

Statoil ASA / "Oil Company Case"

Case ID:

ST-336

Case Cluster :

Statoil ASA

Jurisdiction of Settlement:

Norway

Jurisdiction of Settlement / Enforcement Agency:

Økokrim

Jurisdiction of Foreign Public Official(s) :

Iran

Year of Settlement:

2004

Month/Day of Settlement (or Notes):

06/29

Other Jurisdictions of Settlement:

United States

Settlement with Individual or Legal Person?:

Legal Person

Type of Settlement:

Criminal

Legal Form of Settlement:

Penalty Notice

Monetary Sanctions (Types):

Criminal Fine

Total Monetary Sanctions (US\$):

\$3,000,000.00

Criminal Fine/Penalty (US\$) :

\$3,000,000

Monetary Sanctions Returned / Ordered Returned (Explanation):

Unspecified

UNCAC Articles(s) Implicated:

Art.16

Art.23

Art.26

OECD Anti-Bribery Convention Articles Implicated:

Art. 1, Art. 2, Art. 7

Offenses - Alleged:

Breach of trading influence (section 276c of the General Civil Penal Code); Bribery of Foreign Officials

Offenses - Settled:

No admission or denial of alleged offenses

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the June 2011 OECD Phase 3 Report on Norway: "A first case (the Oil Company case?) had been initiated at the time of the Phase 2 evaluation of Norway in 2004. Økokrim issued penalty notices to a large state-owned oil company, and a senior executive of the company. On 28 June 2004, Økokrim issued penalty notices to the oil company and the company's former executive Vice President. The Vice President had negotiated an agreement with a company registered in an off-shore jurisdiction, according to which the latter was to perform various consulting services for the oil company for an 11 year period. The oil company was to pay a total fee of USD 15.2 million for these alleged services. Payments were made to a foreign bank account in the name of a third company. In September 2003, following exposure by a Norwegian newspaper, the agreement was terminated. The real purpose of the agreement was to channel funds to a foreign citizen in return for his or others influencing individuals who were involved in decision-making relevant to the company's commercial activities in the foreign jurisdiction, including administrative acts concerning the awarding of contracts in the oil and gas sector. The advantage to be conferred according to the agreement was improper, notably because of the amount of the remuneration, and because the true purpose of the agreement was concealed. This consultancy contract was entered into in breach of the oil company's internal guidelines. The penalty notice stated that the senior executive failed to arrange for the termination of the agreement as soon as possible after the entering into force of the new Norwegian corruption legislation on 4 July 2003. The penalty notices describe the offences as a breach of the trading of influence statute (section 276c of the General Civil Penal Code) [] The company's fine was in the amount of NOK 20 million (EUR 2.4 million; USD 3 million), and the vice president's NOK 200 000 (EUR 24 000). Both fines were accepted.¹⁵ As the oil company was listed on the New York Stock Exchange, it was also fined, in a deferred prosecution agreement, USD 10.5 million by the Department of Justice (out of which the USD 3 million already paid to Norway was deducted); the Securities and Exchange Commission further required the company to disgorge USD 10.5 million." (Source: Organisation for Economic Co-Operation and Development, "Phase 3 Report on Implementing the OECD Anti-Bribery Convention in Norway," June 2011, at 7-8.)

Sources :

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> ; Statoil Company Press Release, "Statoil accepts Økokrim penalty in the Horton case," October 14, 2004, accessed at <http://www.statoil.com/en/NewsAndMedia/News/2004/Pages/StatoilAcceptsOkokrimPenaltyInTheHorton>