

Aon Corporation

Case ID:

ST-46

Case Cluster :

Aon Corporation

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Department of Justice

Jurisdiction of Foreign Public Official(s) :

Bangladesh, Bulgaria, Costa Rica, Egypt, Indonesia, Myanmar, Panama, the United Arab Emirates, and Vietnam

Year of Settlement:

2011

Month/Day of Settlement (or Notes):

12/20

Other Jurisdictions of Settlement:

United Kingdom

Settlement with Individual or Legal Person?:

Legal Person

Type of Settlement:

Criminal

Legal Form of Settlement:

Non-Prosecution Agreement

Monetary Sanctions (Types):

Criminal Fine

Total Monetary Sanctions (US\$):

\$1,764,000.00

Criminal Fine/Penalty (US\$) :

\$1,764,000

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

\$0

UNCAC Articles(s) Implicated:

Art.16

Art.26

OECD Anti-Bribery Convention Articles Implicated:

Art. 1, Art. 2, Art. 8

Offenses - Alleged:

Falsification of books and records, Internal controls violations

Offenses - Settled:

Falsification of books and records, Internal controls violations

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the US Department of Justice Press Release, "Aon Corporation, a publicly

traded corporation headquartered in Chicago and one of the largest insurance brokerage firms in the world, has entered into an agreement with the Department of Justice to pay a \$1.76 million penalty to resolve violations of the Foreign Corrupt Practices Act (FCPA). [] According to the non-prosecution agreement, Aon's United Kingdom subsidiary, Aon Limited, administered certain training and education funds in connection with its reinsurance business with Instituto Nacional De Seguros (INS), Costa Rica's state-owned insurance company. The supposed purpose of the funds was to provide education and training for INS officials. However, between 1997 and 2005, Aon Limited used a significant portion of the funds to reimburse INS officials for non-training related activity, including travel with spouses to overseas tourist destinations, or for uses that could not be determined from Aon's books and records. Many of the invoices and other records for trips taken by INS officials did not provide any business purpose for the expenditures, or showed that the expenses were clearly not related to a legitimate business purpose. As part of the agreement, Aon admitted that Aon Limited's accounting books and records related to the funds, which were consolidated into Aon's books and records, did not accurately and fairly reflect the purpose for which the expenses were incurred. Aon also admitted that it failed to devise and maintain an adequate system of internal accounting controls with respect to foreign sales activities sufficient to ensure compliance with the FCPA." (Source: US Department of Justice Press Release, "Aon Corporation Agrees to Pay \$1.76 Million Criminal Penalty to Resolve Violations of the Foreign Corrupt Practices Act," December 20, 2011.) The Non-Prosecution Agreement stated that "The Department enters into this Non-Prosecution Agreement based, in part, on the following factors: (a) Aon's extraordinary cooperation with the Department and the U.S. Securities and Exchange Commission ("SEC"); (b) Aon's timely and complete disclosure of the facts described in Appendix A as well as facts relating to Aon's improper payments in Bangladesh, Bulgaria, Egypt, Indonesia, Myanmar, Panama, the United Arab Emirates, and Vietnam that it discovered during its thorough investigation of its global operations; (c) the early and extensive remedial efforts undertaken by Aon, including the substantial improvements the company has made to its anti-corruption compliance procedures; (d) the prior financial penalty of [GBP] 5.25 million paid to the United Kingdom's Financial Services Authority ("FSA") by Aon Limited, a U.K. subsidiary of Aon, in 2009, covering the conduct in Bangladesh, Bulgaria, Indonesia, Myanmar, the United Arab Emirates, and Vietnam; and (c) the FSA's close and continuous supervisory oversight over Aon Limited." (US Department of Justice, In Re: Aon Corporation, Non-Prosecution Agreement of December 20, 2011.)

Sources :

US Department of Justice, In Re: Aon Corporation, Non-Prosecution Agreement, December 20, 2011, accessed at <http://www.justice.gov/criminal/fraud/fcpa/cases/aon/2011-12-20-aon-final-executed-npa.pdf>; US Department of Justice Press Release, "Aon Corporation Agrees to Pay \$1.76 Million Criminal Penalty to Resolve Violations of the Foreign Corrupt Practices Act," December 20, 2011, accessed at <http://www.justice.gov/opa/pr/2011/December/11-crm-1678.html>