



Land of the free?

Disruption can prove fruitful for dealmakers – but too much is another matter, says **Jon Moulton**

President Trump's impact has thoroughly started to bite, and it is interesting to see the rapid changes and equally rapid 'changes of changes' hitting the world. You might like some of what he has done, but dislike others.

In some institutions – notably US federal government life sciences institutions and the FBI – there have been massive and little-considered sackings, with the total excision of some important activities. This variety of activity will result in big shifts in the relative attractiveness of some areas of US business. Given the changes in import tariffs, there may well be further reasons to favour or disfavour some activities. Some deals will be driven by these changes.

But large though these factors are, it may well be that behavioural differences are yet bigger. Rudeness and bullying have suddenly become the standard approach. We see that even incarcerations through the courts are pardoned by Trump when he chooses.

No expertise?

Competence is low on the list of criteria for selection of Trump's subordinates, with loyalty to Trump a very dominant criterion. The Health Secretary is the "blatantly unqualified, anti-science, conspiracy-minded Robert F Kennedy Jr" – in case the administration is checking up on my column, these words are not mine, but those of the *Health & Human Rights Journal*. But Kennedy Jr doubtless sees nothing but merit in Trump's ideas.

It's not hard to see that behavioural norms are changing. And it is clear that wherever the US government is involved, uncertainty will be the only certainty. Despite criticising the UK about freedom of speech, President Trump has taken active steps by issuing orders to suppress words that might simply form part of an argument or even just discourse contrary to what he desires. These words include 'gender', 'pregnant person', 'assigned male at birth', 'systemic' and much more. Instant dismissal follows the use of these words. The use of the word 'women' is subject to a special review before use, but 'men' is not.

Woe betide any individual or business that does not follow these extraordinary restrictions as contracts with the US federal government will be pulled for breaching the new rules. Any business that acts in a way not

favoured by the administration needs to be very wary. Disinformation – deliberate, casual and/or careless – has become a norm in US politics. Accountants' traditional role of verification has already come under pressure. Reporting at variance with the preferred 'reality' of the administration will doubtless carry punishment. This will sometimes put accountants (and lawyers) in invidious positions as the ethical codes need dusting off.

The whole area of what this US administration now deems to be woke nonsense is visibly under great pressure. Having a diversity policy can lead to the stopping of current grants and contracts, and the granting of new ones. It is already happening – I've been involved in one such situation already. The focus of recent years will be reversed. Instead of diversity, equity and inclusion, and environmental, social and governance being seen as good, they will now be a threat to an entity. Due diligence may do a 180-degree turn.

There are very many other things in the wall of orders that the administration have promulgated. All regulations are to be reviewed – but the widest ranging order directs that regulators should direct the "termination of all enforcement proceedings that do not comply with the Constitution, laws, or Administration policy". Note the "or". It is not hard to see the minefield that opens up. It's effectively not illegal if this administration says so.

One very specific concern is bribery. The US Foreign Corrupt Practices Act of 1977 made bribing souls in foreign governments illegal. The current administration has decided it does not want this Act to be enforced. So, a US corporation can throw cash at a civil servant from another country to secure lucrative contracts – clearly secrecy and disclosure issues will arise in doing deals with companies involved in this. Other countries will be under commercial pressure to dump anti-bribery and money-laundering laws – which, it must be pointed out, were mostly enacted to comply with the US law – as a race to the bottom develops as part of the trade war that the US is embarking on.

Stay awake everyone. Any contact with the US administration, direct or indirect, will need great care.

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