

Innospec Inc. / Innospec Ltd (UK)

Case ID:

ST-211

Case Cluster :

Innospec Inc.

Jurisdiction of Settlement:

United Kingdom

Jurisdiction of Settlement / Enforcement Agency:

Serious Fraud Office

Jurisdiction of Foreign Public Official(s) :

Indonesia; Iraq (UN Oil-for-Food)

Year of Settlement:

2010

Month/Day of Settlement (or Notes):

03/18

Other Jurisdictions of Settlement:

United States

Settlement with Individual or Legal Person?:

Legal Person

Type of Settlement:

Civil

Legal Form of Settlement:

Civil Recovery Order (Proceeds of Crime Act)

Monetary Sanctions (Types):

Civil Recovery Order

Total Monetary Sanctions (US\$):

\$12,700,000.00

Criminal Fine/Penalty (US\$) :

\$0

Civil Disgorgement of Profits (US\$) :

\$12,700,000

Civil Prejudgment Interest (US\$) :

\$0

Civil Fine / Penalty (US\$):

\$0

Monetary Sanctions Returned / Ordered Returned (Explanation):

Unspecified

UNCAC Articles(s) Implicated:

Art.16

Art.26

OECD Anti-Bribery Convention Articles Implicated:

Art. 1, Art. 2

Offenses - Alleged:

Bribery of foreign officials

Offenses - Settled:

Bribery of foreign officials

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the UK Serious Fraud Office Press Release, "On 18 March 2010, Innospec Ltd appeared before Lord Justice Thomas at Southwark Crown Court and entered a plea of guilty to bribing employees of Pertamina (an Indonesian state owned refinery) and other government officials in Indonesia. At that hearing the judge indicated he would impose a financial penalty of the sterling equivalent of US\$12.7 million and he adjourned sentencing and remarks to today. In sentencing today, Lord Justice Thomas stated that that sum is to be paid by way of a fine. The 14-page judgment also includes guidance." The Judgment details the discussions between the United States and the United Kingdom with regards to the financial settlements by the two countries. (Sources: US Serious Fraud Office Press Release, "Innospec Judgment," March 26, 2010 and R. v. Innospec Limited, In the Crown Court at Southwark, Sentencing remarks of Lord Justice Thomas (26 March 2010).) In the Judgment, Lord Justice Thomas noted: "Through agents in Indonesia, the directing minds of the company engaged in systematic and large-scale corruption of senior Government officials. Those corrupted in this way included Rachmat Sudibyo, Director-General of Oil and Gas in the Ministry of Energy and Mineral Resources in Indonesia and subsequently Chairman of Migas, an authority that regulated oil and gas in Indonesia, and Suroso Atmomartoyo, a Director of Pertamina, the Indonesian state oil company, and one of the most senior members of its management. The bribes paid to Rachmat Sudibyo exceeded \$1 million. [] It is not possible to calculate precisely the total amount of the bribes, but the best estimate is approximately 5% of \$160 million, namely \$8 million." (Source: R. v. Innospec Limited, In the Crown Court at Southwark, Sentencing remarks of Lord Justice Thomas (26 March 2010).)

Sources :

R. v. Innospec Limited, In the Crown Court at Southwark, Sentencing remarks of Lord Justice Thomas (26 March 2010), accessed at <http://www.judiciary.gov.uk/NR/rdonlyres/5343F038-A6E5-448B-BB2D-7CA31F9E2DDA/0/sentencingremarksthomasljinnospec.pdf>; UK Serious Fraud Office, "Innospec Limited prosecuted for corruption by the SFO," March 18, 2010, accessed at <http://www.sfo.gov.uk/press-room/latest-press-releases/press-releases-2010/innospec-limited-prosecuted-for-corruption-by-the-sfo.aspx>; <http://www.sfo.gov.uk/press-room/press-release-archive/press-releases-2010/innospec-judgment.aspx>; UK Serious Fraud Office, "Innospec Judgment," March 26, 2010, accessed at <http://www.sfo.gov.uk/press-room/latest-press-releases/press-releases-2010/innospec-judgment.aspx>. See also, United Kingdom Report to the OECD, "Steps taken to implement and enforce the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (Information as of 16 August 2011), accessed at <http://www.oecd.org/dataoecd/17/30/48362318.pdf>