

Bribery by Oil Services and Freight Forwarding Companies / Tidewater Inc.

Case ID:

ST-99

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) :

Azerbaijan, Nigeria

Year of Settlement:

2010

Month/Day of Settlement (or Notes):

11/04

Other Jurisdictions of Settlement:

Unknown

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, Civil Penalty

Total Monetary Sanctions (US\$):

\$8,321,362.00

Civil Disgorgement of Profits (US\$) :

\$7,223,216.00

Civil Prejudgment Interest (US\$) :

\$881,146

Civil Fine / Penalty (US\$):

\$217,000

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:

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, Tax)

Summary:

According to the US Securities and Exchange Commission Litigation Release, on November 4, 2010, the Commission "charged New Orleans-based shipping company Tidewater Inc. with violating the Foreign Corrupt Practices Act (FCPA) for paying bribes to foreign government officials in Azerbaijan disguised as payments for legitimate services. Tidewater is also charged with authorizing improper payments to customs officials in Nigeria that were inaccurately recorded as legitimate expenses in the Company's books and records. The SEC alleges that Tidewater, directly or through its subsidiaries and agents, paid \$160,000 in bribes to foreign government officials in Azerbaijan in 2001, 2003 and 2005 in order to influence acts and decisions by Azeri tax officials to resolve local audits in favor of a Tidewater subsidiary. The SEC further alleges that from January 2002 through March 2007, Tidewater, through a subsidiary, reimbursed approximately \$1.6 million to its customs broker in Nigeria used to make improper payments to local Nigerian customs officials. These improper payments were made in order to induce the Nigerian officials to disregard regulatory requirements in Nigeria relating to the temporary importation of Tidewater's vessels into Nigerian waters. Tidewater improperly recorded these payments as legitimate expenses in its books and records."

(Source: US Securities and Exchange Commission, Litigation Release No. 21729 / November 4, 2010, Securities and Exchange Commission v. Tidewater Inc., Civil Action No. 2:10-CV-04180 (U.S. District Court for the Eastern District of Louisiana).)

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>. US Securities and Exchange Commission, Litigation Release No. 21729 / November 4, 2010, Securities and Exchange Commission v. Tidewater Inc., Civil Action No. 2:10-cv-04180 (U.S. District Court for the Eastern District of Louisiana), accessed at <http://www.sec.gov/litigation/litreleases/2010/lr21729.htm>; Complaint filed November 4, 2010, accessed at <http://www.sec.gov/litigation/complaints/2010/comp21729.pdf>