

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

Case ID:

ST-103

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:

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

Total Monetary Sanctions (US\$):

\$7,265,080.00

Civil Disgorgement of Profits (US\$) :

\$5,981,693

Civil Prejudgment Interest (US\$) :

\$1,283,387

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 Litigation Release, the Commission "filed a settled enforcement action on November 4, 2010, in the U.S. District Court for the District of Columbia charging Transocean Inc. ("Transocean"), an international provider of offshore drilling services and equipment to oil companies throughout the world, with violations of the anti-bribery, books and records, and internal controls provisions of the Foreign Corrupt Practices Act ("FCPA"). Transocean has agreed to pay disgorgement, interest, and a civil penalty totaling \$7,265,080 to settle the charges. The SEC's complaint alleges that: From at least 2002 through 2007, Transocean made illicit payments through its customs agents to Nigerian government officials to extend the temporary importation status of its drilling rigs, to obtain false paperwork associated with its drilling rigs, and obtain inward clearance authorizations for its rigs and a bond registration. In addition, Transocean made illicit payments through Panalpina World Transport Holding Ltd.'s Pancourier express courier service to Nigerian government officials to expedite the import of various goods, equipment and materials into Nigeria. In most instances, customs duties for these items were not paid by either Panalpina or Transocean. Transocean also made illicit payments through Panalpina to Nigerian government officials to expedite the delivery of medicine and other materials into Nigeria. Transocean's total gains from the conduct were approximately \$5,981,693." (Source: US Securities and Exchange Commission, Litigation Release No. 21725 / November 4, 2010, Securities & Exchange Commission v. Transocean Inc., Civil Action No. 1:10-CV-01891 (JDB) (D.D.C.), "SEC Charges Transocean for Bribery Scheme in Nigeria - Transocean to Pay Disgorgement and Civil Penalties of \$7,265,080.")

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. 21725 / November 4, 2010, Securities & Exchange Commission v. Transocean Inc., Civil Action No. 1:10-CV-01891 (JDB) (D.D.C.), "SEC Charges Transocean for Bribery Scheme in Nigeria - Transocean to Pay Disgorgement and Civil Penalties of \$7,265,080," accessed at <http://www.sec.gov/litigation/litreleases/2010/lr21725.htm>; Complaint filed November 4, 2010, accessed at <http://www.sec.gov/litigation/complaints/2010/comp21725.pdf>