



ANTI-CORRUPTION DIGEST

October 2015

Welcome to Dorsey & Whitney’s monthly Anti-Corruption Digest. Anti-corruption enforcement crosses boundaries like no other, so keeping up to date is more important than ever. In this digest, we draw together news of enforcement activity throughout the world and aim to reduce your information overload. Our London, Minneapolis, New York and Washington DC offices edit the digest and select the most important material so that you can use this digest as a single source of information.

■ THE USA

Commentators Respond to DOJ’s Memo Regarding Enforcement Against Individual Actors

In last month’s edition of the *Digest*, we noted the memorandum authored by the DOJ’s Deputy Attorney General, Sally Yates. The memorandum, which has come to be known as the Yates Memo, indicates the DOJ’s focus on holding accountable the individuals who perpetrated corporate wrongdoing. Recently, scholars and practitioners have commented on the likely impact of the Yates Memo.

First, the fact that the DOJ is looking to hold individuals accountable is not breaking new ground. The Yates Memo is departing from current policy, however, in its proscription against prosecutors finalizing corporate resolutions “without a clear plan to resolve related individual cases.” Specifically, if the determination of individual criminal liability has not been concluded by the time of the corporate resolution, the Yates Memo requires

the prosecutor to create a written report that includes “a discussion of the potentially liable individuals, a description of the current status of the investigation regarding their conduct and the investigative work that remains to be done, and an investigative plan to bring the matter to resolution prior to the end of any statute of limitations period.”

Second, this renewed focus on a plan to resolve the entire case is important because, since 2010, the average investigatory duration of foreign bribery issues has doubled to more than six years. It is hoped that the renewed focus on holding individuals accountable and creating a plan to efficiently resolve the entire matter will improve the system in a way that results in a faster, better, and more just outcome for the both the public and the company or individuals under investigation.

SEC’s “Broken Windows” Enforcement Policy Shows Concrete Results in FCPA Enforcement

In October 2013, SEC Chairwoman Mary Jo White announced a “broken windows”

enforcement policy to “pursue even the smallest infractions” of U.S. securities laws, including the FCPA, as a means of deterrence. She stated that “[i]nvestors do not want someone who ignores minor violations, and waits for the big one that brings media attention. Instead, they want someone who understands that even the smallest infractions have victims, and that the smallest infractions are often just the first step toward bigger ones down the road.” She added that minor violations that a company fails to address often “feed bigger ones and, perhaps more importantly, can foster a culture where laws are increasingly treated as toothless guidelines.”

A recent review of SEC FCPA enforcement actions demonstrates that the SEC is vigorously pursuing both large and small infractions. In 2010, for example, the average cost to resolve an FCPA enforcement action with the DOJ or SEC was \$78 million (£50.5 million). In contrast, so far in 2015, the SEC has settled nine enforcement actions, at an average cost of just under \$9.7 million (£6.3 million). Moreover, this higher volume of smaller value settlements appears to be increasing, with five SEC FCPA cases being resolved during the third quarter of 2015.

Former Chief Financial Officer of Siemens Argentina Pleads Guilty to Role in Multimillion Dollar Foreign Bribery Scheme

Andres Truppel, the former CFO of Siemens S.A. (Siemens Argentina) pleaded guilty on September 30 to conspiring to pay tens of millions of dollars in bribes to Argentine government officials to secure, implement, and enforce a \$1 billion (£650 million) contract to create national identity cards. Mr. Truppel pleaded guilty to conspiring to violate the anti-bribery, internal controls, and books and records provisions of the FCPA and to commit wire fraud.

