

Innospec Inc. / Indonesia / David P. Turner

Case ID:

ST-210

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)

Year of Settlement:

2010

Month/Day of Settlement (or Notes):

08/10

Other Jurisdictions of Settlement:

Unknown

Settlement with Individual or Legal Person?:

Individual

Type of Settlement:

Civil

Legal Form of Settlement:

Consent to Permanent Injunction

Monetary Sanctions (Types):

Disgorgement of Profits

Total Monetary Sanctions (US\$):

\$40,000.00

Civil Disgorgement of Profits (US\$) :

\$40,000

Civil Prejudgment Interest (US\$) :

\$0

Civil Fine / Penalty (US\$):

\$0

Monetary Sanctions Returned / Ordered Returned (US\$):

\$0

UNCAC Articles(s) Implicated:

Art.16

OECD Anti-Bribery Convention Articles Implicated:

Art. 1, Art. 8

Offenses - Alleged:

Bribery of foreign officials, Falsification of books and records, Internal controls violations, Aiding and abetting Innospec's falsification of books and records, Aiding and abetting Innospec's internal controls violations

Offenses - Settled:

No admission or denial of alleged offenses

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the 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: "Turner and other senior Innospec officials also caused more than \$2.8 million in bribes to be paid through an Indonesian agent to officials of the Indonesian government in order to secure contracts for Innospec." Period of misconduct in Indonesia, 2000-2005. The US v. Innospec, Case No. 1:10-cr-00061, Plea Agreement and Statement of Facts contains no additional details with respect to misconduct in Indonesia.

According to the SEC litigation release (August 5, 2010) in Securities & Exchange Commission v. David P. Turner and Ousama M. Naaman., Civil Action No. 1:10-CV-01309 (D.D.C.) (RMC), Turner was Business Director of Innospec's Tetra Ethyl Lean group. The SEC complaint had alleged that he engaged in bribery of Indonesian officials (officials V,X,Y and Z) in order to sell TEL to Indonesian state-owned oil companies and the TEL was sold in until 2005 in Indonesia to state owned companies - Pertamina, BP Migas and Leimgas - through Alcor Chemie Vertriebs GMBH ("Alcor"), a wholly owned subsidiary of Innospec; Alcor is incorporated in Switzerland and headquartered in Zug, Switzerland. According to the Turner complaint, "The bribes were made through Indonesian Agent and totaled approximately \$2,883,507. Innospec's revenues in connection with the illicit bribes were approximately \$48,571,937 and profits were \$21,506,610." (para 55.) The payments were proportionate to the amount of product sold. (Source: SEC v. David P. Turner and Ousama M. Naaman, Case No. 1:10-cv-01309 (D.D.C.), Complaint of August 4, 2010). Turner was ordered to disgorge \$40,000; the final judgment does not indicate how much of this amount is attributed to his misconduct in Indonesia. (Source: SEC v. Davis P. Turner, Case No. 1:10-cv-01309-RMC (D.D.C.), Final Judgment filed August 10, 2010, accessed at <http://fcpa.shearman.com/files/d77/d7776278ba193aae54822323ae19641e.pdf?i=a60613ed673d696fe>)

Sources :

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 www.justice.gov/criminal/fraud/fcpa/docs/response3-appx-c.pdf; US v. Innospec, Case No. 1:10-cr-00061-ESH (D.D.C.), Information filed March 17, 2010 and Plea Agreement and Statement of Facts filed March 18, 2010, both accessed at <http://www.justice.gov/criminal/fraud/fcpa/cases/innospec-inc.html>; SEC v. David P. Turner and Ousama M. Naaman, Case No. 1:10-cv-01309 (D.D.C.), Complaint of August 4, 2010, accessed at <http://www.sec.gov/litigation/complaints/2010/comp21615.pdf>; SEC v. Davis P. Turner, Case No. 1:10-cv-01309-RMC (D.D.C.), Final Judgment filed August 10, 2010, accessed at <http://fcpa.shearman.com/files/d77/d7776278ba193aae54822323ae19641e.pdf?i=a60613ed673d696fe>