

Nordion (Canada) Inc. / Mikhail Gourevitch

Case ID:

ST-474

Case Cluster :

Nordion (Canada) Inc.

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Securities and Exchange Commission

Jurisdiction of Foreign Public Official(s) :

Russia

Year of Settlement:

2016

Month/Day of Settlement (or Notes):

3/3

Other Jurisdictions of Settlement:

Unknown

Settlement with Individual or Legal Person?:

Individual

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\$):

\$178,950

Civil Disgorgement of Profits (US\$) :

\$100,000

Civil Prejudgment Interest (US\$) :

\$12,950

Civil Fine / Penalty (US\$):

\$66,000

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. 8

Offenses - Alleged:

Bribery of Foreign Officials, Falsification of Books and Records, Internal Controls Violations

Offenses - Settled:

No admission or denial of alleged offenses

Public Procurement Contract / SOE Involved?:

No (Licensing)

Summary:

According to the US Securities and Exchange Commission Administrative Proceeding release, "From at least 2004 through 2011, Nordion, Inc. (?Nordion?), a global health science company, violated the books and records and internal accounting controls provisions of the Foreign Corrupt Practices Act of 1977 (?FCPA?) in connection with payments made to a third party agent to obtain Russian government approval to distribute TheraSphere, Nordion?s liver cancer treatment, in Russia. Nordion failed to record those payments in a manner that accurately and fairly reflected the transactions in its books and records. Nordion also failed to devise and maintain adequate internal accounting controls to provide sufficient reassurances that Nordion funds were used as authorized, that third-party agents were appropriately vetted, and that Nordion adequately trained its employees to conduct business in countries with significant corruption risks." The Administrative Summary notes that the scheme failed and Nordion was unable to distribute TheraSphere in Russia and did not profit from the scheme. (Source: In re: Nordion (Canada) Inc., Administrative Proceeding File No. 3-17153, and Administrative Summary.) Mr. Gourevitch, former employee, arranged for the improper payments to a third party agent and provided false documentation to the company to conceal the payments. (Source: US SEC Administrative Summary, "SEC Charges Engineer and Former Employer with Bribe Scheme in Russia," March 3, 2016.)

Sources :

US Securities and Exchange Commission, Administrative Summary, "SEC Charges Engineer and Former Employer with Bribe Scheme in Russia," March 3, 2016, at <https://www.sec.gov/litigation/admin/2016/34-77288-s.pdf>