

Bribery by Oil Services and Freight Forwarding Companies / Royal Dutch Shell plc & Shell Nigeria Exploration and Production Company

Case ID:

ST-97

Case Cluster :

Bribery by Oil Services and Freight Forwarding Companies

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Securities and Exchange Commission

Jurisdiction of Foreign Public Official(s) :

Nigeria

Year of Settlement:

2010

Month/Day of Settlement (or Notes):

11/04

Other Jurisdictions of Settlement:

[Nigeria - secondary source]

Settlement with Individual or Legal Person?:

Legal Person

Type of Settlement:

Civil

Legal Form of Settlement:

Consent to Cease-and-Desist Order

Monetary Sanctions (Types):

Disgorgement of Profits, Prejudgment Interest

Total Monetary Sanctions (US\$):

\$18,149,459.00

Civil Disgorgement of Profits (US\$) :

\$14,153,536

Civil Prejudgment Interest (US\$) :

\$3,995,923

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:

Bribery of foreign officials, Falsification of books and records, Internal controls violations

Offenses - Settled:

No admission or denial of alleged offenses

Public Procurement Contract / SOE Involved?:

No (Customs)

Summary:

According to the US Securities and Exchange Commission Order Instituting Cease and Desist Proceedings, "This matter concerns violations of the anti-bribery provisions of the Foreign Corrupt Practices Act ("FCPA") by Respondent [Shell Nigeria Exploration and Production Company] and the record keeping and internal controls provisions of the FCPA by Respondent Shell. From September 2002 through November 2005, SIEP [Shell International Exploration and Production, Inc.], on behalf of Shell, authorized the reimbursement or continued use of services provided by a company acting as a customs broker that involved suspicious payments of approximately \$3.5 million to officials of the Nigerian Customs Service in order to obtain preferential treatment during the customs process for the purpose of assisting Shell in obtaining or retaining business in Nigeria on Shell's Bonga Project. As a result of these payments, Shell profited in the amount of approximately \$14 million. None of the improper payments was accurately reflected in Shell's books and records, nor was Shell's system of internal accounting controls adequate at the time to detect and prevent these suspicious payments." (Source: In Re: Royal Dutch Shell plc and Shell Nigeria Exploration and Production Company, US Securities and Exchange Commission Order Instituting Cease and Desist Proceedings, Administrative Proceeding File No. 3-14107, November 4, 2010, accessed at <http://www.sec.gov/litigation/admin/2010/34-63243.pdf>.)

Sources :

Report by the United States to the OECD, "Steps taken to implement and enforce the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions" (June 2011), Bribery by Oil Services and Freight Forwarding Companies Case Summary at 32-37, accessed at <http://www.oecd.org/dataoecd/18/8/42103833.pdf>. In Re: Royal Dutch Shell plc and Shell Nigeria Exploration and Production Company, US Securities and Exchange Commission Order Instituting Cease and Desist Proceedings, Administrative Proceeding File No. 3-14107, November 4, 2010, accessed at <http://www.sec.gov/litigation/admin/2010/34-63243.pdf>