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**Companies exposed to unique FCPA risks in Cuba and Iran as sanctions ease**

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Lawyers told GIR Just Anti-Corruption that Cuba and Iran offer a cocktail of factors that could lead to foreign bribery violations. In Cuba, lawyers say, there is often a large discrepancy between what an official earns and the size of the budget they manage for government contracts, increasing the incentives for corruption. Lawyers believe the risks are more acute in Iran, which has largely been cut off from western trade for a decade, and is therefore not experienced in doing business with companies under pressure to comply with foreign bribery laws. Cuba, in comparison, has grown used to dealing with European businesses that often have to maintain compliance with foreign bribery laws.

According to **Bethany Hengsbach**, a partner at Sheppard Mullin Richter & Hampton, “Any payment of a bribe, related to not only traditional government functions but also business deals, raises the spectre of violations of FCPA.”

Hengsbach also said the economic reality for many Cuban officials presents an FCPA risk specific to the country because the typical public official earns on average between US$20 and US$40 a month.

She said: “You have an individual that is simultaneously charged with managing hundreds of millions of [US] dollars for the government, but is making almost nothing. That combination creates incentives. This comes with the very strong caveat that no one is making a judgement about the morality of officials in Cuba, but there are economic facts that create increased risks.”