

Balfour Beatty plc

Case ID:

ST-59

Case Cluster :

Balfour Beatty plc

Jurisdiction of Settlement:

United Kingdom

Jurisdiction of Settlement / Enforcement Agency:

Serious Fraud Office

Jurisdiction of Foreign Public Official(s) :

Egypt

Year of Settlement:

2008

Month/Day of Settlement (or Notes):

10/06

Other Jurisdictions of Settlement:

Unknown

Settlement with Individual or Legal Person?:

Legal Person

Type of Settlement:

Civil

Legal Form of Settlement:

Civil Recovery Order (Proceeds of Crime Act)

Monetary Sanctions (Types):

Civil Recovery Order, Legal Costs

Total Monetary Sanctions (US\$):

\$3,983,920.00

Civil Disgorgement of Profits (US\$) :

\$3,983,920

Civil Prejudgment Interest (US\$) :

\$0

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:

Irregular payments relating to a contract

Offenses - Settled:

Inaccurate business records (Section 221 Companies Act 1985)

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the UK Serious Fraud Office Press Release, in April 2008 the SFO obtained the power to issue civil recovery orders under the Proceeds of Crime Act 2002, under which the SFO can recover property obtained by unlawful conduct. The October 8, 2009 SFO press release noted that "These provisions do not require a specific offence to be established against any particular company or individual, merely tht the property sought is the proceeds of unlawful conduct." Balfour Beatty brought the payment irregularities to the attention of the SFO; the payments occurred within a subsidiary entity [name not mentioned in the press release] during the construction of The Bibliotheca Project in Alexandria, Egypt, completed in 2001; the project was undertaken by a Balfour Beatty subsidiary in a joint venture with an Egyptian company. In a Consent Order agreed to on October 6, 2008 before the High Court, Balfour Beatty agreed to a settlement payment of GBP 2.25 million together with a contribution towards the costs of the Civil Recovery Order proceedings. (Source: UK Serious Fraud Office, "Balfour Beatty plc," October 6, 2008, accessed at <http://www.sfo.gov.uk/press-room/latest-press-releases/press-releases-2008/balfour-beatty-plc.aspx>). Balfour Beatty plc also announced the settlement in a statement released on October 8, 2008: "Balfour Beatty reaches full settlement of issues relating to Bibliotheca Alexandrina [sic] project," accessed at <http://www.balfourbeatty.com/index.asp?pageid=42&newsid=173>.

Sources :

UK Serious Fraud Office Press Release, "Balfour Beatty plc: Serious Fraud Office successfully obtains first ever Civil Recovery Order involving major plc.," October 6, 2008, accessed at <http://www.sfo.gov.uk/press-room/press-release-archive/press-releases-2008/balfour-beatty-plc.aspx>; Balfour Beatty plc company statement, "Balfour Beatty reaches full settlement of issues relating to Bibliotheca Alexandrina [sic] project," October 8, 2008, accessed at <http://www.balfourbeatty.com/index.asp?pageid=42&newsid=173>. 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>