In 1998, the government of Argentina awarded to a subsidiary of Siemens AG a contract worth approximately \$1 billion (£650 million) to create state-of-the art national identity cards. Mr. Truppel admitted that he engaged in a decade-long scheme to pay tens of millions of dollars in bribes to Argentine government officials in connection with the project. He admitted that he and his co-conspirators concealed the illicit payments through various means, including using shell companies associated with intermediaries to disguise and launder the funds, and by paying \$7.4 million (£4.8 million) as part of a hedging contract with a foreign currency company incorporated in the Bahamas. Mr. Truppel and his co-conspirators also paid nearly \$1 million (£650,000) to a former official in Argentina’s Ministry of Justice and used a \$27 million (£17.5 million) contract between a Siemens entity and a company called MFast Consulting AG that purported to be for consulting services to conceal bribes to Argentine officials.

In 2008, Siemens AG paid \$800 million to settle FCPA books and records violations, with \$450 million (291.5 million) in criminal fines to the DOJ and \$350 million (£226.7 million) in civil penalties and disgorgement to the SEC. Mr. Truppel was one of the eight former Siemens executives or consultants indicted in the U.S. in December 2011. He attempted, unsuccessfully, to fight extradition in the Argentine courts, arguing that his extradition to the U.S. could subject him to double jeopardy. The other indicted former Siemens executives have not yet appeared in the U.S. criminal case - they live either in Argentina, Switzerland, or Germany. Additionally, in December 2013, Argentina charged seventeen people, eight current and nine former Siemens managers, with bribing Argentine officials.

Former IAP Vice President Sentenced to Jail for Four Months for Kuwait Bribes

On October 9, James Michael Rama, a former vice president of Florida defense and government contracting company IAP Worldwide Service was sentenced in federal court to 120 days in prison.

In June, we reported that IAP entered into a non-prosecution agreement with the DOJ and agreed to pay a \$7.1 million (£4.6 million) penalty to resolve the DOJ's investigation into an alleged conspiracy to bribe Kuwaiti officials to win a contract. Also in June, Mr. Rama pleaded guilty to one count of conspiracy to violate the anti-bribery provisions of the FCPA.

In 2004, Kuwait launched a project to develop nationwide surveillance capabilities through closed circuit television. IAP and Mr. Rama made a plan to ensure IAP would be the contractor selected for the project. According to the DOJ, in February 2006, Mr. Rama and other IAP executives and senior employees set up a shell company called Ramaco to bid on the first phase of the project. Ramaco won a \$4 million (£2.6 million) contract for the first phase of the work. Mr. Rama and IAP agreed to divert half the \$4 million (£2.6 million) to a consultant who would bribe Kuwaiti officials for award of the next phase of the work. Between September 2006 and March 2008, IAP and the co-conspirators paid the consultant almost \$1.8 million (£1.2 million), "understanding that some or all of the funds would be used to bribe Kuwaiti government officials."

Bristol-Myers Squibb Pays \$14 Million to Resolve China FCPA Offenses

On October 5, the SEC announced that Bristol-Myers Squibb agreed to settle charges that its joint venture in China made cash payments and provided other benefits to health

care providers at state-owned and state-controlled hospitals in exchange for prescription sales.

The SEC announced that "Bristol-Myers Squibb lacked effective internal controls over interactions with health care providers at BMS China, its majority owned joint venture." Between 2009 and 2014, BMS China sales representatives tried to win and increase business by giving health care providers cash, jewelry and other gifts, meals, travel, entertainment, and sponsorships for conferences and meetings. BMS China "inaccurately recorded the spending as legitimate business expenses in its books and records, which were then consolidated into the books and records of Bristol-Myers Squibb."

The New York-based pharmaceuticals company will pay more than \$14 million (£9 million) to settle the SEC's finding that it violated the FCPA's internal controls and recordkeeping provisions and made more than \$11 million (£7 million) in profits from its misconduct. Without admitting or denying the findings, the company agreed to disgorge to the SEC \$11.4 million (£7.4 million) in profits plus prejudgment interest of \$500,000 (£320,000) and pay a civil penalty of \$2.75 million (£1.8 million). Additionally, Bristol-Myers Squibb will report to the SEC for two years on the status of its remediation implementation of FCPA and anti-corruption compliance measures.

