TRACE Anti-Bribery Compliance Solutions

# 2019 Global Enforcement Report



# Introduction

Almost every country in the world prohibits the payment of bribes to domestic government officials. Anti-bribery conventions sponsored by the United Nations, the Organisation for Economic Co-operation and Development, the Organization of American States, the Council of Europe, and the African Union require signatory countries to establish binding standards for the criminalization of bribery of foreign public officials in international business transactions. Virtually every country in the world has ratified one of these international conventions, and many have enacted anti-bribery laws.

Despite the global denunciation of bribery, little information is publicly available on enforcement of these anti-bribery regulations. This can make it difficult to recognize trends concerning the extent to which countries enforce anti-bribery laws or where bribery is most prevalent, even though such information is critical to promoting transparency in global business. TRACE publishes the Global Enforcement Report annually to provide this essential information. The 2019 Global Enforcement Report provides an updated summary of international anti-bribery enforcement trends based primarily on the cases and investigations tracked in the TRACE Compendium, TRACE's online database of transnational corruption cases. The TRACE Compendium contains summaries of enforcement actions, investigations and declinations involving the alleged bribery of government officials that crosses at least one border. Neither the TRACE Compendium nor the 2019 Global Enforcement Report include matters involving domestic companies bribing domestic government officials. The alleged bribe must have a cross-border component and must involve a government official.

The 2019 Global Enforcement Report offers both graphic and textual analyses of investigations and enforcement actions concerning the bribery of government officials from the enactment of the U.S. Foreign Corrupt Practices Act in 1977 through 31 December 2019. Where appropriate, the 2019 Global Enforcement Report reflects revisions to the statistics reported in earlier editions, as our data are updated whenever TRACE obtains new or improved information regarding an investigation or enforcement action, or when the status of an enforcement action changes. The 2019 Global Enforcement Report also represents TRACE's continuing efforts to refine and improve the data in the report. Neither the TRACE Compendium nor the 2019 Global Enforcement Report can provide a precise and objective measurement of global anti-corruption enforcement. Instead, they are meant to provide general information on trends in international anti-corruption efforts on a broad scale.

The 2019 Global Enforcement Report focuses on two distinct anti-bribery enforcement events undertaken by government authorities: investigations and enforcement actions. An investigation is defined as an ongoing investigation by a government authority into allegations of bribery of government officials by a foreign company or individual. TRACE recognizes that investigations into allegations of bribery are sometimes dropped due to insufficient evidence, or for security or political considerations; they may be closed without any resolution; or they may continue indefinitely with no other action ever being taken. For purposes of the 2019 Global Enforcement Report, investigations are no longer considered ongoing if 10 years have passed since they were last discussed in a publicly available document, or if five years have passed since a government authority brought an enforcement action or issued a declination on the same allegations. An enforcement action is an adjudication of allegations of bribery of government officials by a foreign company or individual. That is, there must be a final resolution that involves fines, penalties, disgorgement, a guilty plea, a sentencing or a settlement of charges.

The TRACE Compendium and 2019 Global Enforcement Report include cases in which bribery allegations have been made against individual employees or representatives of companies, including employees of local subsidiaries of international companies. When a company and its employees or representatives face separate enforcement actions involving substantially the same conduct, only one enforcement action is counted in the 2019 Global Enforcement Report. Except where a company specifically receives a declination, if a company does not face an enforcement action, but its employees or representatives do, the enforcement action is counted as one enforcement action. Finally, while separate enforcement actions may be taken by different authorities in one country based on the same circumstances, only one such enforcement action is counted against a company or individual.

# Glossary of Terms

**Investigation:** An ongoing investigation by a government authority into allegations of bribery of government officials by a foreign company or individual that has not been resolved by either an enforcement action or a declination.

**Enforcement Action:** An adjudication of allegations of bribery of government officials by a foreign company or individual that is a final resolution of charges involving fines, penalties, disgorgement, a guilty plea, a sentencing or a settlement of charges.

**Enforcement Event:** Investigations and enforcement actions are both considered enforcement events.

**Declination:** Termination of an ongoing investigation by a government agency without any enforcement action.

**Bribery of Foreign Official:** Improper payments made by a foreign company to a government official who is not a citizen of the government undertaking the enforcement event.

**Bribery of Domestic Official:** Improper payments made by a foreign company to a government official who is a citizen of the government undertaking the enforcement event.

# Key Findings

Anti-bribery enforcement is increasingly an international affair. Agencies continue to coordinate across borders in the investigation and resolution of large-scale bribery cases, from the landmark Odebrecht case to the record-setting Airbus settlement, which was reached after this report's cutoff date. This cooperation introduces additional complexity but also brings a clear benefit, not just in terms of ever-higher monetary recoveries, but in sending a unified message that corruption will not be tolerated.

In tracking the outcomes and providing a snapshot of this global effort, we are mindful that results are not always immediate, that coordinated effort requires joint commitment, and that leadership in anti-corruption is a long-term investment. Those who make that investment will continue to shape the global anti-corruption agenda.

- 2019 was a relatively slow year for enforcement actions in transnational bribery cases. Both global and U.S. enforcement numbers in cases involving bribery of foreign officials dropped, with a 19% decrease in U.S. enforcement actions and a 45% decrease in non-U.S. enforcement actions—though the resulting enforcement levels were not out of line with historical trends of anti-bribery enforcement.

- While the financial services industry remained a focus for U.S. anti-bribery enforcement authorities, companies in the extractive industries faced the most U.S. investigations in 2019. There was also an increase in U.S. investigations into bribery of foreign officials in the aerospace, defense and security industries.

- In non-U.S. investigations, extractives remained the most investigated industry, followed by engineering/construction and aerospace/defense/security.

- As of the end of 2019, Brazil was conducting the most investigations concerning alleged bribery of domestic officials by foreign companies, followed by India and China.

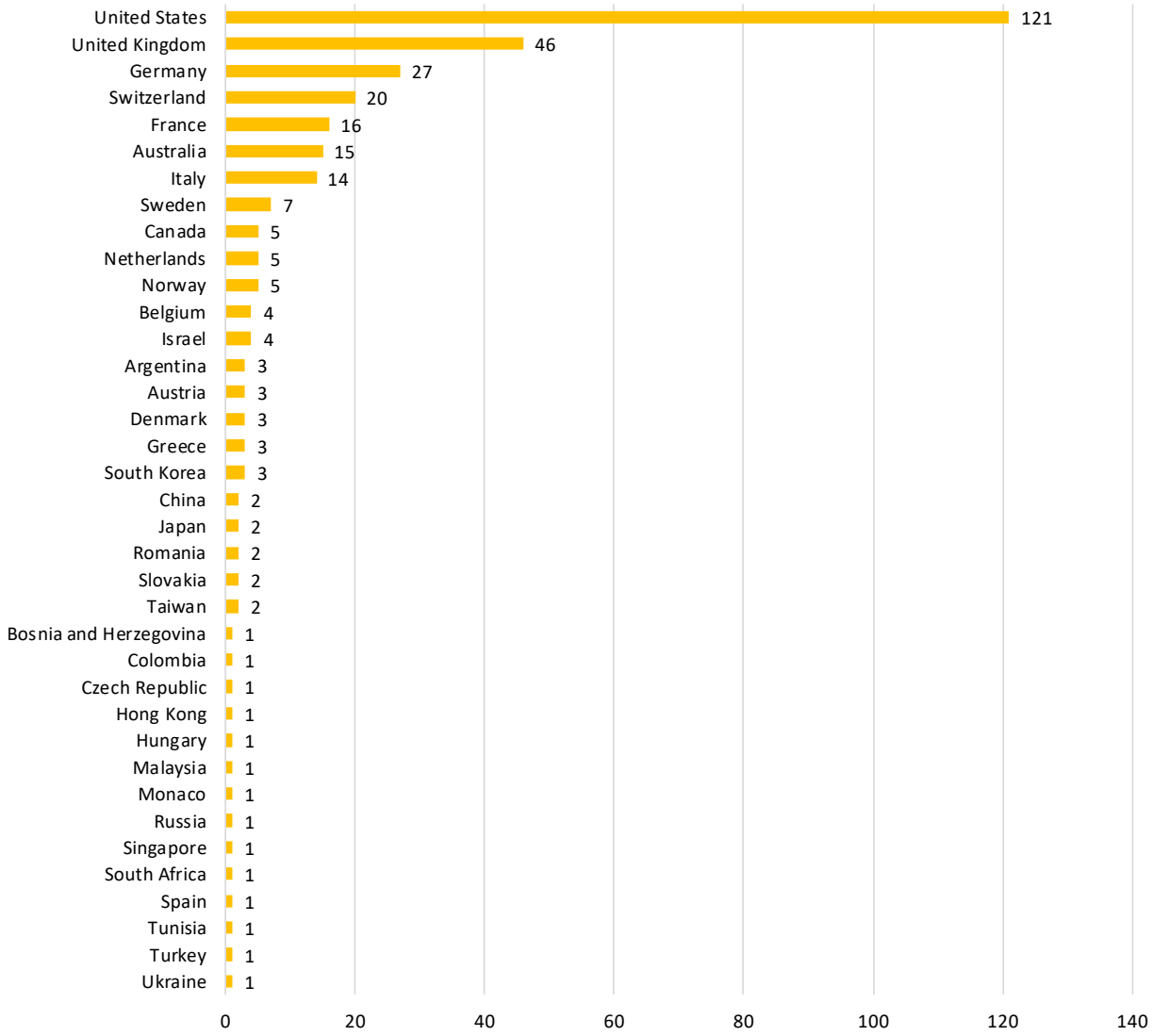
- China again had the highest prevalence of alleged bribery by foreign companies, with Chinese officials being the alleged recipients of bribes in more than 110 enforcement events since 1977. Iraq has the next-highest number of enforcement events, followed by Brazil.



