

## Layne Christensen Company

**Case ID:**

ST-469

**Case Cluster :**

Layne Christensen Company

**Jurisdiction of Settlement:**

United States

**Jurisdiction of Settlement / Enforcement Agency:**

Securities and Exchange Commission

**Jurisdiction of Foreign Public Official(s) :**

Burkina Faso, Democratic Republic of Congo, Guinea, Mali, Tanzania

**Year of Settlement:**

2014

**Month/Day of Settlement (or Notes):**

10/27

**Other Jurisdictions of Settlement:**

Unknown

**Settlement with Individual or Legal Person?:**

Legal Person

**Type of Settlement:**

Civil

**Legal Form of Settlement:**

Cease and Desist Order

**Monetary Sanctions (Types):**

Disgorgement of Profits, Prejudgment Interest, Civil Penalty

**Total Monetary Sanctions (US\$):**

\$5,127,193

**Criminal Fine/Penalty (US\$) :**

NA

**Criminal Fine / Penalty (Explanation):**

NA

**Criminal Forfeiture / Confiscation (US\$):**

NA

**Criminal Restitution / Reparation (US\$):**

NA

**Civil Disgorgement of Profits (US\$) :**

\$3,893,472.42

**Civil Prejudgment Interest (US\$) :**

\$858,720.68

**Civil Fine / Penalty (US\$):**

\$375,000

**Other Civil Monetary Sanctions (US\$):**

\$0

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

\$0

**Monetary Sanctions Returned / Ordered Returned (Explanation):**

NA

**UNCAC Articles(s) Implicated:**

Art. 16

**OECD Anti-Bribery Convention Articles Implicated:**

Art. 1, Art. 2, Art. 8

**Offenses - Alleged:**

Bribery of foreign public officials, Falsification of books and records, Internal controls violations

**Offenses - Settled:**

No admission or denial of alleged offenses

**Public Procurement Contract / SOE Involved?:**

No (Customs, Tax, Permits)

**Summary:**

According to the US Securities and Exchange Commission, Layne Christen Co, "a global water management, construction, and drilling company headquartered in Texas was charged with violating the Foreign Corrupt Practices Act (FCPA) by making improper payments to foreign officials in several African countries in order to obtain beneficial treatment and reduce its tax liability. [ ] According to the SEC's order instituting settled administrative proceedings, Layne's misconduct occurred from 2005 to 2010. In addition to favorable tax treatment, the improper payments helped the company obtain customs clearance, work permits, and relief from inspections by immigration and labor officials in various African countries. Among the findings in the SEC's order: Layne paid nearly \$800,000 to foreign officials in Mali, Guinea, and the Democratic Republic of the Congo (DRC) to reduce its tax liability and avoid associated penalties for delinquent payment. The bribes enabled Layne to realize more than \$3.2 million in improper tax savings. Layne made improper payments to customs officials in Burkina Faso and the DRC to avoid paying customs duties and obtain clearance to import and export its equipment. The bribes were falsely recorded as legal fees and commissions in the company's books and records. Layne paid more than \$23,000 in cash to police, border patrol, immigration officials, and labor inspectors in Burkina Faso, Guinea, Tanzania, and the DRC to obtain border entry for its equipment and employees. The bribes also helped secure work permits for its expatriate employees and avoid penalties for non-compliance with local immigration and labor regulations." (Source: US SEC Press Release, "SEC Charges Texas-Based Layne Christensen Company With FCPA Violations," October 27, 2014.)

**Sources :**

US SEC Administrative Proceeding File No. 3-16216, In the Matter of Layne Christensen, October 24, 2014, at <https://www.sec.gov/litigation/admin/2014/34-73437.pdf>; SEC Press Release, "SEC Charges Texas-Based Layne Christensen Company With FCPA Violations," October 27, 2014., at <https://www.sec.gov/News/PressRelease/Detail/PressRelease/1370543291857>