Hyperdynamics Resolves FCPA Offenses Linked to Guinea Payments

Hyperdynamics Corporation is reported to have settled alleged FCPA books and records and internal controls offenses by agreeing to pay the SEC \$75,000 (£48,500). The SEC and DOJ began investigating the Houston-based oil and gas company in 2013.

The company benefited greatly from cooperating with the investigating agencies and taking significant and fast remedial actions after discovering that its Guinean subsidiary had paid \$130,000 (£84,000) for services by third parties controlled by a company employee, for which there was inadequate supporting documentation to determine whether the services actually had been provided and to identify the ultimate recipient of the funds. As we reported in June, Hyperdynamics received a declination of prosecution by the DOJ due to its cooperation and remedial efforts. The SEC's cease-and-desist order does not include any allegations that Hyperdynamics paid any bribes. It focuses instead on the company's weak internal controls and lack of third-party diligence and monitoring. The resolution of the SEC's case, with no allegations of bribes being paid and a relatively small fine, conveys that the SEC is implementing its "broken windows" enforcement policy and that a company can best protect itself from an enforcement action by ensuring that its internal controls and compliance programs are sufficient.

The company agreed to entry of a no-admit-or-deny administrative cease-and-desist order by the SEC to resolve books and records and internal control violations, along with a payment of only \$75,000 (£48,800) in penalties to the SEC.

Hitachi Pays \$19 Million in FCPA Settlement for South Africa Bribes

The SEC has charged Tokyo-based Hitachi, Ltd. with violating the FCPA when it inaccurately recorded improper payments to South Africa's ruling political party in connection with contracts to build two multi-billion dollar power plants.

The SEC alleged that Hitachi sold a 25 percent stake in a South African subsidiary to a company serving as a front for the African

National Congress (ANC). The arrangement allowed the front company and ANC to share in profits from any power station contracts that Hitachi secured. Hitachi was ultimately awarded two contracts to construct power stations in South Africa. Hitachi paid the ANC's front company \$5 million (£3.2 million) in "dividends" from profits derived from the contracts. Through a separate, undisclosed agreement, Hitachi also paid the front company another \$1 million (£650,000) in "success fees" and inaccurately booked them as consulting fees without proper documentation.

The SEC stated that "Hitachi's lax internal control environment enabled its subsidiary to pay millions of dollars to a politically-connected front company for the ANC to win contracts with the South African government." Notably, instead of settling the enforcement action in the usual way through an internal administrative action, the SEC filed a civil complaint in the U.S. District for the District of Columbia. Hitachi agreed to pay \$19 million (£12 million) to settle the SEC charges, without admitting or denying the SEC's allegations. Because the SEC filed the complaint in federal court, the settlement requires court approval.

Honduran Bankers Prosecuted for Foreign Bribery

On October 7, the DOJ announced charges against four prominent Honduran bankers for laundering the proceeds of narcotics and bribery offenses through accounts located in the U.S. One defendant, Yankel Rosenthal Coello, was arrested in Miami. The other three defendants are fugitives. The defendants are not charged under the FCPA with anti-bribery offenses. Instead, they are alleged to have used drug money laundered in the U.S. to bribe foreign officials, which is a specific offense under 18 U.S.C. 1956.

The anti-money laundering statute is a powerful tool for prosecutors and the DOJ likely charged the defendants under this statute, rather than under the FCPA, for a number of reasons.

First, only Mr. Coello has a U.S. address, and all four hold Honduran passports, and there is no allegation that any of the defendants spent any time in the U.S. or acted from U.S. soil, which would be required for FCPA jurisdiction over a foreign national. The anti-money laundering statute, however, confers jurisdiction over foreign persons if one of their financial transactions or any part of it happened in the U.S. The Honduran defendants allegedly used the U.S. financial system to launder drug money and used some of that money to bribe foreign officials, thereby creating jurisdiction over all defendants.