# Figures and Analysis



## Figure 1: Investigations Concerning Bribery of Foreign Officials by Country

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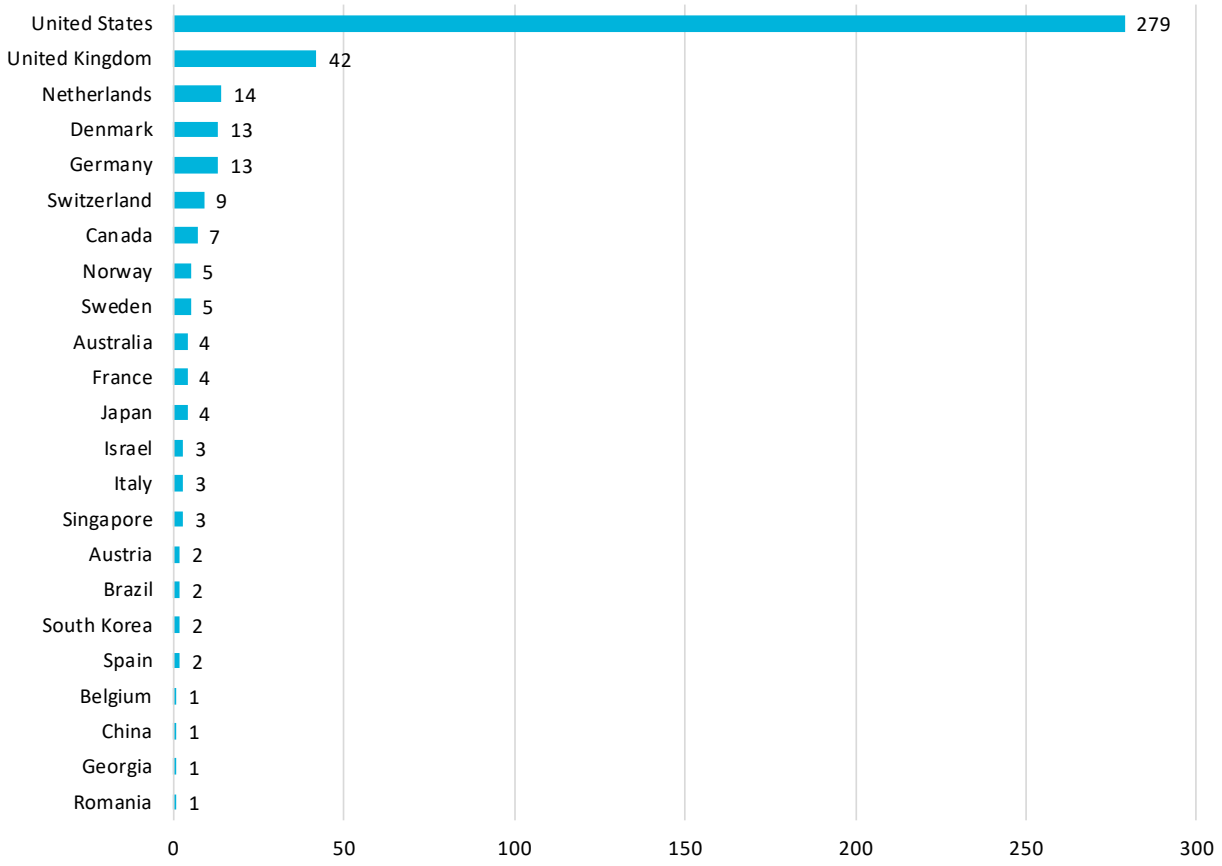
This chart addresses where investigations of bribery of foreign officials are occurring. In total, there were 328 investigations concerning alleged bribery of foreign officials being conducted by authorities in 37 countries as of 31 December 2019. The United States was conducting 121 investigations, which represents 37% of all ongoing investigations concerning alleged bribery of foreign officials. European countries currently account for more than half of all investigations—a total of 165—while the Asia Pacific region accounts for 8% of ongoing investigations, followed by the Americas (excluding the United States) with approximately 3%, the Middle East with approximately 1%, and Africa with fewer than 1%.

## Figure 2: Enforcement Actions Concerning Bribery of Foreign Officials by Country Since 1977

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From 1977 through 2019, 23 countries concluded 420 enforcement actions concerning alleged bribery of foreign officials. The United States maintained the strongest enforcement record during this period with 279 enforcement actions, representing approximately 66% of all enforcement actions concerning alleged bribery of foreign officials to date. Countries in Europe undertook 115 enforcement actions, approximately 27% of all such actions concerning alleged bribery of foreign officials. Countries in the Asia Pacific region were responsible for approximately 3% of the total enforcement actions concerning the alleged bribery of foreign officials, followed by the Americas (excluding the United States) with 2%, and the Middle East with fewer than 1%.

