

## Innospec Inc.

**Case ID:**

ST-208

**Case Cluster :**

Innospec Inc.

**Jurisdiction of Settlement:**

United States

**Jurisdiction of Settlement / Enforcement Agency:**

Securities and Exchange Commission

**Jurisdiction of Foreign Public Official(s) :**

Indonesia, Iraq (UN Oil-for-Food); Iraq

**Year of Settlement:**

2010

**Month/Day of Settlement (or Notes):**

03/18

**Other Jurisdictions of Settlement:**

United Kingdom

**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

**Total Monetary Sanctions (US\$):**

\$11,200,000.00

**Civil Disgorgement of Profits (US\$) :**

\$11,200,000

**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, Falsification of books and records, Internal controls violations

**Offenses - Settled:**

No admission or denial of alleged offenses

**Public Procurement Contract / SOE Involved?:**

Yes

**Summary:**

According to the US Securities and Exchange Commission Litigation Release, "Without admitting or denying the Commission's allegations, Innospec has consented to the entry of a court order [ ] ordering it to pay \$60,071,613 in disgorgement, provided that the Commission waive all but \$11,200,000 of disgorgement and permitting payment in four installments based upon Innospec's sworn Statement of Financial Condition." (Source: US Securities and Exchange Commission Litigation Release No. 21454 / March 18, 2010, in Securities & Exchange Commission v. Innospec, Inc., Civil Action No. 1:10-cv-00448 (RMC) (D.D.C.)). The SEC had alleged that Innospec had paid bribes to Iraqi officials, from 2000-2007, in connection with their UN Oil-for-Food contracts and continued the misconduct after the UN Oil-for-Food Programme ended. The bribes included lavish trips and entertainment. According to the SEC's Litigation Release, the agency had also alleged that "Innospec also had several schemes to pay bribes to Indonesian government officials from at least 2000 through 2005 to win contracts with state owned oil and gas companies. Approximately \$2,883,507 in bribes was funneled through an Indonesian agent. One scheme involved bribes paid annually to a senior official at BP Migas; another involved "special commissions" paid to a Swiss account; and one involved a "one off payment" of \$300,000." (Source: Ibid. and Securities and Exchange Commission v. Innospec Inc., Case No. 1:10-cv-00448 (D.D.C.), Complaint filed on March 18, 2010.)

**Sources :**

US Securities and Exchange Commission Litigation Release No. 21454 / March 18, 2010, in Securities & Exchange Commission v. Innospec, Inc., Civil Action No. 1:10-cv-00448 (RMC) (D.D.C.), accessed at <http://www.sec.gov/litigation/litreleases/2010/lr21454.htm>; Securities and Exchange Commission v. Innospec Inc., Case No. 1:10-cv-00448 (D.D.C.), Complaint filed on March 18, 2010, accessed at <http://www.sec.gov/litigation/complaints/2010/comp21454.pdf>. See also, US Department of Justice Report to Congress, "Appendix C: Summaries of Foreign Corrupt Practices Act Enforcement Actions by the United States, January 1, 1998 - September 30, 2010," Innospec Inc. at 14-16, accessed at <http://www.justice.gov/criminal/fraud/fcpa/docs/response3-appx-c.pdf>