Second, while FCPA anti-bribery offenses are punishable by up to five years in prison, offenses under the federal anti-money laundering statute, including conspiracy, are punishable by up to twenty years in prison. Thus, we may see prosecutors using the anti-money laundering statute more often to combat foreign bribery in cases involving difficult jurisdictional issues or more egregious cases.

THE UNITED KINGDOM

NCA Asked to Investigate Former Prime Minister of Mauritius

The National Crime Agency (the “NCA”), the UK’s national law enforcement body that replaced the Serious Organized Crime Agency, has reportedly been asked to investigate the finances of Navin Ramgoolam after £4 million (\$6.2 million) in cash was found at his home in Mauritius earlier this year. The former Prime Minister, who holds a British passport, stands accused of involvement in an alleged corrupt contract between Airbus and Air Mauritius.

Mr. Ramgoolam is reported to have denied any wrongdoing, stating that the cash represented campaign funds which were given to him by his supporters. According to reports, he claims in his defense that he is the victim of a “dirty tricks campaign” by his political opponents, to stifle his return to politics.

It is believed that the NCA has contacted authorities in Mauritius, requesting details of credit cards that were found along with the cash. This comes despite pleas made by a source close to Mr. Ramgoolam, that he has “no properties, no share portfolios, no homes or houses” in the UK. The source also disclosed that Mr. Ramgoolam has a car in the UK, but did not disclose, as reported, that it is a Rolls-Royce with a personalized number plate.

Operation Elveden

The ongoing investigation into corruption in the UK press, Operation Elveden, is currently focusing on Chris Pharo, a news editor at the Sun, and Jamie Pyatt, a district reporter for the tabloid newspaper. Both are on trial and face charges of aiding and abetting a police officer to commit misconduct in public office.

Prosecutors allege that between 2002 and 2011 Mr. Pharo authorized the payment of £10,000 (\$15,500) to the officer in return for information given to Mr. Pyatt. Julian Christopher QC argued that Mr. Pharo’s role in the matter was clear; he approved payments to sources and “knew full well” that Mr. Pyatt had an officer contact. The prosecutor added that, “it is an important role Mr. Pharo was playing in the decision as to who should be paid what and whether cash could be justified.”

Under cross examination, Mr. Pharo told jurors that the system of cash payments, which had been running for three decades, was an “annoyance” to him, however he would have lost his job if he tried to change it. Mr. Pyatt

said that he believed he was “not doing anything wrong” and thought that his actions were justified following evidence given by the tabloid’s former editor, Rebekah Brooks, to MPs in 2003. Mr. Pyatt claimed that it “backs up everything I have ever believed - that News International pays public officials for information”.

The trial is ongoing.

Allegations of Corruption Regarding the £1.2 Billion Sale of a Property Portfolio in Northern Ireland

The sale of a Belfast property portfolio by the National Asset Management Agency is under investigation following accusations that politicians were to gain from a £7 million (\$11 million) “fixer’s fee”.

Valued at £1.2 billion (\$1.85 billion), Project Eagle concerned the sale of loans attached to a portfolio of 850 properties and represented Northern Ireland’s biggest property deal. The National Asset Management Agency, which functions as a bad bank, acquiring property development loans from Irish banks, refuted allegations made by a member of the Irish Parliament that the properties were actually sold at undervalue to the US private equity group, Cerberus Capital Management.

Nama’s chairman, Frank Daly, dismissed allegations that the taxpayer was defrauded, stating that the £1.2 billion (\$1.85 billion) bid, which reportedly represented 27% of the nominal value of the portfolio, was “the highest that that any bidder was prepared to pay.”

The former First Minister of Northern Ireland, Peter Robinson, has also become involved in the matter, having been alleged to be one of the politicians set to gain from the illicit £7 million (\$11 million) payment. Mr. Robinson is reported to have refuted the “scurrilous and

unfounded” claims that he was due to receive part of the sum following the sale of the portfolio:

“I repeat, I neither received, expected to receive, sought, nor was I offered a single penny as a result of the Nama sale.”

