

Alliance One International, Inc. / Bobby Jay Elkin Jr, Baxter J. Myers, Thomas G. Reynolds, Tommy L. Williams

Case ID:

ST-34

Case Cluster :

Alliance One International, Inc.

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Securities and Exchange Commission

Jurisdiction of Foreign Public Official(s) :

Kyrgyzstan, Thailand, Malawi, Greece, Indonesia, Mozambique, China

Year of Settlement:

2010

Month/Day of Settlement (or Notes):

04/28

Other Jurisdictions of Settlement:

Unknown

Settlement with Individual or Legal Person?:

Individual

Type of Settlement:

Civil

Legal Form of Settlement:

Consent to Permanent Injunction

Monetary Sanctions (Types):

Civil Penalty

Total Monetary Sanctions (US\$):

\$80,000.00

Civil Disgorgement of Profits (US\$) :

\$0

Civil Prejudgment Interest (US\$) :

\$0

Civil Fine / Penalty (US\$):

\$80,000

Monetary Sanctions Returned / Ordered Returned (US\$):

\$0

UNCAC Articles(s) Implicated:

Art.16

OECD Anti-Bribery Convention Articles Implicated:

Art. 1, Art. 8

Offenses - Alleged:

Bribery of foreign officials, Aiding and abetting Alliance's books and records violations, Aiding and abetting Alliance's internal controls violations

Offenses - Settled:

No admission or denial of alleged offenses

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the June 2011 United States Report to the OECD, "On August 6, 2010, two foreign subsidiaries of Alliance One International, Inc. (Alliance One), a global tobacco leaf merchant headquartered in Morrisville, N.C., were charged in separate three-count criminal informations with conspiring to violate the FCPA, violating the anti-bribery provisions of the FCPA, and violating the books and records provisions of the FCPA. On the same date, the SEC filed a settled civil action against Alliance One in the U.S. District Court for the District of Columbia. [] Previously, on August 3, 2010, Bobby Jay Elkin, Jr., Dimon's former Kyrgyzstan country manager, was charged with one-count of conspiring to violate the FCPA's anti-bribery provisions. Elkin, along with three other former Alliance One employees, was also charged by the SEC in a settled civil enforcement action filed on April 28, 2010. The criminal and civil charges filed against Alliance One, its subsidiaries, and former employees stem from bribery schemes in multiple countries," including from 1996 to 2004, \$3 million in bribes to various officials in the Republic of Kyrgyzstan, including officials of the Kyrgyz Tamekisi, a government entity which controlled and regulated the tobacco industry in Kyrgyzstan as well as provincial and tax officials; from 2000 to 2004, more than \$1.2 million in bribes to the Thailand Tobacco Monopoly officials; in China and Thailand, gifts and entertainment to government officials; in Greece, \$96,000 cash payment to a Greek tax official which resulted in a reduced tax payment from EUR 2.5 million to approximately EUR 600,000; in Indonesia, cash payment of approximately \$44,000 to an Indonesian tax official in exchange for terminating an audit and obtaining a tax refund of \$67,000. The Report noted that "On April 28, 2010, the SEC filed a settled civil action against Elkin, Myers, Reynolds, and Williams, which permanently enjoined them from future violations of the FCPA. Myers and Reynolds were each required to pay a \$40,000 civil penalty. The settlement against Elkin takes into account his cooperation with the Commission's investigation." (Source: US Report to the Organisation for Economic Co-operation and Development, "Steps taken to implement and enforce the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions," Information as of May 31, 2011, Alliance One International, Inc. Case Summary at 41-45.)

Sources :

US Report to the Organisation for Economic Co-operation and Development, "Steps taken to implement and enforce the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions," Information as of May 31, 2011, Alliance One International, Inc. Case Summary at 41-45, accessed at <http://www.oecd.org/dataoecd/18/8/42103833.pdf>. US Securities and Exchange Commission, Litigation Release No. 21509 / April 29, 2010, Securities and Exchange Commission v. Bobby J. Elkin, Jr., Baxter J. Myers, Thomas G. Reynolds, and Tommy L. Williams, Civil Action No. 1:10-cv-00661 (RMU) (D.D.C.) (filed April 28, 2010), "SEC Files Anti-Bribery Charges Against Former Finance Executives and Senior Employees Of Global Tobacco Company," accessed at <http://www.sec.gov/litigation/litreleases/2010/lr21509.htm>