

Niko Resources Ltd.

Case ID:

ST-287

Case Cluster :

Niko Resources Ltd.

Jurisdiction of Settlement:

Canada

Jurisdiction of Settlement / Enforcement Agency:

Crown Counsel

Jurisdiction of Foreign Public Official(s) :

Bangladesh

Year of Settlement:

2011

Month/Day of Settlement (or Notes):

06/24

Other Jurisdictions of Settlement:

Unknown

Settlement with Individual or Legal Person?:

Legal Person

Type of Settlement:

Criminal

Legal Form of Settlement:

Guilty Plea

Monetary Sanctions (Types):

Criminal Fine, Victim Surcharge

Total Monetary Sanctions (US\$):

\$9,731,180.00

Criminal Fine/Penalty (US\$) :

\$8,400,430

Criminal Restitution / Reparation (US\$):

\$1

330

750

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

Offenses - Alleged:

Provide Improper Benefits to Foreign Official (Section 3(1)(b) of the Corruption of Foreign Public Officials Act)

Offenses - Settled:

Provide Improper Benefits to Foreign Official (Section 3(1)(b) of the Corruption of Foreign

Public Officials Act)

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the press release issued by the Royal Canadian Mounted Police, "As a result of a six-year investigation conducted by the Calgary RCMP International Anti-Corruption Unit, a Calgary based, publicly-traded corporation, Niko Resources Ltd., was charged with one count of Section 3(1)(b) of the Corruption of Foreign Public Officials Act covering the period of February 1st, 2005 to June 30th, 2005. Between the dates of the indictment, Niko provided the following improper benefits: In May 2005, the company, through its subsidiary Niko Bangladesh, provided the use of a vehicle to AKM Mosharraf Hossain, the former Bangladeshi State Minister for Energy and Mineral Resources. The vehicle, which cost \$190,984 CAN, was provided in order to influence the Minister in dealings with Niko Bangladesh. In June 2005, Niko paid travel and accommodation expenses for Minister AKM Mosharraf Hossain to travel from Bangladesh to Calgary to attend the GO EXPO oil and gas exposition. Niko also improperly paid approximately \$5000 for non-business travel to New York and Chicago so the Minister could visit his family. Today, Niko Resources Ltd. attended the Court of Queen's Bench and entered a guilty plea to the charge. Counsel for the Crown and Niko made a recommendation to the Court for a fine of \$8,200,000 and the victim surcharge for a total of \$9,499,000.00, which Justice Brooker of the Court of Queen's Bench imposed as the appropriate sentence. Niko Resources Ltd. has also been placed under a Probation Order which puts the company under the Court's supervision for the next three years to ensure that audits are completed to examine Niko's compliance with the Corruption of Foreign Public Officials Act. These types of investigations are complex and resource intensive, involving many separate jurisdictions. In addition, they cannot be completed without the cooperation of authorities in other countries. The RCMP's International Anti-Corruption Unit would like to thank the Bangladesh Anti-Corruption Commission, the United States Department of Justice Fraud Section, the Federal Bureau of Investigation International Corruption Unit, as well as various law enforcement and government agencies in Switzerland, Japan, the United Kingdom, and Barbados." (Source: Royal Canadian Mounted Police Press Release, "Corruption Charges Laid Against NIKO Resources," June 24, 2011.)

Sources :

Royal Canadian Mounted Police Press Release, "Corruption Charges Laid Against NIKO Resources," June 24, 2011, accessed at <http://www.rcmp-grc.gc.ca/ab/news-nouvelles/2011/110624-niko-eng.htm>; The Corruption of Foreign Public Officials Act / A Guide, accessed at <http://www.justice.gc.ca/eng/dept-min/pub/cfpoa-lcape/index.html>; Between Her Majesty the Queens and Niko Resources Ltd., Agreed Statement of Facts (Queen's Bench of Alberta, Judicial District of Calgary), June 23, 2011, accessed at <http://www.osler.com/uploadedFiles/Agreed%20statement%20of%20facts.pdf>