The National Crime Agency (the “NCA”) is said to be investigating the sale of the portfolio, as is the US Department of Justice, which is reportedly in the early stages of probing allegations of irregular payments around the transaction.

Corruption Investigation into the Metropolitan Police Licensing Unit

It has been reported that police officers based at the Metropolitan Police Licensing Unit in Westminster (the “Unit”), which is responsible for granting entertainment and alcohol permits, allegedly accepted cash payments and other inducements from private security firms in return for insisting that clubs and bars in Soho, London, use their services.

According to reports, seven individuals, including three police officers, have been arrested on suspicion of conspiracy to commit misconduct in public office. The two officers at the center of the claims are said to be a sergeant and a constable from the Unit. The matter is said to be part of an ongoing police operation, Operation Joseph, which is led by detectives from Scotland Yard’s Directorate of Professional Standards.

A former Metropolitan Police detective who now owns a London-based security company is reported to have previously complained to Scotland Yard’s anti-corruption unit that “massive corruption between TSS and the Metropolitan Police” had created a “monopoly” for the security company. TSS is said to have denied the allegations, claiming that the “company works to the highest standards,

maintaining at all times its integrity and honesty”.

The two officers have reportedly been suspended and have been released on bail pending further inquiries.

FCA Publishes New Rules on Whistleblowing

The Financial Conduct Authority (the “FCA”) has introduced a new framework to encourage and incentivize whistleblowing among employees. The move was reportedly initiated following various matters in the banking and insurance sectors, such as the manipulation of Libor by banks, which led to Members of Parliament recommending that it should be easier for whistleblowers to air their complaints.

The new rules are due to come into force in September 2016 and will require firms with over £250 million (\$385 million) in assets to educate employees about their whistleblowing rights along with a number of other measures:

- Appoint a "whistleblower's champion".
- Make arrangements to handle disclosures from all employees.
- Present a report on whistleblowing to the board every year.

The acting Chief Executive of the FCA, Tracy McDermott, noted that "whistleblowers play an important role in exposing poor practice in firms, and they have in the past few years contributed intelligence crucial to action taken against firms and individuals.”

THE REST OF THE WORLD

China: Conviction of Two Senior Officials for Corruption

Authorities in China have reported that two senior officials have been convicted of corruption.

According to the Hanjiang Intermediate People's Court in central China, the former chairman of the state-run China National Petroleum Corp., Jiang Jiemin, received ¥14 million (\$2.3 million/£1.5 million) in bribes and failed to explain the source of another ¥15 million (\$2.35 million/£1.52 million). Further to this, Mr. Jiang is said by the court to have violated regulations by providing assistance to others, resulting in losses to the state. Mr. Jiang received a sentence of 16 years in prison.

On the same day as Mr. Jiang’s conviction, the Xianning Intermediate People's Court, also in central China, reportedly convicted Li Chuncheng, a former deputy party chief for the southwestern province of Sichuan, on corruption charges. According to the court, Mr. Li received nearly ¥40 million (\$6.45 million/£4.2 million) in bribes and was consequently sentenced to 13 years in prison.

China: Investigation into General Administration of Sport Official

China’s former deputy head of the General Administration of Sport is reportedly facing prosecution for corruption following an investigation by the Communist Party’s corruption regulator.

Xiao Tian, who once sat on China’s Olympic Committee, is alleged to have taken bribes, spent government funds on banquets and abused his position to get promotions for his wife. According to the Central Commission for Discipline Inspection, Mr. Tian sought benefits

for others in approving sports competitions and industry operations. He also stands accused of interfering in the investigation by moving funds and engaging in a “conspiracy of silence”.

Mr. Tian has been expelled from the Communist Party and his case has reportedly been handed to the legal authorities.