## Figure 3: Enforcement Actions Concerning Bribery of Foreign Officials (2005–2019)

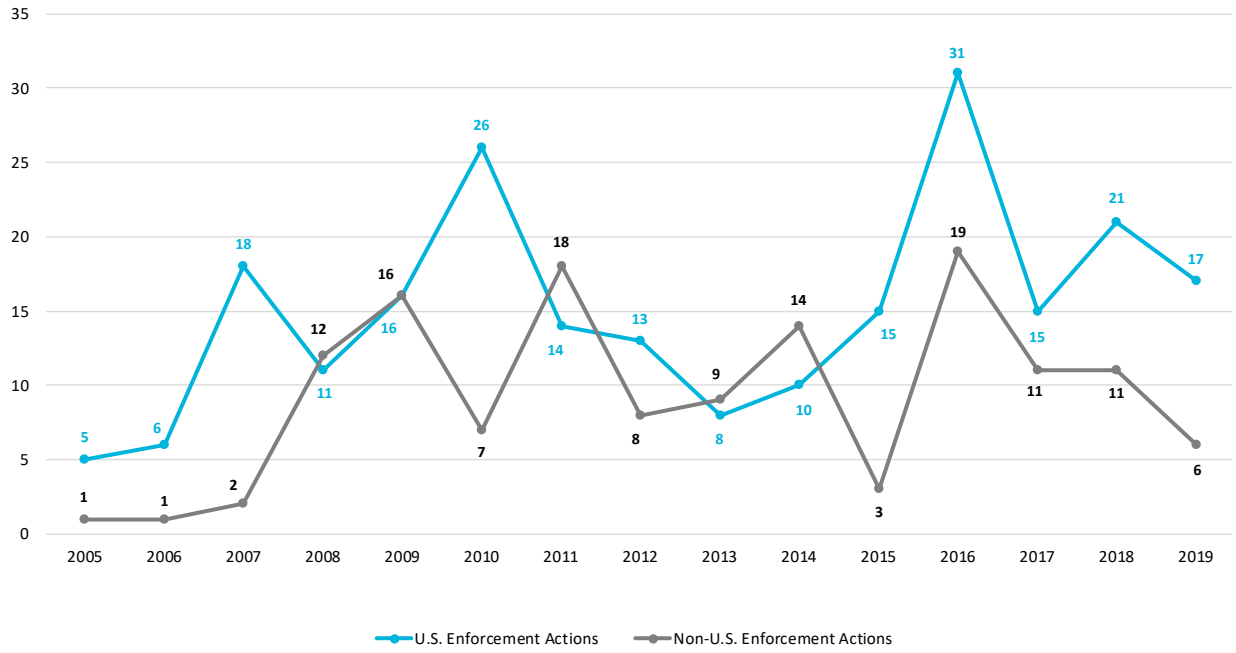


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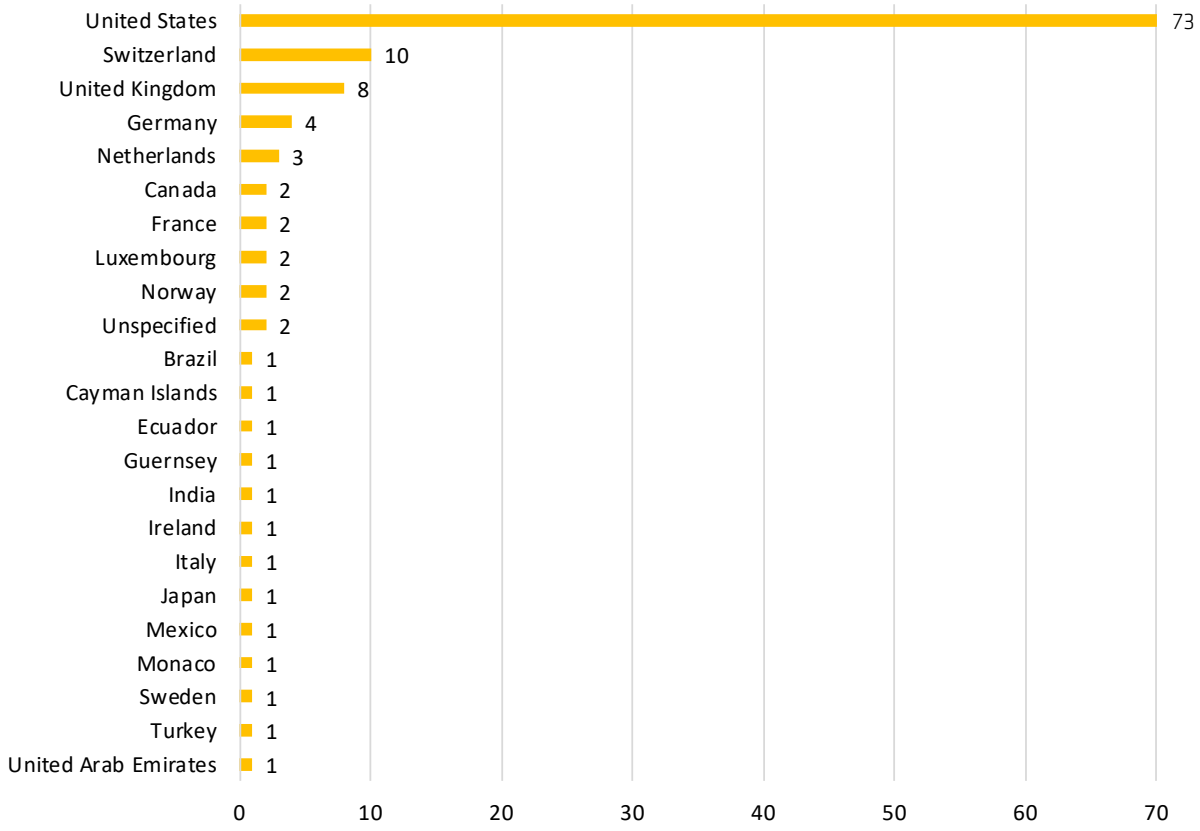
Figure 3 modifies the analysis in Figure 2 to examine enforcement actions concerning alleged bribery of foreign officials undertaken from 2005 through 2019. Both the United States and non-U.S. enforcement agencies showed a decrease in enforcement activity in 2019.

## Figure 4: U.S. Investigations Concerning Bribery of Foreign Officials by Company Headquarters or Individual Citizenship

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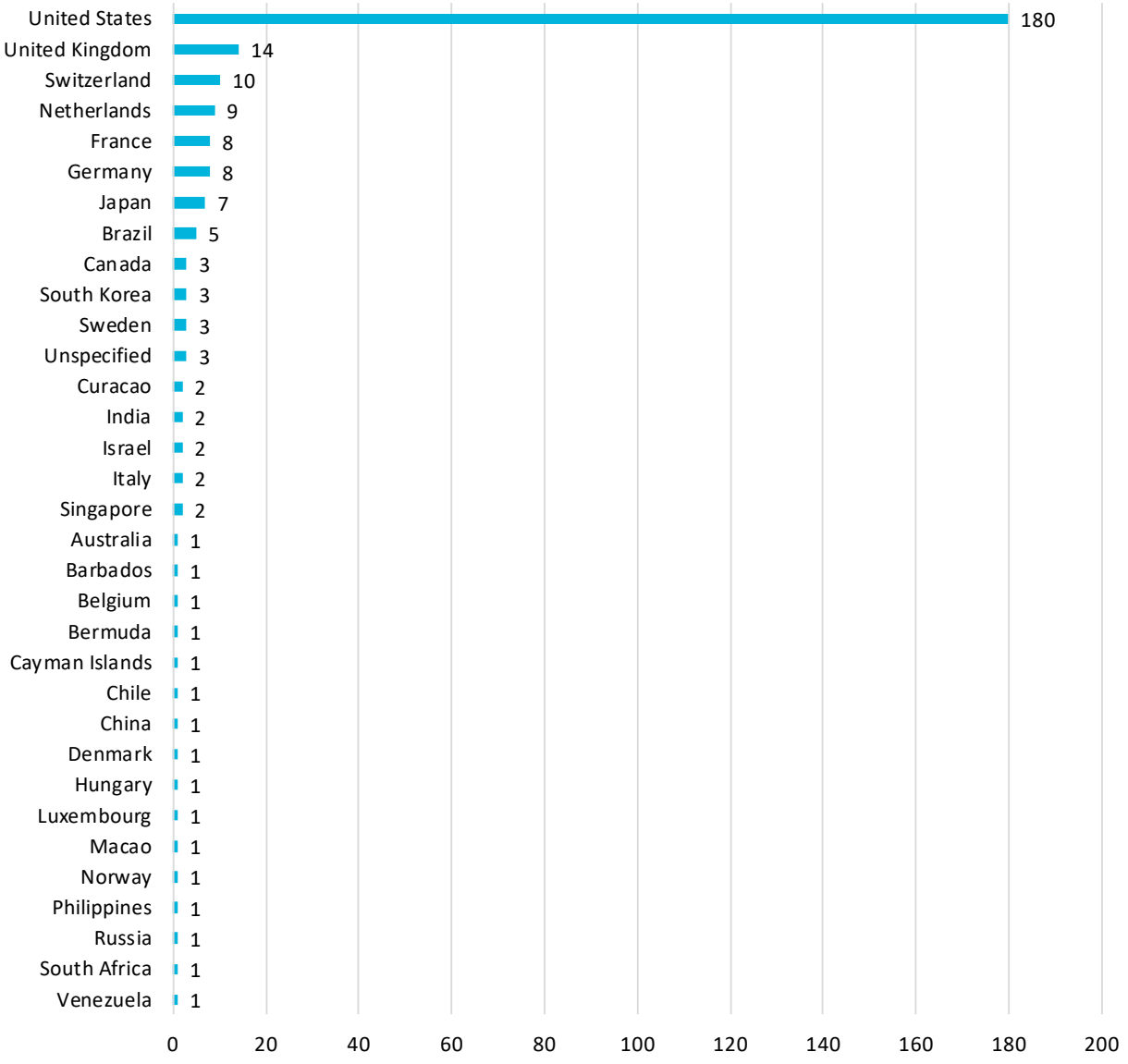
The United States was conducting 121 investigations concerning alleged bribery of foreign officials in 23 countries as of 31 December 2019. There were 48 investigations concerning alleged bribery of foreign officials involving companies headquartered outside of the United States or individuals with non-U.S. citizenship, representing approximately 40% of all such investigations being conducted by the United States. Of the investigations concerning alleged bribery of foreign officials being conducted against non-U.S. companies and individuals, the highest number involved companies or individuals in Switzerland, followed by the United Kingdom. Companies or individuals from Europe made up 77% of U.S. investigations concerning alleged bribery of foreign officials being conducted against non-U.S. companies and individuals, followed by the Americas (excluding the United States) with approximately 13%, Asia Pacific with approximately 4%, and the Middle East with approximately 2%.

