



Resolved International Criminal Prosecution Challenges

Overview

When a U.S. firm was facing criminal allegations related to a foreign acquisition, we stepped in with diplomatic and legal tools to secure a settlement.

Problem

- Our client acquired a European telecommunications company as a result of the government's privatization of formerly state-owned companies.
- When the venture failed, a host country court alleged criminal bankruptcy by four executives.

Covington Team



Stephen Anthony

Partner
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A trial lawyer and deputy chair of Covington's global litigation practice, Steve Anthony has experience handling the highest-stakes cases, and represents corporations and individuals in a broad array of government investigations.



Stuart Eizenstat

Senior Counsel
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Our cross-practice team was led by Stu Eizenstat, who, among other previous roles, served as U.S. Ambassador to the European Union, Under Secretary of State, and Deputy Secretary of the Treasury in the Clinton Administration and chief White House domestic policy adviser to President Carter.



Brian Smith

Partner
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Advises clients on challenging public policy matters that combine legal and political risks and opportunities. He previously served in the White House as Assistant to the Special Counsel to President Clinton.



Strategy

- Our strategy brought political and diplomatic support to the efforts to resolve the cases in the country, leading to a successful resolution to criminal litigation that had dragged for years. We enlisted the support of senior U.S. officials to convey to the host country government that the allegations were without foundation and the unfounded criminal prosecutions would deter foreign investment.
- We worked to activate leading Members of Congress, executive branch officials, the U.S. Ambassador, and others in the diplomatic service to engage with the host country government.
- Our legal team simultaneously engaged with the Department of Justice to guard against spillover of legal issues into the United States.

Results

- With the host country government supporting a resolution, the company and executives reached a favorable settlement that limited the company's financial exposure and dismissed the criminal actions against the executives.