

Aon Corporation / Aon Limited

Case ID:

ST-48

Case Cluster :

Aon Corporation

Jurisdiction of Settlement:

United Kingdom

Jurisdiction of Settlement / Enforcement Agency:

Financial Services Authority

Jurisdiction of Foreign Public Official(s) :

[payments to third parties in Bahrain, Bangladesh, Bulgaria, Burma, Indonesia, and Vietnam]

Year of Settlement:

2009

Month/Day of Settlement (or Notes):

1/6

Other Jurisdictions of Settlement:

Unknown

Settlement with Individual or Legal Person?:

Legal Person

Type of Settlement:

Civil

Legal Form of Settlement:

Final Notice (of Penalty)

Monetary Sanctions (Types):

Civil Penalty

Total Monetary Sanctions (US\$):

\$7,632,400.00

Civil Disgorgement of Profits (US\$) :

\$0

Civil Prejudgment Interest (US\$) :

\$0

Civil Fine / Penalty (US\$):

\$7,632,400

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:

Financial Services Authority Principle 3 (reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems)

Offenses - Settled:

Financial Services Authority Principle 3 (reasonable care to organise and control its affairs

responsibly and effectively, with adequate risk management systems)

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the UK Financial Services Authority's Final Notice of January 6, 2009 to Aon Limited, the FSA issued the penalty of GBP 5.25 million (US \$7,864,970) in respect to Aon Limited's breach of Principle 3 of the FSA's Principles for Businesses which occurred between January 2005 and September 2007. The Final Notice stated that the company qualified for a 30% discount under the FSA's settlement discount scheme and that without the discount the fine would have been GBP 7.5 million. As a result of the systems and controls failings at Aon Limited, this gave rise to unacceptable risk that Aon Ltd could become involved in potentially corrupt payments to win or retain business. During the relevant period, 66 suspicious payments amounting to US\$2.5 million and EUR 3.4 million were paid to nine "Overseas Third Parties" (and a number of other suspicious payments to those Overseas Third Parties were made prior to the 2005, before Aon became regulated by the FSA). The Final Order stated that as a result of the suspicious payments, business that may have been secured or retained amounted to approximately US \$7.2 million and EUR 1 million. An Explanatory Note of February 27, 2009 to the Final Order noted that while certain payments were made through Aon's Bahraini business (Aon Re Middle East WLL) during the Relevant Period, the Final Notice relates solely to Aon Ltd in the UK and the FSA's investigation did not identify any payments made to Bahraini individuals or companies. (Source: UK Financial Services Authority, Final Notice of January 6, 2009 to AON Limited and "Explanatory Note to the Final Notice for Aon Limited dated 6 January 2009," February 27, 2009, accessed at <http://www.fsa.gov.uk/pubs/final/aon.pdf> and UK Financial Services Authority Press Release, "FSA fines AON Limited [GBP] 5.25m for failings in its anti-bribery and corruption systems and controls," FSA/PN/004/2009, January 8, 2009, accessed at <http://www.fsa.gov.uk/pages/Library/Communication/PR/2009/004.shtml>.)

Sources :

UK Financial Services Authority, Final Notice of January 6, 2009 to AON Limited and "Explanatory Note to the Final Notice for Aon Limited dated 6 January 2009," February 27, 2009, accessed at <http://www.fsa.gov.uk/pubs/final/aon.pdf> and UK Financial Services Authority Press Release, "FSA fines AON Limited [GBP] 5.25m for failings in its anti-bribery and corruption systems and controls," FSA/PN/004/2009, January 8, 2009, accessed at <http://www.fsa.gov.uk/pages/Library/Communication/PR/2009/004.shtml>; see also, United Kingdom Report to the OECD, "Steps taken to implement and enforce the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (Information as of 16 August 2011), accessed at <http://www.oecd.org/dataoecd/17/30/48362318.pdf>