## Figure 5: U.S. Enforcement Actions Concerning Bribery of Foreign Officials by Company Headquarters or Individual Citizenship Since 1977

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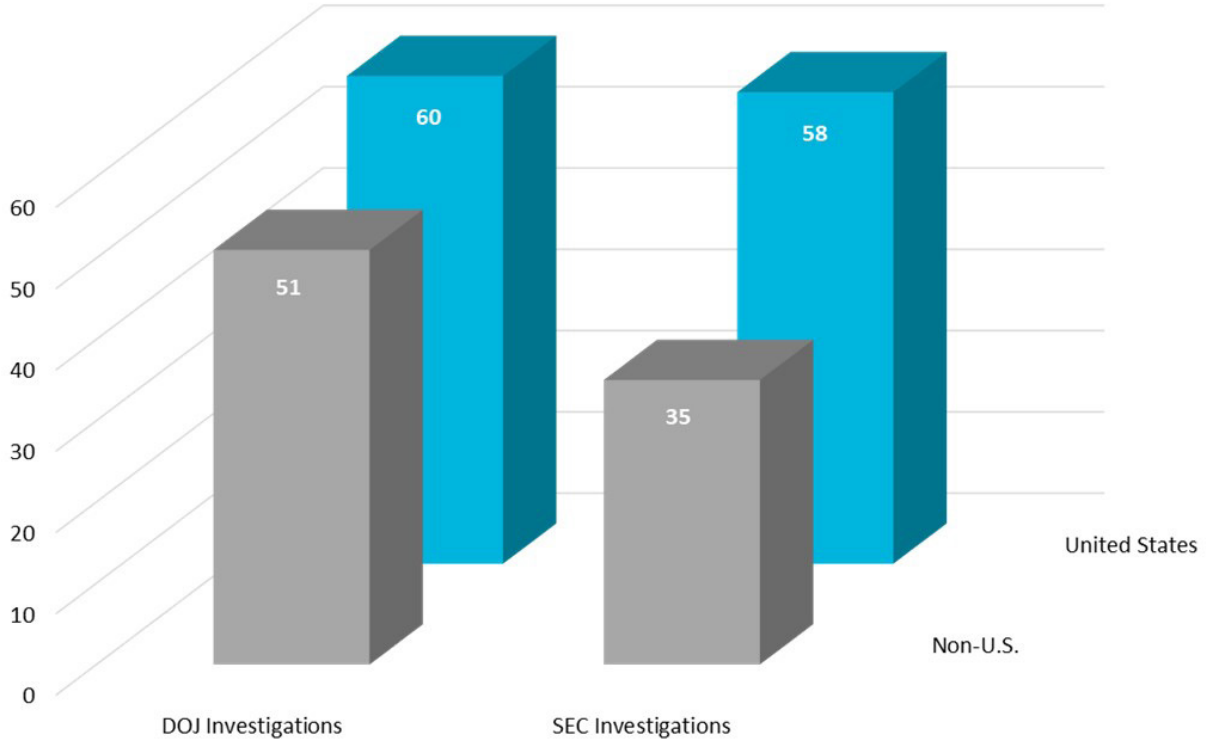
The United States concluded 279 enforcement actions concerning alleged bribery of foreign officials from 1977 to 2019. A total of 99 of these enforcement actions have involved companies headquartered outside of the United States or individuals with non-U.S. citizenship, representing approximately 35% of all enforcement actions initiated by the United States concerning alleged bribery of foreign officials. Of the enforcement actions undertaken against non-U.S. companies and individuals, the highest number involved companies or individuals in the United Kingdom, followed by Switzerland and the Netherlands. Companies or individuals from Europe represent approximately 61% of U.S. enforcement actions concerning alleged bribery of foreign officials undertaken against non-U.S. companies and individuals, followed by Asia Pacific with 18%, the Americas (excluding the United States) with 15%, the Middle East with 2%, and Africa with 1%.

## Figure 6: U.S. Investigations Concerning Bribery of Foreign Officials by Country of Headquarters

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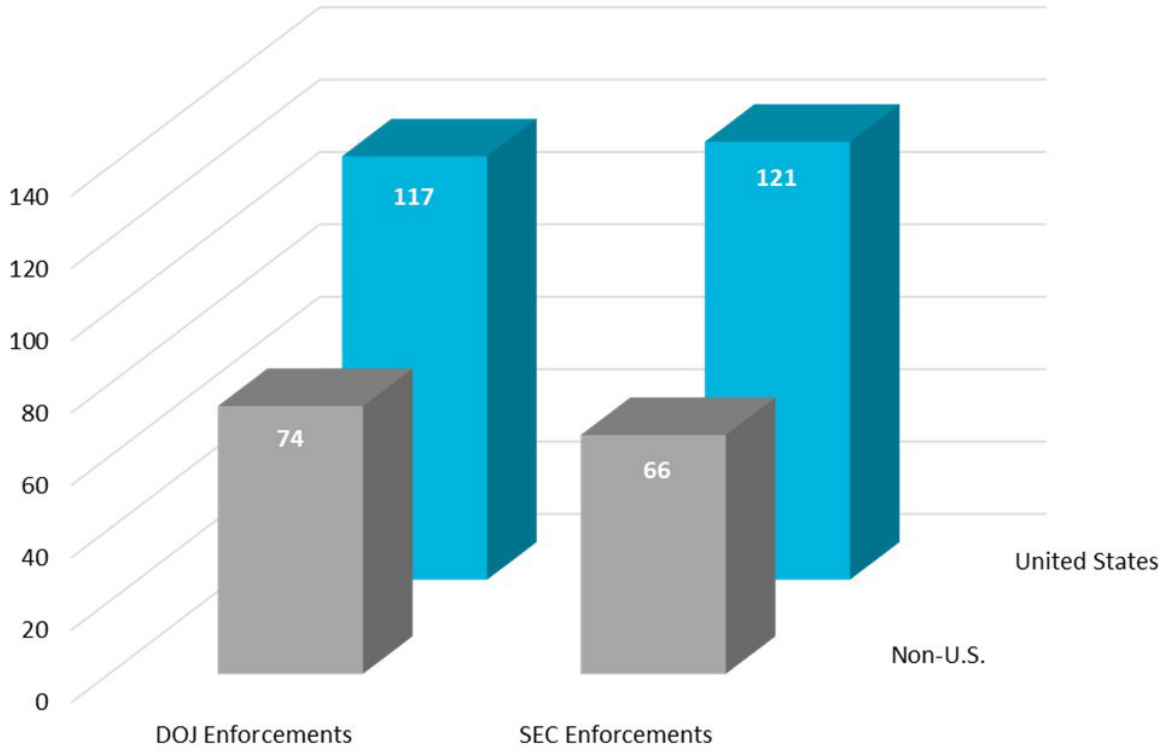
While separate investigations may be conducted by different authorities in one country based on the same circumstances, generally only one such investigation is counted in this report against a company or individual. This chart addresses where separate investigations are conducted by the U.S. Securities and Exchange Commission (SEC) and the U.S. Department of Justice (DOJ).

Between the SEC and the DOJ, as of 31 December 2019, the U.S. was conducting a total of 204 foreign bribery investigations, with 42% involving companies headquartered outside of the U.S. or individuals with non-U.S. citizenship. Of those 204, 111 are conducted by the DOJ (54%) and 93 by the SEC (46%). DOJ investigations account for approximately 59% of the total agency investigations involving non-U.S. companies and individuals, but only 51% of investigations involving U.S.-based companies and individuals.

Figure 7: U.S. Enforcement Actions Concerning Bribery of Foreign Officials by Country of Headquarters (1977 – 2019)

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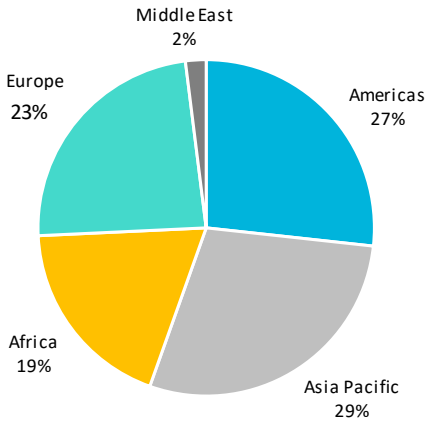
While separate enforcement actions may be taken by different authorities in one country based on the same circumstances, generally only one such enforcement action is counted in this report against a company or individual. This chart addresses separate enforcement actions taken by the SEC and the DOJ.

Between the SEC and the DOJ, the U.S. has concluded 378 enforcement actions concerning the alleged bribery of foreign officials, with 140—approximately 37%—involving companies headquartered outside of the U.S. or individuals with non-U.S. citizenship. With respect to non-U.S.-based companies and individuals, the DOJ has concluded a greater number of enforcement actions than the SEC, at a ratio of approximately 53% to 47%.

