

SINTEF Petroleum Research (SINTEF Petroleumforskning AS)

Case ID:

ST-330

Case Cluster :

SINTEF Petroleum Research

Jurisdiction of Settlement:

Norway

Jurisdiction of Settlement / Enforcement Agency:

Økokrim

Jurisdiction of Foreign Public Official(s) :

Iran

Year of Settlement:

2007

Month/Day of Settlement (or Notes):

11/02

Other Jurisdictions of Settlement:

Unknown

Settlement with Individual or Legal Person?:

Legal Person

Type of Settlement:

Criminal

Legal Form of Settlement:

Penalty Notice

Monetary Sanctions (Types):

Criminal Penalty

Total Monetary Sanctions (US\$):

\$370,782.00

Criminal Fine/Penalty (US\$) :

\$370,782

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:

Aggravated Bribery (criminal law, section 276b)

Offenses - Settled:

[Aggravated Bribery] - unclear from sources what was agreed to

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to a SINTEF Petroleum Research's statement posted on its website: "The Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime (Økokrim) has fined SINTEF Petroleum Research (SPR) NOK 2 million in connection with a consulting contract signed with an Iranian company in 2002. "We accept the fine", says SPR President May Britt Myhr. "SINTEF has prioritised upgrading its routines from the day we became aware of this matter, so we are pleased that Økokrim acknowledges that we have implemented a number of measures to prevent such incidents from happening again. We will certainly use this experience in our continued development of SINTEF into an internationally leading research company", states SINTEF President Unni Steinsmo. [] Økokrim has concluded that a consulting contract SPR signed with an Iranian company in 2002 broke the law. Økokrim launched an investigation of SPR in August 2005 after the NOPEF trade union had reported the company to the authorities. Økokrim believes that the contract was in breach of criminal law. It has therefore fined SPR and has charged the former President of SPR with serious corruption (General Civil Penal Code, §276a, see §276b)." (Source: SINTEF Press Release, "SINTEF Petroleum Research Accepts Fine," Published November 2, 2007.). The second case concerns bribery by a research and consulting company ("the Research Company case"). According to Norway's June 2011 OECD Phase 3 Report on the enforcement of the Anti-Bribery Convention, "Økokrim charged a senior executive of that company with serious corruption, and issued a penalty notice to the company in connection with a consulting contract signed with a foreign company in 2002. Økokrim launched an investigation on the company in 2005, following an internal whistleblower report. Økokrim believed that the contract was in breach of criminal law, section 276b (aggravated bribery). The company's fine was in the amount of NOK 2 million, which was accepted. In May 2007, the senior executive was acquitted by the Court of First Instance, who found there was insufficient evidence to convict." (Source: Norway Phase-3 Report at para 16.) The case summary on Økokrim's website states that SINTEF's contract involved an Iranian entity, as well as payments to Hinson Engineering Limited, which was registered in the British Virgin Islands and held a bank account in Switzerland ("Hinson Agreement") (Source: Økokrim, "Korrupsjon - SINTEF Petroleumsforskning AS," updated April 22, 2009.)

Sources :

SINTEF Press Release, "SINTEF Petroleum Research Accepts Fine," Published November 2, 2007, accessed at <http://www.sintef.no/home/Press-Room/Press-Releases/SINTEF-Petroleum-Research-accepts-fine/>; Organisation for Economic Co-operation and Development, "Phase 3 Report on Implementing the OECD Anti-Bribery Convention in Norway, June 2011, accessed at <http://www.oecd.org/dataoecd/38/59/48286802.pdf>; replace with <http://www.oecd.org/daf/anti-bribery/anti-briberyconvention/Norwayphase3reportEN.pdf>; Økokrim, "SINTEF Petroleumsforskning AS," updated April 22, 2009, accessed at <http://www.okokrim.no/artikler/sak-sintef>