

Bristow Group, Inc.

Case ID:

ST-113

Case Cluster :

Bristow Group, Inc.

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Securities and Exchange Commission

Jurisdiction of Foreign Public Official(s) :

Nigeria

Year of Settlement:

2007

Month/Day of Settlement (or Notes):

09/26

Other Jurisdictions of Settlement:

Unknown

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):

None

Total Monetary Sanctions (US\$):

\$0.00

Civil Disgorgement of Profits (US\$) :

\$0

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:

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

Offenses - Settled:

No admission or denial of allegations

Public Procurement Contract / SOE Involved?:

No (Tax)

Summary:

According to the June 2011 US Report to the OECD on the Enforcement of the Anti-Bribery Convention, "On September 26, 2007, the SEC instituted administrative proceedings against Bristow Group Inc., [] for violations of the FCPA. The SEC's administrative order alleged that Bristow violated the anti-bribery, internal controls, and books and records provisions of the FCPA as a consequence of the actions of two of its subsidiaries in Nigeria. According to the SEC's administrative filing, since at least 2003 and through approximately the end of 2004, Bristow Group's Nigerian affiliate, Pan African Airlines Nigeria Ltd. (PAAN), made improper payments totaling \$423,000 to employees of the governments of two Nigerian states to influence them to improperly reduce the amount of expatriate employment taxes payable by PAAN to the respective Nigerian state governments. At the end of each year, PAAN was subject to an expatriate "Pay As You Earn" (PAYE) tax, which was assessed on the salaries of PAAN employees by the government of each Nigerian state where PAAN operated. PAAN then negotiated with government tax officials to lower the amount assessed. In each instance, the PAYE tax demand amount was lowered and a separate cash payment for the tax officials was negotiated. Once PAAN paid the state government and the tax officials, each state government provided PAAN with a receipt reflecting only the amount payable to the state government. All together, PAAN secured an \$854,000 reduction in its PAYE tax liability in exchange for these improper payments. During that same time period, Bristow Group underreported PAAN and another Bristow Group Nigerian affiliate's payroll expenses to certain Nigerian state governments. As a result, Bristow Group's periodic reports filed with the SEC did not accurately reflect certain of the company's payroll-related expenses. Accordingly, the SEC's administrative order found that during this time period, Bristow Group had both lacked sufficient internal accounting controls and mischaracterized the payments as legitimate payroll expenses on its books and records." (Source: US Report to the Organisation for Economic Co-operation and Development, "Steps taken to implement and enforce the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions," Information as of May 31, 2011, Bristow Group Inc. Case, at 96-97.) According to the SEC Administrative Proceedings file, Bristow settled the charges by consenting to a cease and desist order; no monetary penalty was ordered. (Source: Securities and Exchange Commission, Administrative Proceeding File No. 3-12833, In the Matter of Bristow Group Inc., September 26, 2007, Order Instituting Cease and Desist Proceedings)

Sources :

US Report to the Organisation for Economic Co-operation and Development, "Steps taken to implement and enforce the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions," Information as of May 31, 2011, Bristol Group Inc. Case Summary, at 96-97, accessed at <http://www.oecd.org/dataoecd/18/8/42103833.pdf>; Securities and Exchange Commission, Administrative Proceeding File No. 3-12833, In the Matter of Bristow Group Inc., September 26, 2007, Order Instituting Cease and Desist Proceedings, accessed at <http://www.sec.gov/litigation/admin/2007/34-56533.pdf>