

Griffiths Energy International

Case ID:

ST-453

Case Cluster :

Griffiths Energy International

Jurisdiction of Settlement:

Canada

Jurisdiction of Settlement / Enforcement Agency:

Crown Prosecution Service

Jurisdiction of Foreign Public Official(s) :

Chad

Year of Settlement:

2013

Month/Day of Settlement (or Notes):

1/25

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; Victims Fund Surcharge

Total Monetary Sanctions (US\$):

\$10,340,283

Criminal Fine/Penalty (US\$) :

\$8,991,550

Criminal Forfeiture / Confiscation (US\$):

\$0

Criminal Restitution / Reparation (US\$):

\$1

348

733

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

\$1,348,733

Monetary Sanctions Returned / Ordered Returned (Explanation):

NA

UNCAC Articles(s) Implicated:

Art.16

OECD Anti-Bribery Convention Articles Implicated:

Art. 1, Art. 2

Offenses - Alleged:

Bribery of Foreign Officials, Abuse of Office

Offenses - Settled:

Bribery of Foreign Officials, Abuse of Office

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to an announcement by the Griffiths Energy company, "Griffiths Energy International Inc. ("Griffiths Energy" or "the Company") announced today that it reached a settlement and resolution with respect to a previously disclosed charge under section 3(1)(b) of Canada's Corruption of Foreign Public Officials Act ("CFPOA"). As previously disclosed, the matter involved certain contracts entered into by the prior management and Board of Directors of Griffiths Energy during the period between August 30, 2009 and February 9, 2011. Prior management entered into consulting contracts (the "Contracts") with two entities owned and controlled by a foreign public official and his spouse. At a court hearing on Tuesday the Company entered a guilty plea to the charge before the Court of Queen's Bench in Calgary, Alberta and agreed to pay a total fine of C\$10.35 million. Today the Court accepted the settlement. "Griffiths Energy regrets the actions of the prior management and Board. When we discovered the contracts we blew the whistle and cooperated with the authorities because this is how Griffiths Energy's current management and board conduct business," said Gary Guidry, President and Chief Executive Officer. "The negotiated resolution addresses the interests of all stakeholders. Now that the matter is closed, Griffiths Energy can focus all of its attention on oil exploration, development and production in Chad." In November 2011, as previously announced, Griffiths Energy voluntarily disclosed to the appropriate authorities that it had commenced an internal investigation into the Contracts. The exhaustive investigation, supervised by a special committee of independent directors of the Board and conducted by external legal counsel, was concluded in May 2012. At that time Griffiths Energy voluntarily shared the results with appropriate authorities and worked with them to conclude the matter today. The Company affirms that no influence was actually obtained as a result of providing the benefits to the foreign public official, and that the award of its Production Sharing Contracts was not in any way connected to the improper promises and benefits indirectly provided to the foreign public official. These proceedings have no impact on the security and veracity of the Company's significant license area in Chad and the case is now closed. Griffiths Energy's conduct since the discovery of these contracts, and the proactive and responsible steps taken by the current management and Board to immediately self-disclose these issues to law enforcement, were described at length by counsel and were considered by the Court to be significant factors in agreeing to the resolution that was jointly recommended by counsel to the Company and the Crown. The Court also took favourable notice that Griffiths Energy was prepared to self-disclose even though Canada had not yet established policies or protocols governing such voluntary disclosures, and Griffiths Energy received no tangible concessions from the authorities when it self-reported." (Source: "Griffiths Energy International Announces Settlement," Canada News Wire, January 25, 2013, at <http://www.newswire.ca/news-releases/griffiths-energy-international-announces-settlement-511886831.html>)

Sources :

R v. Griffiths Energy International Inc., Court of Queen's Bench of Alberta, Amended Agreed Statement of Facts, January 4, 2013, at http://www.millerchevalier.com/portalresource/Spring2013_GriffithsAmendedStatmentofFacts; "Griffiths Energy International Announces Settlement," Canada News Wire, January 25, 2013, at <http://www.newswire.ca/news-releases/griffiths-energy-international-announces-settlement-511886831.html>); Paul Michael Blyschak and John W. Boscariol, McCarthy Tetrault, "A Closer Look at the Griffiths Energy Case: Lessons and Insights on Canadian Anti-Corruption Enforcement," February 14, 2013, at http://www.mccarthy.ca/article_detail.aspx?id=6176

