

Mabey & Johnson Ltd.

Case ID:

ST-261

Case Cluster :

Mabey & Johnson Ltd.

Jurisdiction of Settlement:

United Kingdom

Jurisdiction of Settlement / Enforcement Agency:

Serious Fraud Office

Jurisdiction of Foreign Public Official(s) :

Ghana, Jamaica, Iraq (UN Oil-for-Food)

Year of Settlement:

2009

Month/Day of Settlement (or Notes):

09/25

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, Criminal Restitution, Criminal Confiscation, Legal Costs, Monitoring Costs

Total Monetary Sanctions (US\$):

\$10,733,697.45

Criminal Fine/Penalty (US\$) :

\$5,679,205

Criminal Forfeiture / Confiscation (US\$):

\$1

784

893

Criminal Restitution / Reparation (US\$):

\$2

296

021

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

\$2,296,021

Monetary Sanctions Returned / Ordered Returned (Explanation):

Restitution to Ghana, Iraq via Development Fund for Iraq, Jamaica

UNCAC Articles(s) Implicated:

Art.16

Art.26

OECD Anti-Bribery Convention Articles Implicated:

Art. 1, Art. 2

Offenses - Alleged:

Bribery of foreign officials, Breach of UN Sanctions

Offenses - Settled:

Bribery of foreign officials, Breach of UN Sanctions

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the UK Serious Fraud Office Press Release of September 25, 2009, "Mabey & Johnson Ltd appeared at Southwark Crown Court today for sentence in relation to admitted offences of overseas corruption and breaching UN sanctions. The company is to pay £.6M. This is the first prosecution brought in the UK against a company for these offences. The company, which is a supplier of steel bridging and is based in Twyford, Berkshire, had already indicated at a magistrates' court hearing on 10 July 2009 that it would plead guilty to these offences. / Corruption - The prosecution for corruption arises from the company's voluntary disclosure to the SFO of evidence to indicate that the company had sought to influence decision-makers in public contracts in Jamaica and Ghana between 1993 and 2001. The decision to voluntarily disclose the corruption offences to the SFO was taken by the management of Mabey & Johnson's holding company in February 2008 whereupon an investigation was opened. / Breach of UN sanctions - The prosecution for breach of UN sanctions during 2001/02, as they applied to contracts in the Iraq "Oil-for-food" programme, arises from an investigation commenced in January 2007. The details of the sentence today are: Fines: Ghana £750,000; Jamaica £750,000; Iraq £2 million; Confiscation order £1.1million; Reparations: Ghana £658,000; Jamaica £139,000; Iraq £618,000. Costs to the SFO £350,000 First year monitoring cost up to £250,000." (Source: UK Serious Fraud Office Press Release, "Mabey & Johnson Ltd Sentencing," September 25, 2009.) According to a UK Parliamentary Report, "In respect of Jamaica and Ghana the company undertook to offer the sums described above to its customers in Jamaica and Ghana. The undertaking by the company included a provision dealing with the possibility that the company would be unable to reach an agreement with its customers within six years or if it became evident at a prior date that no such agreement was likely to be reached. In those circumstances the payment would be made to the SFO or any successor body. The SFO's understanding is that the reparation payment has been made to the customer in Jamaica. The company has been unsuccessful, however, in its attempts to reach agreement with its Ghanaian customer. It is understood that the issue here concerns the reluctance of the Ghanaian authorities to accept that any corruption was involved. A different scheme is in operation relating to Iraq. A Development Fund for Iraq was set up internationally and payments in Oil for Food cases are made to that fund. There is therefore an international mechanism for compensation." (Source: UK House of Commons, International Development Financial Crime and Development, Eleventh Report of Session 2010?12, Volume I (November 30, 2011), Appendix B, "Notes on Other Cases by the Serious Fraud Office.")

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, "Mabey & Johnson Ltd Sentencing," September 25, 2009, accessed at <http://www.sfo.gov.uk/press-room/press-release-archive/press-releases-2009/mabey--johnson-ltd-sentencing.aspx>; UK House of Commons, International Development Financial Crime and Development, Eleventh Report of Session 2010?12, Volume I (November 30, 2011), Appendix B, "Notes on Other Cases by the Serious Fraud Office," accessed at

<http://www.publications.parliament.uk/pa/cm201012/cmselect/cmintdev/847/84702.htm>