Croatia

The Supreme Court in Croatia has reportedly ordered the retrial of the country’s former Prime Minister, Ivo Sanader, having annulled his 2014 conviction for fixing public tenders and abusing state funds. Earlier in the year Mr. Sanader had two other corruption convictions against him annulled by Croatia’s Constitutional Court, as reported in the August edition of the *Digest*.

The more recent ruling relates to matters in 2013 when Mr. Sanader was found guilty of agreeing to accept a \$6.4 million (£4.15 million) bribe from MOL, the Hungarian oil and gas group, in return for giving them full management rights over the Croatian oil company, INA. Mr. Sanader is now subject to bail of 12.4 million kuna (\$1.8 million/£1.2 million) after the court ruled that procedural errors had affected his right to a fair trial in that case.

Germany

It has been reported that the government in Germany is concerned that Volkswagen’s (“VW”) reported admission that its cars were fitted with a “defeat device”, allowing its cars to produce up to 40 times more pollution than permitted, is putting the reputation of the country’s automotive industry at risk.

The accusations were made by the Environment Protection Agency (the “EPA”)

in the US, that VW had installed an illegal device in its vehicles that substantially reduced the levels of nitrogen oxide emissions when the cars were undergoing emission tests. This has reportedly resulted in the US government ordering VW to recall 482,000 VW and Audi cars produced since 2009.

The German economy minister, Sigmar Gabriel, expressed concern regarding the impact of what he called “a bad case” for the country’s vital car industry, urging VW to clear up the allegations. Martin Winterkorn, the chief executive of VW apologized for the matter:

“I personally am deeply sorry that we have broken the trust of our customers and the public ... Volkswagen has ordered an external investigation of this matter.”

The EPA reportedly stated that VW could face legal action and fines in the US, including a potential breach of the Clean Air Act. The maximum fine for violations of the act is \$37,500 (£24,400) per vehicle, which could result in a fine in the billions of dollars.

Greece

Thomas Liakounakos, who is said to have been a commercial agent for Ericsson, has reportedly been charged with bribery and money laundering offences dating back to 1999. The move follows a Greek initiative to clamp down on corruption, with prosecutors carrying out a number of investigations.

Mr. Liakounakos stands accused of allegedly paying a bribe of €2 million (\$2.3 million/£1.5 million) to a Greek official in order to secure a €532 million (\$605 million/£390 million) deal regarding an Ericsson airborne surveillance system. Prosecutors allege that the bribe was paid through an offshore company belonging to

Mr. Liakounakos. He has denied any wrongdoing, claiming that:

“I have not bribed, as I have stated repeatedly, any state official. My professional activity has always been transparent and legal and my incomes evident and taxed in Greece.”

A spokesperson for Ericsson stated that the company “has a zero tolerance against bribes and corruption” while not commenting directly on the arrest of Mr. Liakounakos.

International

The ongoing investigation into corruption at FIFA, the governing body of soccer, has seen four major sponsors, Coca-Cola Co., McDonald’s Corp., Visa Inc. and Anheuser-Busch InBev NV, calling for FIFA’s President, Sepp Blatter to step down from the position with immediate effect.

The knock-on effect has been drastic. FIFA has since confirmed that Mr. Blatter, and Michel Platini, who many touted as Mr. Blatter’s successor, have been provisionally suspended for 90 days following allegations of corruption. According to FIFA, the bans were imposed due to “investigations that are being carried out by the investigatory committee”.

Mr. Platini has reportedly denied the allegations, claiming to be the victim of an “insidious attempt” to damage his reputation. He is also reported to have maintained his ambition to become president of FIFA, insisting that he would continue with his campaign. According to reports Mr. Blatter has appealed against the suspension.

In an effort to reform, the organisation currently has two programmes being worked on by Domenico Scala, who is responsible for audit and compliance within FIFA, and a Swiss lawyer, Francois Carrard. This has not however

silenced demands for an entirely independent reform commission.

