

Alstom S.A. (Latvia)

Case ID:

ARW-8

Jurisdiction of Origin of Public Official or Entity Allegedly Involved:

France

Jurisdiction of Asset Recovery:

Latvia

Asset Recovery Start:

2011

Asset Recovery End:

2011

UNCAC Offenses Implicated:

Art.16

Money laundering Implicated:

No

Legal Basis for Asset Recovery:

Criminal Prosecution and Restitution (in Switzerland)

Intl.Cooperation: MLAT/Letter of Request?:

Unknown

Basis for Intl Cooperation:

Unspecified

Contributing Factors in Asset Recovery:

Article 53 Swiss Criminal Code payment of reparations

Status of Asset Recovery :

Completed

Stage in Asset Recovery Chain:

Assets Returned to Victim or Requesting Jurisdiction

Assets Returned (USD) - Description:

Total restitution for International Committee of the Red Cross programs in Latvia, Malaysia and Tunisia was CHF 1 million.

Agreement for Returned Assets:

Yes

Agreement for Returned Assets - Description:

Funds were transferred to the International Committee of the Red Cross for use in ICRC projects in Tunisia, Latvia and Malaysia. (Source: The Federal Authorities of the Swiss Confederation, "Criminal proceedings against Alstom entities are brought to a close," November 22, 2011.)

Case Summary:

According to the November 2011 Summary punishment order imposed by the Swiss authorities, Alstom Network Schweiz AG (Swiss subsidiary of the French company Alstom S.A.) was convicted of not having taken all necessary and reasonable organizational precautions to prevent bribery of foreign public officials in Latvia, Tunisia and Malaysia. In Latvia, "from 2006 onwards, the state energy company LATVENERGO AS had contracts to award in various projects in Latvia relating to the modernization of power stations. ALSTOM Power Sweden and ALSTOM Hydro Sweden signed various consultancy agreements with

companies of a former ALSTOM employee providing for success fees to be paid for the successful signing of delivery and maintenance contracts for power stations: Plavinas Hydro Power Plant 4, 5 and 7 and Plavinas Hydro Power Plant 1, 3, 6, 9 and 10. After the award of the two Plavinas projects to the Swedish Alstom companies, the companies paid the success fees to Alstom Network, which then transferred them to the former employee/consultant who in turn transferred the funds to three executives of the state company LATVENERGO who "were decisively involved in the decisions related to awarding projects. Apparently the sole interest was influencing LATVENERGO AS decision-makers with bribes to award the contract to ALSTOM." Alstom Schweiz was fined CHF 2.5 million; a compensatory claim of CHF 36.4 million was also imposed. The parent company Alstom S.A. paid the CHF 1 million in reparation, a third of which was to be used for International Committee of the Red Cross projects in Latvia. (Sources: Office of the Swiss Attorney General, Summary punishment order in the investigation of defendant Alstom Network Schweiz AG, November 22, 2011 and The Federal Authorities of the Swiss Confederation, "Criminal proceedings against Alstom entities are brought to a close," November 22, 2011.)

Disposition of Criminal Case(s):

According to the November 2011 press release by The Federal Authorities of the Swiss Confederation, Alstom Network Schweiz AG was convicted under article 102 of the Swiss Criminal Code of not having taken "all necessary and reasonable organizational precautions to prevent bribery of foreign public officials"; proceedings against the French parent company Alstom S.A. were dismissed based on art. 53 of the Swiss Criminal Code, imposing costs of proceedings and payment of reparations. (Source: The Federal Authorities of the Swiss Confederation, "Criminal proceedings against Alstom entities are brought to a close," November 22, 2011.)

Other Sources:

Office of the Swiss Attorney General, Summary punishment order in the investigation of defendant Alstom Network Schweiz AG, November 22, 2011, accessed at <http://www.scribd.com/doc/73503009/Summary-Punishment-Order>; The Federal Authorities of the Swiss Confederation, "Criminal proceedings against Alstom entities are brought to a close," November 22, 2011, accessed at <http://www.news.admin.ch/message/index.html?lang=en&msg-id=42300>.