

Paradigm, B.V.

Case ID:

ST-302

Case Cluster :

Paradigm, B.V.

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Department of Justice

Jurisdiction of Foreign Public Official(s) :

China, Indonesia, Kazakhstan, Mexico, Nigeria

Year of Settlement:

2007

Month/Day of Settlement (or Notes):

09/24

Other Jurisdictions of Settlement:

Unknown

Settlement with Individual or Legal Person?:

Legal Person

Type of Settlement:

Criminal

Legal Form of Settlement:

Non-Prosecution Agreement

Monetary Sanctions (Types):

Criminal Fine

Total Monetary Sanctions (US\$):

\$1,000,000.00

Criminal Fine/Penalty (US\$) :

\$1,000,000

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

\$0

UNCAC Articles(s) Implicated:

Art.16

Art.23

Art.26

OECD Anti-Bribery Convention Articles Implicated:

Art. 1, Art. 2, Art. 7

Offenses - Alleged:

Bribery of foreign officials

Offenses - Settled:

Bribery of foreign officials

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," Paradigm BV, at 82-83, accessed at www.justice.gov/criminal/fraud/fcpa/docs/response3-appx-c.pdf: Misconduct involved corrupt payments to employees of state-owned oil and gas companies in China (2006), Indonesia (2003), Kazakhstan (2005-2006), Latvia [dates not given], Mexico (2004-2005), and Nigeria (2003-2005). Resulting criminal enforcement action: In Re Paradigm B.V. (November 24, 2007). Settlement amount: Criminal fine of \$1 million. The involved misconduct is detailed in the Statement of Facts attached to the Non-prosecution agreement, which also noted that Paradigm is a Dutch Limited Liability Company, which moved its principal place of business in 2005 to Houston. (Source: In Re Paradigm BV, Non-prosecution agreement and statement of facts (September 21, 2007). According to the June 2011 United States Report to the OECD, "In one instance, the company paid \$22,250 into the Latvian bank account of a British West Indies company recommended as a consultant by an official of KazMunaiGas, Kazakhstan's national oil company, to secure a tender for geological software. [] Paradigm also used an agent in China to make commission payments to representatives of a subsidiary of the China National Offshore Company in connection with the sale of a software [] Paradigm also admitted to similar conduct in dealings in Mexico, Indonesia, and Nigeria." (Source: US Report to the Organisation for Economic Co-operation and Development, "Steps taken to implement and enforce the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions," Information as of May 31, 2011, Paradigm B.V. Case Summary at 98-99.)

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," Paradigm B.V. at 82-83, accessed at www.justice.gov/criminal/fraud/fcpa/docs/response3-appx-c.pdf; In Re Paradigm BV, Non-Prosecution Agreement and Statement of Facts (September 21, 2007), accessed at <http://www.justice.gov/criminal/fraud/fcpa/cases/paradigm/09-21-07paradigm-agree.pdf>; US Department of Justice Press Release, "Paradigm B.V. Agrees to Pay \$1 Million Penalty to Resolve Foreign Bribery Issues in Multiple Countries," September 24, 2007, accessed at http://www.justice.gov/opa/pr/2007/September/07_crm_751.html. US Report to the Organisation for Economic Co-operation and Development, "Steps taken to implement and enforce the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions," Information as of May 31, 2011, Paradigm B.V. Case Summary at 98-99, accessed at <http://www.oecd.org/dataoecd/18/8/42103833.pdf>.