## Figure 8: Investigations Concerning Foreign Bribery of Domestic Officials by Country




Algeria (2)
Antigua and Barbuda (1)
Argentina (8)
Armenia (1)
Australia (1)
Austria (3)
Bahamas (1)
Bahrain (1)
Bangladesh (2)
Barbados (1)
Bermuda (1)
Bolivia (1)
Brazil (32)
Bulgaria (1)
Canada (2)
Chile (2)
China (14)
Colombia (3)
Costa Rica (1)
Croatia (4)
Cyprus (2)
Czech Republic (2)
Denmark (1)
Dominican Republic (1)
Ecuador (1)
Egypt (1)
France (3)
Germany (1)
Ghana (1)
Greece (6)
Guatemala (3)
Guinea (1)
Hong Kong (2)
Hungary (6)
India (17)
Indonesia (7)
Iraq (3)
Italy (2)
Kenya (3)
Kuwait (1)
Kyrgyzstan (2)
Latvia (2)
Lesotho (2)
Liberia (3)
Libya (1)
Lithuania (1)
Macedonia (2)
Malawi (3)
Malaysia (6)
Maldives (1)
Mauritania (1)
Mexico (4)
Monaco (1)
Mongolia (2)
Montenegro (1)
Mozambique (1)
Namibia (1)
Nepal (4)
New Zealand (1)
Nigeria (13)
Northern Ireland (1)
Norway (1)
Panama (1)
Peru (3)
Philippines (6)
Poland (9)
Portugal (2)
Romania (2)
Russia (3)
Rwanda (2)
Samoa (1)
Serbia (1)
Sierra Leone (1)
Slovakia (1)
Slovenia (1)
Somalia (1)
South Africa (8)
Spain (1)
Sri Lanka (2)
Switzerland (1)
Tanzania (1)
Thailand (5)
Tunisia (1)
Turkey (2)
Uganda (2)
United States (3)
Venezuela (3)
Vietnam (4)
Zambia (2)

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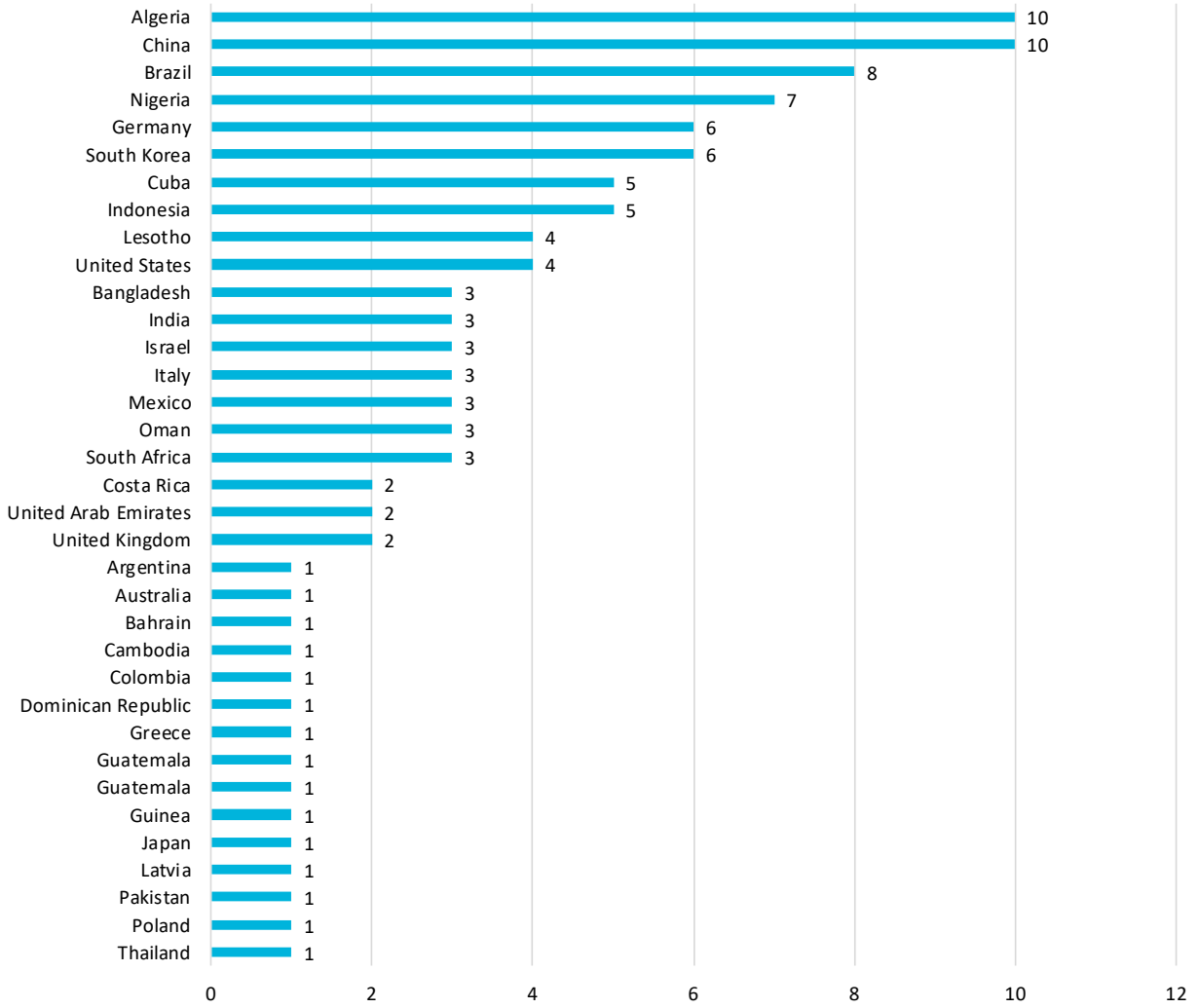
Of the 89 countries conducting investigations concerning alleged bribery of domestic officials as of 31 December 2019, Brazil was conducting the most, followed by India, China and Nigeria. Countries in the Asia Pacific region accounted for 29% of all such investigations, followed by the Americas with approximately 27%, Europe with approximately 23%, Africa with 19%, and the Middle East with 2%. Of the 17 countries conducting four or more investigations concerning alleged bribery of domestic officials, eight are in Asia Pacific, four are in Europe, three in the Americas, and two in Africa. Of the 72 countries conducting between one and three investigations concerning alleged bribery of domestic officials, 24 are in Europe, 19 are in Africa, 16 in the Americas, 10 in Asia Pacific, and three in the Middle East.

## Figure 9: Enforcement Actions Concerning Foreign Bribery of Domestic Officials by Country Since 1977

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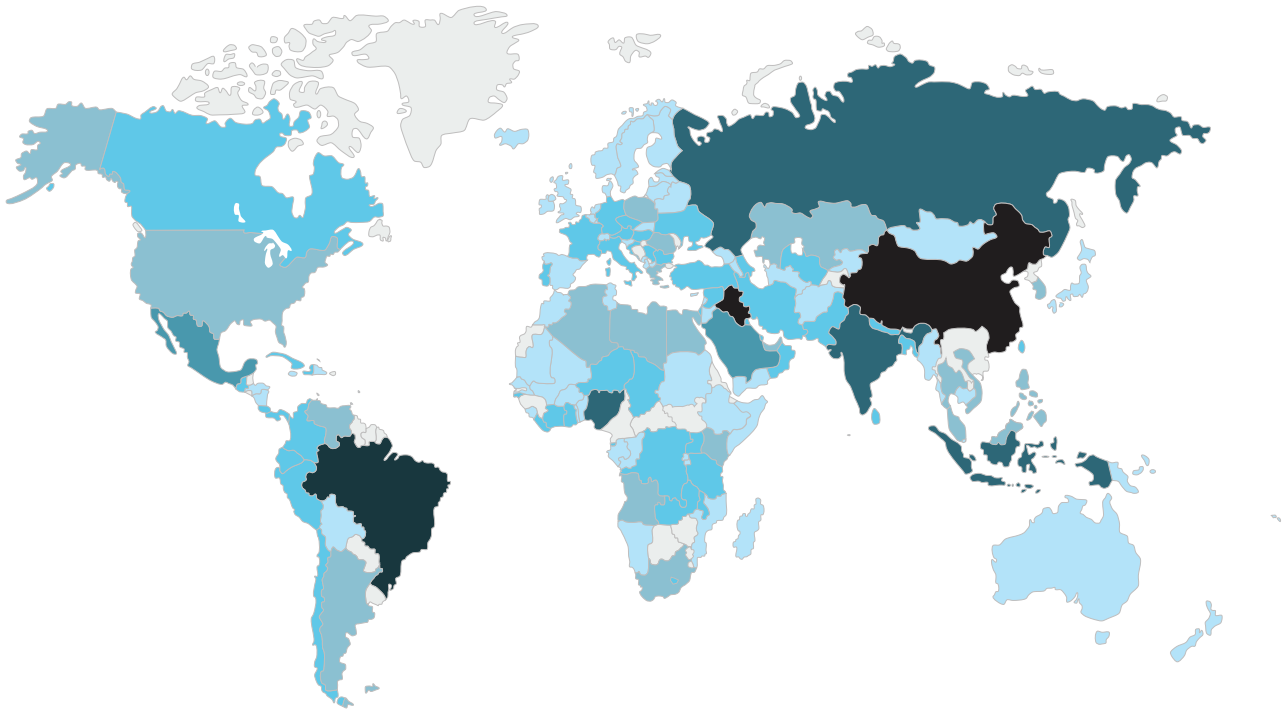
As of 31 December 2019, there were more than twice as many investigations (269) as there have been enforcement actions (106) concerning alleged bribery of domestic officials from 1977 to 2019. Algeria and China have brought the most enforcement actions concerning alleged bribery of domestic officials, followed by Brazil, Nigeria, Germany and South Korea. Countries in the Asia Pacific region have undertaken approximately 30% of the enforcement actions concerning alleged bribery of domestic officials, followed by the Americas with approximately 25%, Africa with approximately 24%, Europe with 13%, and the Middle East with 8%. Four countries had undertaken seven or more enforcement actions: two in Africa, one in Asia Pacific, and one in the Americas. Six countries had undertaken between four and six enforcement actions: two in the Americas, two in Asia Pacific, and one each in Europe and in Africa. Of the 24 countries that had undertaken between one and three enforcement actions concerning alleged bribery of domestic officials, seven are in Asia Pacific, six in the Americas, five in Europe, four in the Middle East, and two in Africa.

