

Julian Messent (PWS International Ltd.)

Case ID:

ST-244

Case Cluster :

Julian Messent (PWS International Ltd.)

Jurisdiction of Settlement:

United Kingdom

Jurisdiction of Settlement / Enforcement Agency:

Serious Fraud Office

Jurisdiction of Foreign Public Official(s) :

Costa Rica

Year of Settlement:

2010

Month/Day of Settlement (or Notes):

10/26

Other Jurisdictions of Settlement:

Costa Rica

Settlement with Individual or Legal Person?:

Individual

Type of Settlement:

Criminal

Legal Form of Settlement:

Guilty Plea

Monetary Sanctions (Types):

Criminal Restitution

Total Monetary Sanctions (US\$):

\$157,399.00

Criminal Fine/Penalty (US\$) :

\$0

Criminal Restitution / Reparation (US\$):

\$157

399

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

\$157,399

Monetary Sanctions Returned / Ordered Returned (Explanation):

Restitution to Costa Rica

UNCAC Articles(s) Implicated:

Art.16

OECD Anti-Bribery Convention Articles Implicated:

Art. 2

Offenses - Alleged:

Making or authorizing corrupt payments (section 1(1) of the Prevention of Corruption Act 1906)

Offenses - Settled:

Making or authorizing corrupt payments (section 1(1) of the Prevention of Corruption Act 1906)

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the UK Serious Fraud Office Press Release, on October 26, 2010, Julian Messent, former head of the Property (Americas) Division at London-based insurance business PWS International Ltd., pleaded guilty at Southwark Court to two counts of making corrupt payments between February 1999 and 2002. He was sentenced to 21 months' imprisonment and ordered to pay GBP 100,000 in compensation within 28 days to the Republic of Costa Rica or serve an additional 12 months imprisonment if he fails to do so. The corrupt payments were: (1) in 1999, a payment of \$25,832.22 to Roxana Cordero Bogantes, the wife of Alvaro Alcuna, an agent of the Instituto Nacional de Seguros of the Republic of Costa Rica, and (2) in 2002, payment of \$250,000 to Reska Financial Inc., a company associated with an agent of the Instituto Nacional de Seguros of the Republic of Costa Rica, namely Critobal Zawadski; both payments were as inducement or reward for assisting in the appointment or retention of PWS International Limited as broker of the reinsurance contract known as "U-500." The Press Release also noted that between 1999 and 2002, Messent authorized 41 corrupt payments totalling \$1,982,230.77 to Costa Rican officials, their wives and associated companies. This was a joint investigation by the SFO and the City of London Police. Following elections in Costa Rica in 2002, officials in INS and ICE were replaced. Enquiries were made into the contract with PWS and the payments made under it; the Foreign and Commonwealth Office referred the case to SFO in October 2005. (Source: UK Serious Fraud Office, "Insurance Broker jailed for bribing Costa Rican officials," October 26, 2010.) The US Government cited the case of Julian Messent in its Response to ICE's [Instituto Costarricense de Electricidad's] Petition for Victim Status and Restitution, noting that in Messent's case, he had admitted that he authorized corrupt payments of almost \$2 million to Costa Rican officials at ICE and the state insurance company, Instituto Nacional de Seguros, and that under the UK sentencing order, Messent was not required to pay restitution to ICE or Instituto Nacional de Seguros. Rather, he was ordered to pay money to the government of Costa Rica, something which Alcatel-Lucent had done in the US settlement cases. (Source: US v. Alcatel France S.A., et al Case No. 1:10-cr-20906-MGC and US v. Alcatel-Lucent S.A., Case No. 1:10-cr-20907-MGC (S.D. Fla.), Government's Response to ICE's Petition for Victim Status and Restitution filed May 23, 2011).

Sources :

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>; UK Serious Fraud Office Press Release, "Insurance Broker jailed for bribing Costa Rican officials," October 26, 2010, accessed at <http://www.sfo.gov.uk/press-room/latest-press-releases/press-releases-2010/insurance-broker-jailed-for-bribing-costa-rican-officials.aspx>; US v. Alcatel France S.A., et al Case No. 1:10-cr-20906-MGC and US v. Alcatel-Lucent S.A., Case No. 1:10-cr-20907-MGC (S.D. Fla.), Government's Response to ICE's Petition for Victim Status and Restitution filed May 23, 2011 (obtained via Pacer).