

Aon Corporation

Case ID:

ST-47

Case Cluster :

Aon Corporation

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Securities and Exchange Commission

Jurisdiction of Foreign Public Official(s) :

Costa Rica, Egypt, Vietnam, Indonesia, United Arab Emirates, Myanmar, Bangladesh and other unspecified countries

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:

Civil

Legal Form of Settlement:

Consent to Permanent Injunction

Monetary Sanctions (Types):

Disgorgement of Profits, Prejudgment Interest

Total Monetary Sanctions (US\$):

\$14,545,020.00

Civil Disgorgement of Profits (US\$) :

\$11,416,814

Civil Prejudgment Interest (US\$) :

\$3,128,206

Civil Fine / Penalty (US\$):

\$0

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:

No admission or denial of alleged offenses

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the Securities and Exchange Commission Litigation Release, on December 20, 2011, the Commission "today filed a settled enforcement action in the U.S. District Court for the District of Columbia against Aon Corporation (Aon), an Illinois-based global provider of risk management services, insurance and reinsurance brokerage, alleging violations of the books and records and internal controls provisions of the Foreign Corrupt Practices Act (FCPA). Aon will pay a total of approximately \$14.5 million in disgorgement and prejudgment interest to the SEC. In a related action, Aon will pay a \$1.764 million criminal fine to the U.S. Department of Justice (DOJ). The Commission's complaint alleges that Aon's subsidiaries made over \$3.6 million in improper payments to various parties between 1983 and 2007 as a means of obtaining or retaining insurance business in those countries. The complaint alleges that some of the improper payments were made directly or indirectly to foreign government officials who could award business directly to Aon subsidiaries, who were in position to influence others who could award business to Aon subsidiaries, or who could otherwise provide favorable business treatment for the company's interests. The complaint alleges that these payments were not accurately reflected in Aon's books and records, and that Aon failed to maintain an adequate internal control system reasonably designed to detect and prevent the improper payments. According to the Commission's complaint, the improper payments made by Aon's subsidiaries fall into two general categories: (i) training, travel, and entertainment provided to employees of foreign government-owned clients and third parties; and (ii) payments made to third-party facilitators. Aon subsidiaries made these payments in various countries around the world, including Costa Rica, Egypt, Vietnam, Indonesia, United Arab Emirates, Myanmar, and Bangladesh. The complaint alleges that Aon realized over \$11.4 million in profits from these improper payments." The SEC Litigation Release acknowledged the assistance of the UK Financial Services Authority in this matter. (Source: US Securities and Exchange Commission, Litigation Release No. 22203 / December 20, 2011, Securities and Exchange Commission vs. Aon Corporation, Civil Action No. 1:11-cv-02256 (D.D.C.) (filed Dec. 20, 2011), "SEC Files Settled FCPA Charges against Aon Corporation.")

Sources :

US Securities and Exchange Commission, Litigation Release No. 22203 / December 20, 2011, Securities and Exchange Commission vs. Aon Corporation, Civil Action No. 1:11-cv-02256 (D.D.C.) (filed Dec. 20, 2011), "SEC Files Settled FCPA Charges against Aon Corporation," accessed at <http://www.sec.gov/litigation/litreleases/2011/lr22203.htm>; Copy of Complaint (filed December 20, 2011), accessed at <http://www.scribd.com/doc/76161974/SEC-Complaint-Aon>.