## Figure 10: Prevalence of Bribery (1977 – 2019)



Number of Enforcement Events

0-4 5-14 15-24 25-34 35-54 55-74 75+ N/A

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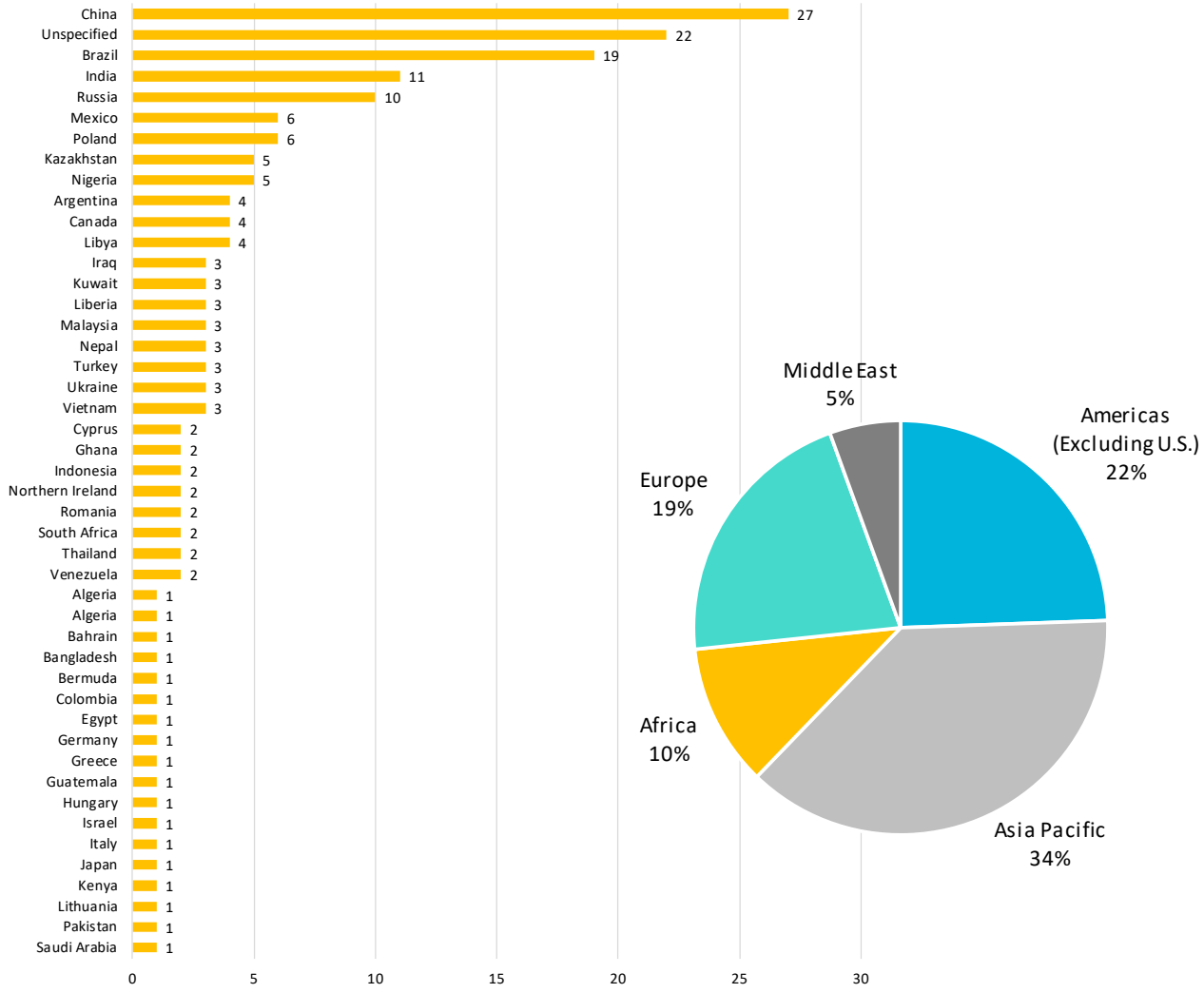
This map shows the prevalence of alleged bribery of government officials worldwide. Each country indicated on the map has a corresponding number of enforcement events concerning the alleged bribery of that country's government officials. China surpasses every other country, with Chinese officials being the alleged recipients of bribes in more than 110 different enforcement events. Iraq has the next-highest number of enforcement events, followed by Brazil, Nigeria and India. Officials in Asia Pacific were the alleged recipients of bribes in approximately 27% of enforcement events, followed by Africa with 21%, the Americas with 17%, Europe with 16%, and the Middle East with 13%. Thirteen countries had more than 20 enforcement events, with five in Asia Pacific, three in Africa, two each in the Middle East and the Americas, and one in Europe. There were 22 countries with between 11 and 20 enforcement events: six each in Asia Pacific and Europe, five in Africa, three in the Americas, and two in the Middle East. There were 121 countries with between one and 10 enforcement events: 37 in Africa, 30 in Europe, 23 in Asia Pacific, 22 in the Americas, and nine in the Middle East.

There were 89 enforcement events where the nationality of the government officials who were allegedly bribed is unspecified. This is because the information is taken from publicly available resources, and there may be instances where companies do not specify information about where alleged bribery took place.

## Figure 11: Countries of Bribe Recipients in Investigations Concerning Bribery by U.S.-Headquartered Companies

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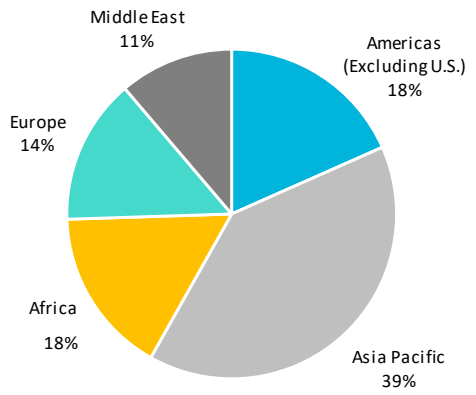
This Figure shows the 44 countries where U.S.-based companies under investigation as of 31 December 2019 have allegedly paid bribes. Chinese officials are the alleged recipients of bribes in 27 investigations, followed by Brazil, India and Russia. Officials in the Asia Pacific region were the alleged recipients of bribes in approximately 34% of investigations, followed by the Americas (excluding the United States) with approximately 22%, Europe with approximately 19%, Africa with approximately 10%, and the Middle East with 5%. Three countries were implicated in more than 10 investigations: two in Asia Pacific and one in the Americas (excluding the United States). There were 41 countries implicated in between one and 10 investigations: 12 in Europe, nine in Asia Pacific, eight in Africa, seven in the Americas (excluding the United States), and five in the Middle East.

There were 22 investigations where the country of the government officials who were allegedly bribed is unspecified. This is because the information is taken from publicly available resources, and there may be instances where companies do not specify information about where alleged bribery took place.

## Figure 12: Countries of Bribe Recipients in Enforcement Actions Concerning Bribery by U.S.-Headquartered Companies Since 1977




China (52)
Nigeria (18)
India (17)
Indonesia (17)
Iraq (17)
Mexico (16)
Thailand (13)
Russia (12)
Brazil (11)
Egypt (10)
Argentina (9)
Kazakhstan (9)
Saudi Arabia (9)
Unspecified (9)
Vietnam (8)
Venezuela (7)
Angola (6)
Bangladesh (6)
Pakistan (6)
South Korea (6)
Azerbaijan (5)
Germany (5)
Greece (5)
Kuwait (5)
Poland (5)
Turkey (5)
United Arab Emirates (5)
Haiti (4)
Libya (4)
Panama (4)
Philippines (4)
Bahrain (3)
Bulgaria (3)
Costa Rica (3)
Guinea (3)
Romania (3)
Burma (2)
Democratic Republic of the Congo (2)
Dominican Republic (2)
France (2)
Gabon (2)
Israel (2)
Italy (2)
Ivory Coast (2)
Malaysia (2)
Nepal (2)
Nicaragua (2)
Niger (2)
Peru (2)
Taiwan (2)
Ukraine (2)
United Kingdom (2)
Algeria (1)
Aruba (1)
Barbados (1)
Belgium (1)
Benin (1)
Burkina Faso (1)
Canada (1)
Chad (1)
Chile (1)
Colombia (1)
Cook Islands (1)
Croatia (1)
Cuba (1)
Czech Republic (1)
Ecuador (1)
Equatorial Guinea (1)
Ghana (1)
Honduras (1)
Hungary (1)
Iran (1)
Jamaica (1)
Kenya (1)
Kyrgyzstan (1)
Liberia (1)
Lithuania (1)
Luxembourg (1)
Macao (1)
Malawi (1)
Mali (1)
Mauritania (1)
Micronesia (1)
Mongolia (1)
Morocco (1)
Mozambique (1)
Netherlands (1)
Oman (1)
Qatar (1)
Republic of the Congo (1)
Rwanda (1)
Senegal (1)
Serbia (1)
South Africa (1)
Spain (1)
Sri Lanka (1)
Tanzania (1)
Trinidad and Tobago (1)
Uganda (1)
Uzbekistan (1)
Yemen (1)

