendors’ understanding of and commitment to compliance with anti-bribery laws when entering into engagements with expeditors to provide logistical support for international activities such as air and ocean freight consolidation and forwarding, vendor consolidation, customs clearance, and distribution activities. Faculty and staff intending to retain firms for freight forwarding or customs services should first consult with Procurement (www.stanford.edu/group/fms/fingate/finsystem/iprocure/howto/create_standard_req.html [6]).

f. At a minimum, members of the Stanford community should ensure that third parties do not have a history of violations of anti-bribery laws, provide them a copy of this guide memo, which can be located at acp.stanford.edu/compliance/anti-bribery [7], and regularly audit their activities to ensure ongoing compliance. Any agreements with third parties must include provisions that they will comply with the FCPA and any applicable local anti-bribery laws.

4. Reporting Concerns and Non-Retaliation Policy

a. Questions regarding this Policy and Reporting Suspected Violations
For further information regarding this Policy, contact the Office of the General Counsel [8](650-723-9611) or the Office of International Affairs (650-725-0076). Known or suspected violations of this guide memo must be reported to the Compliance & Ethics Helpline [9] (650-721-2667 or compliance@stanford.edu [10]) or to the Office of the General Counsel.

b. Consequences
Violations of this guide memo could result in criminal or civil penalties against both the University and involved
individuals in the United States and abroad. Some countries take broad jurisdiction over bribery and corruption offenses, so violations in one country could result in extradition to and prosecution in another country. Violations of this Policy could also result in appropriate disciplinary action up to and including termination from employment or other relationships with the University.

c. Non-Retaliation Policy
The University is committed to ensuring that members of the Stanford community can speak up with confidence if they have any concerns or need to ask for guidance. If any person suspects or observes anything that they believe might be a violation of this guide memo, they are obligated to report it and cooperate in any investigation if requested. Stanford will not tolerate retaliation against any person who makes a good faith report or participates in an investigation of a suspected violation.

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Links
[10] mailto:compliance@stanford.edu