Italy

Police in Italy have reportedly arrested Mario Mantovani, a high-ranking politician in the Lombardy regional government, for corruption. It is said that the arrest took place just moments before he was due to attend a conference promoting legality in public administration.

Being a former senator, Mr. Mantovani is the second-highest ranking figure in the government in Lombardy, which covers the city of Milan. He is suspected to have rigged public tenders between 2012 and 2014. An aide of Mr. Mantovani also faces charges of wrongdoing.

The court provided no further details.

Kyrgyzstan

It has been reported that following an announcement by authorities in Kyrgyzstan that they had opened a corruption investigation into the country’s Defense Minister, Abibilla Kudaiberdiev, he has been removed from his post by the President.

It is alleged by the Corruption and Control Service that Mr. Kudaiberdiev, along with others, misappropriated funds from the Defense Ministry’s 2014 budget. According to reports, they are alleged to have embezzled a total of 12 million soms (\$175,000/£113,000). The charges against Mr. Kudaiberdiev reportedly include abuse of power, forgery and embezzlement.

Defense Ministry officials have not yet commented on the case.

Romania

The company managing the water supply and sewage systems in Bucharest, Apa Nova Bucuresti (“Apa Nova”), is reported to be under investigation by the country’s National Anti-Corruption Directorate (the “DNA”). Apa Nova is alleged to have fixed water prices in the Romanian capital.

According to prosecutors, the company paid out “millions of Euros” in bribes to Romanian officials in order to inflate the price of water, which is said to have increased by nearly 125% since 2008. Following a search of the Apa Nova's offices, two executives of the company, Bruno Roche and Laurent Lalague, have reportedly been accused by the DNA of establishing secret bank accounts and creating fictitious contracts. It is alleged that between 2008 and 2015 these were used to pay over €12 million (\$13.7 million/£8.9 million) in bribes to two Bucharest officials and a businessman, who in return used their influence to pass policies that would favor the company.

The DNA has stated that criminal proceedings have since been initiated against Mr. Roche while the prosecution is continuing to investigate Mr. Lalague. Three Romanians, including the former advisor to the Bucharest mayor and a former party treasurer, have also been arrested in connection with the matter.

Singapore

It has been reported that Soh Yew Meng, a former director of Resorts World Sentosa (“RWS”), has been charged with seven counts of corruptly obtaining, or corruptly attempting to obtain, bribes from six contractors. It is alleged that at least SGD 317,000 (\$230,000/£150,000) was received by Mr. Soh in exchange for “furthering the business interests” of the contractors with regards to projects located in RWS.

It is said that most of the bribes received by Mr. Soh came via an independent quality surveyor, Tan Siow Hui, who has also been charged regarding the matter. Mr. Tan reportedly faces six counts of abatement by engaging in a conspiracy with Mr. Soh to corruptly obtain payments from the contractors.

For each charge, both individuals face up to five years in prison along with a fine of up to SGD 100,000 (\$70,000/£45,000). Both are reported to have told the judge that they intend to face trial.

Thailand

Thailand’s National Anti-Corruption Commission (the “NACC”) is said to be investigating allegations that the Australian gold mine operator, Kingsgate Consolidated (“Kingsgate”), bribed Thai officials in order to obtain a gold mining concession. The mine in question is the Chatree mine, 280 kilometers north of Bangkok, and is the largest gold mine in Thailand.

Wicha Mahakhun, chairman of a commission established to investigate the allegations, told journalists that initial evidence has been sent to Thai authorities from the Australian Securities and Investment Commission (the “ASIC”).

Kingsgate’s Chief Executive Officer, Greg Foulis, has stated that the company has always acted in accordance with Thai mining laws and had never made an improper payment in return for a mining lease in the country. Mr. Foulis added that the Sydney based company would fully cooperate with the Thai authorities.

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Corruption issues are also addressed in the Anti-Fraud Network's newsletters: see www.antifraudnetwork.com for current and archived material; see also the Computer Fraud website at <http://computerfraud.us> and www.secactions.com.

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