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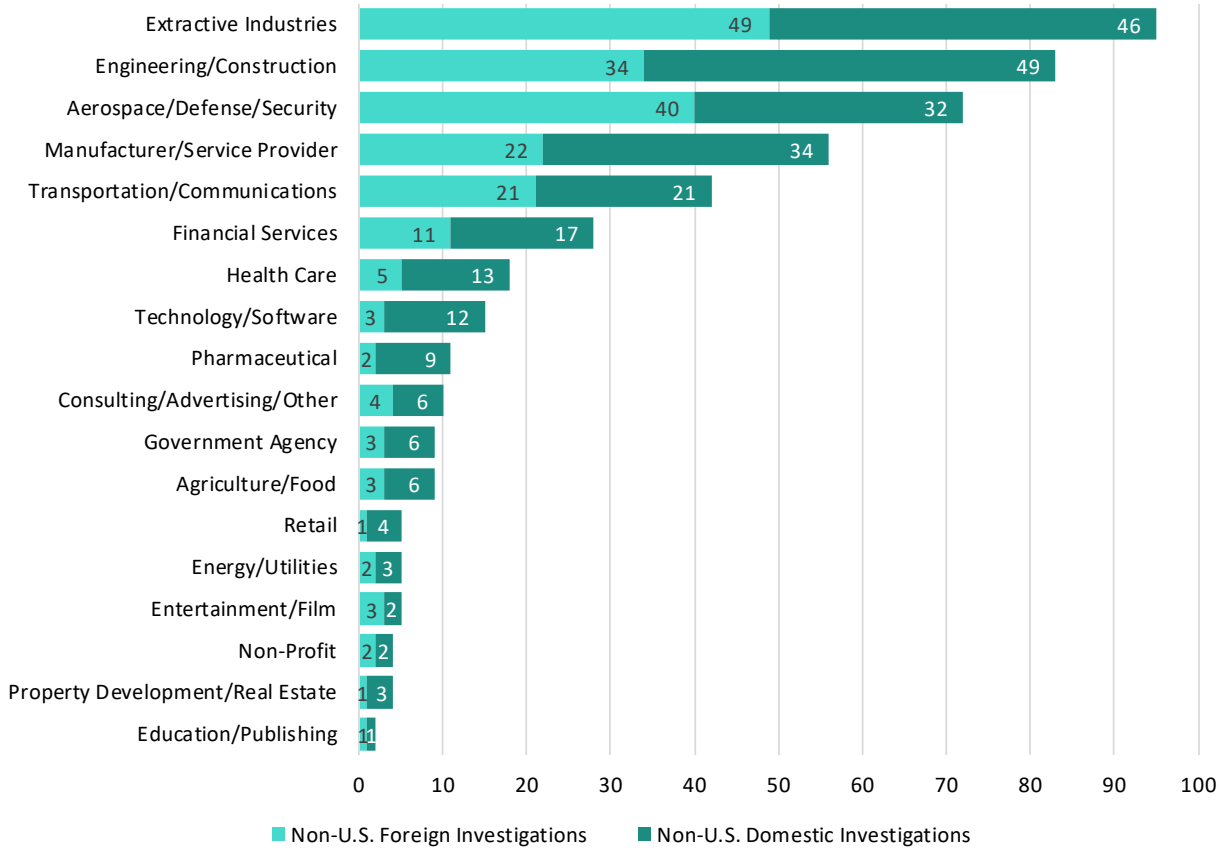
This chart shows the 100 countries where U.S.-based companies that were subject to an enforcement action between 1977 and 2019 allegedly paid bribes. Chinese officials are the alleged recipients of bribes in 52 enforcement actions, followed by Nigeria, India, Indonesia and Iraq. Officials in the Asia Pacific region were the alleged recipients of bribes in 39% of enforcement actions, followed by the Americas (excluding the United States) and Africa with approximately 18% each, Europe with approximately 14%, and the Middle East with approximately 11%. Nine countries were implicated in more than 10 enforcement actions: four in Asia Pacific, two in the Americas (excluding the United States), and one each in Africa, the Middle East and Europe. There were 91 countries implicated in between one and 10 enforcement actions: 27 in Africa, 19 in Europe, 18 in each Asia Pacific and the Americas (excluding the United States), and nine in the Middle East.

There were nine enforcement actions where the country of the government officials who were allegedly bribed is unspecified. This is because the information is taken from publicly available resources, and there may be instances where companies do not specify information about where alleged bribery took place.

## Figure 13: Total Investigations Concerning Bribery of Domestic and Foreign Officials by Industry (excluding United States)

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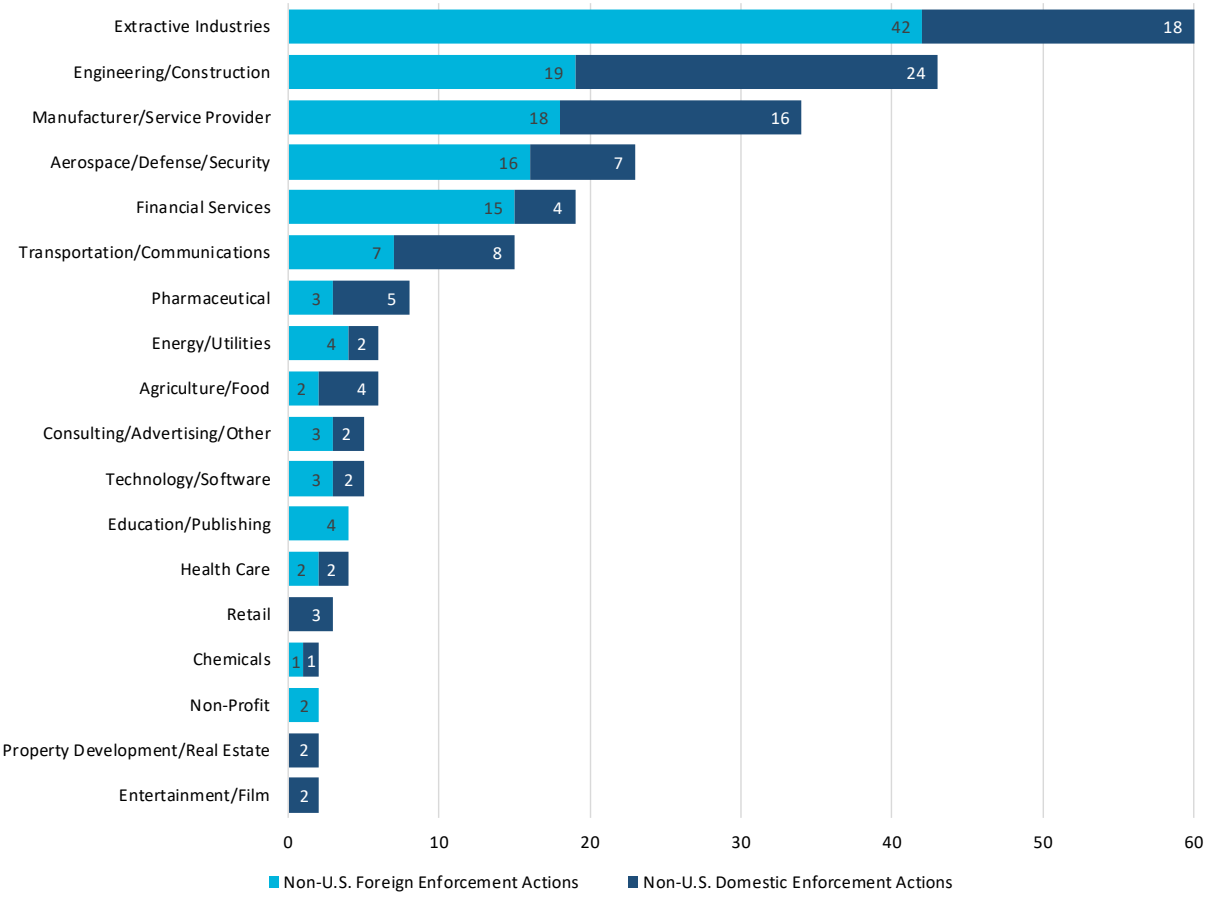
This chart shows the industries that have experienced the most investigations of alleged bribery of foreign or domestic officials, excluding investigations being conducted by the United States, as of 31 December 2019. The extractive industries represent the highest number of bribery investigations with 20% of all non-U.S. investigations, followed by engineering/construction with approximately 18%, and aerospace/defense/security with approximately 15%.

## Figure 14: Total Enforcement Actions Concerning Bribery of Domestic and Foreign Officials by Industry Since 1977 (excluding United States)

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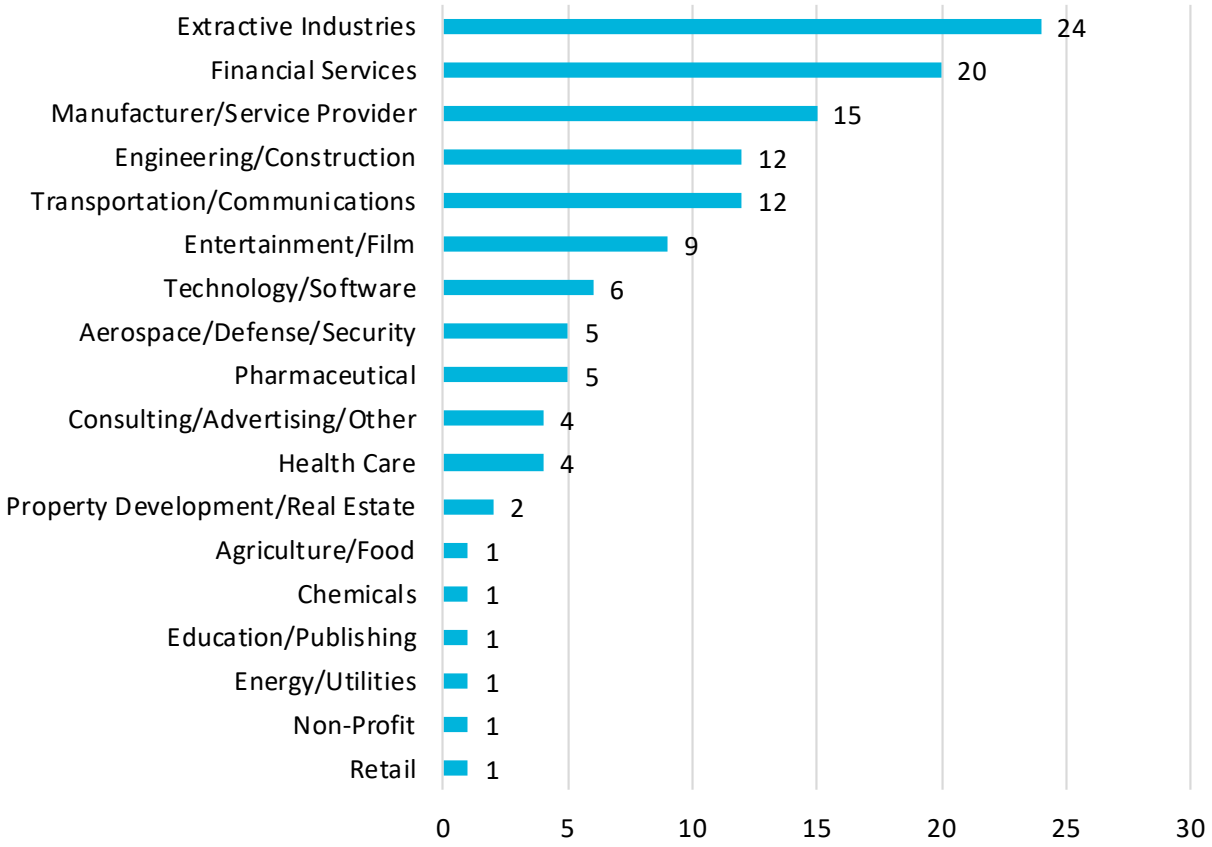
This chart shows the industries that have experienced the most enforcement actions concerning alleged bribery of domestic or foreign officials, excluding enforcement actions brought by the United States, from 1977 through 2019. The extractive industries represent the highest number of bribery enforcement actions with approximately 25% of all non-U.S. bribery enforcement actions, followed by engineering/construction with approximately 18% and manufacturers/service providers with 14%.

## Figure 15: U.S. Investigations Concerning Bribery of Domestic and Foreign Officials by Industry

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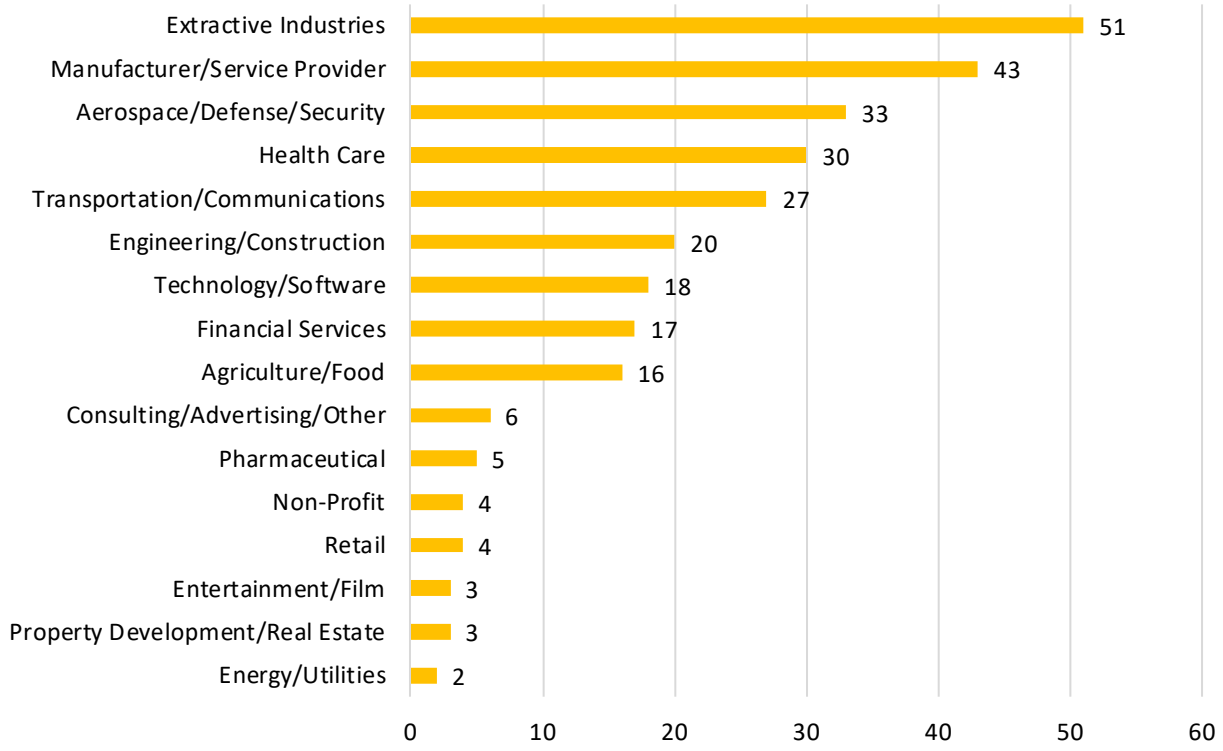
This chart shows U.S. investigations concerning alleged bribery of domestic and foreign officials as of 31 December 2019, separated by industry. The extractive industries faced the most investigations with approximately 19% of all U.S. investigations, followed by financial services with 16% and manufacturers/ service providers with 12%.

## Figure 16: U.S. Enforcement Actions Concerning Bribery of Domestic and Foreign Officials by Industry Since 1977

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This chart shows U.S. enforcement actions concerning alleged bribery of domestic and foreign officials from 1977 through 2019, separated by industry. The extractive industries have seen the most enforcement actions with 18% of all such U.S. enforcement actions, followed by manufacturers/service providers with approximately 15% and aerospace/defense/security with approximately 12%.

## ABOUT THE GLOBAL ENFORCEMENT REPORT

TRACE's annual Global Enforcement Report provides graphic and textual analyses of all known enforcement events—including investigations, enforcement actions and declinations—since the first bribery cases were prosecuted in the United States following the enactment of the U.S. Foreign Corrupt Practices Act. Data from the Global Enforcement Report is based primarily on the cases and investigations tracked in the **TRACE Compendium**, TRACE's online database of transnational corruption cases. TRACE cannot know or accurately estimate how many enforcement events may be underway but not made public or not included in a major international publication. The analyses exclude purely domestic matters involving local companies bribing local government officials, reflecting only enforcement events for an alleged bribe with an international component that involve an alleged payment to a government official or an employee of a state-owned entity.

**The 2019 Global Enforcement Report** provides anti-bribery enforcement data from 2019 and provides a summary of 43 years of anti-bribery enforcement activity. The complete report is available for download online at **www.TRACEinternational.org/publications**.

## ABOUT TRACE

TRACE is a globally recognized anti-bribery business association and leading provider of shared-cost third party risk management solutions. Members and clients include over 500 multinational companies located worldwide. TRACE is headquartered in the United States and registered in Canada, with a presence on five continents. For more information, visit **www.TRACEinternational.org**.

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