



Dutch Chapter of the Institute of  
Operational Risk

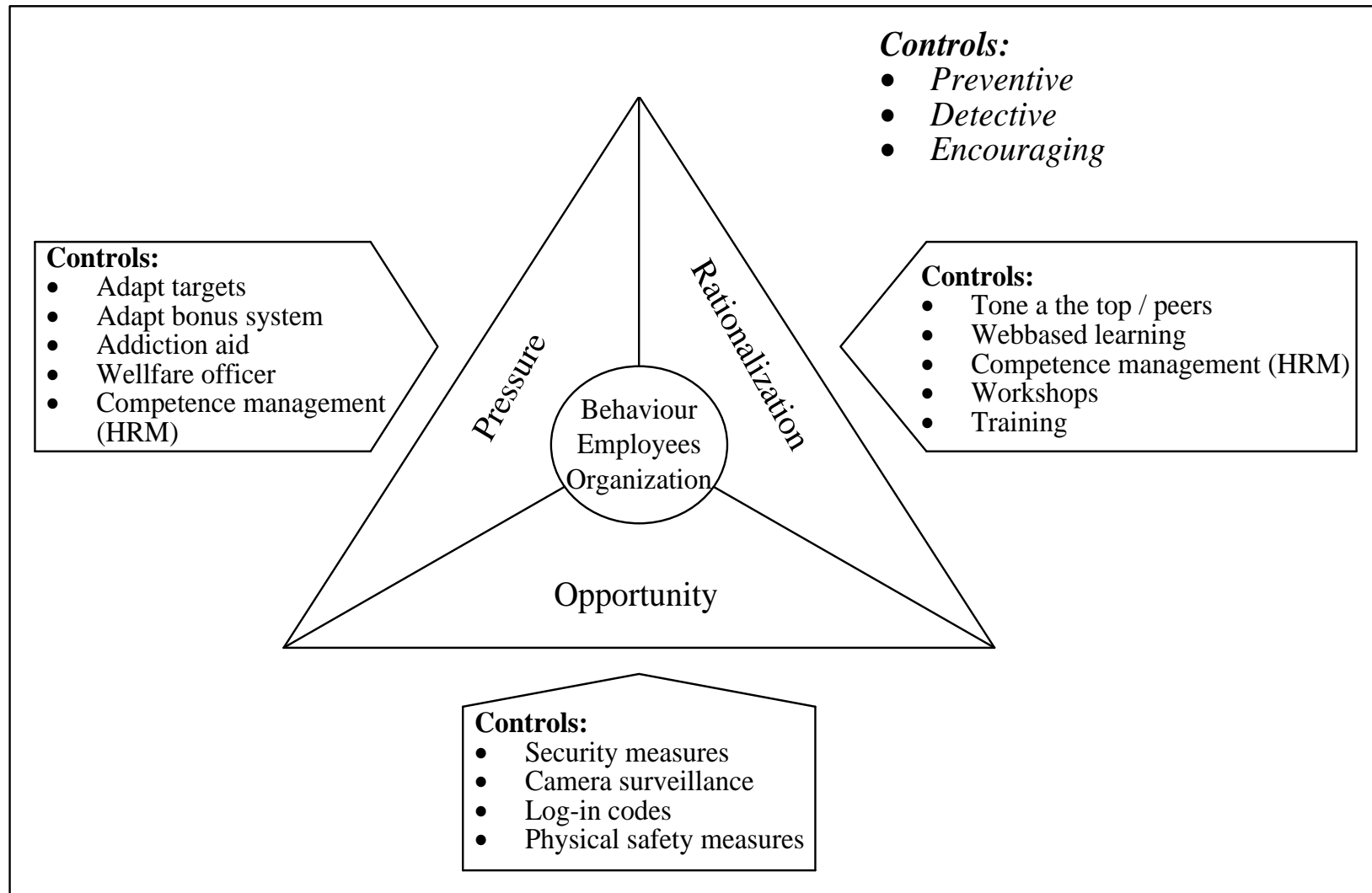
Risk, Compliance and Ethics  
Teaming Up in a Changing World

**Prof. Dr. Sylvie C. Bleker-van Eyk**

Amsterdam, 10<sup>th</sup> September, 2015

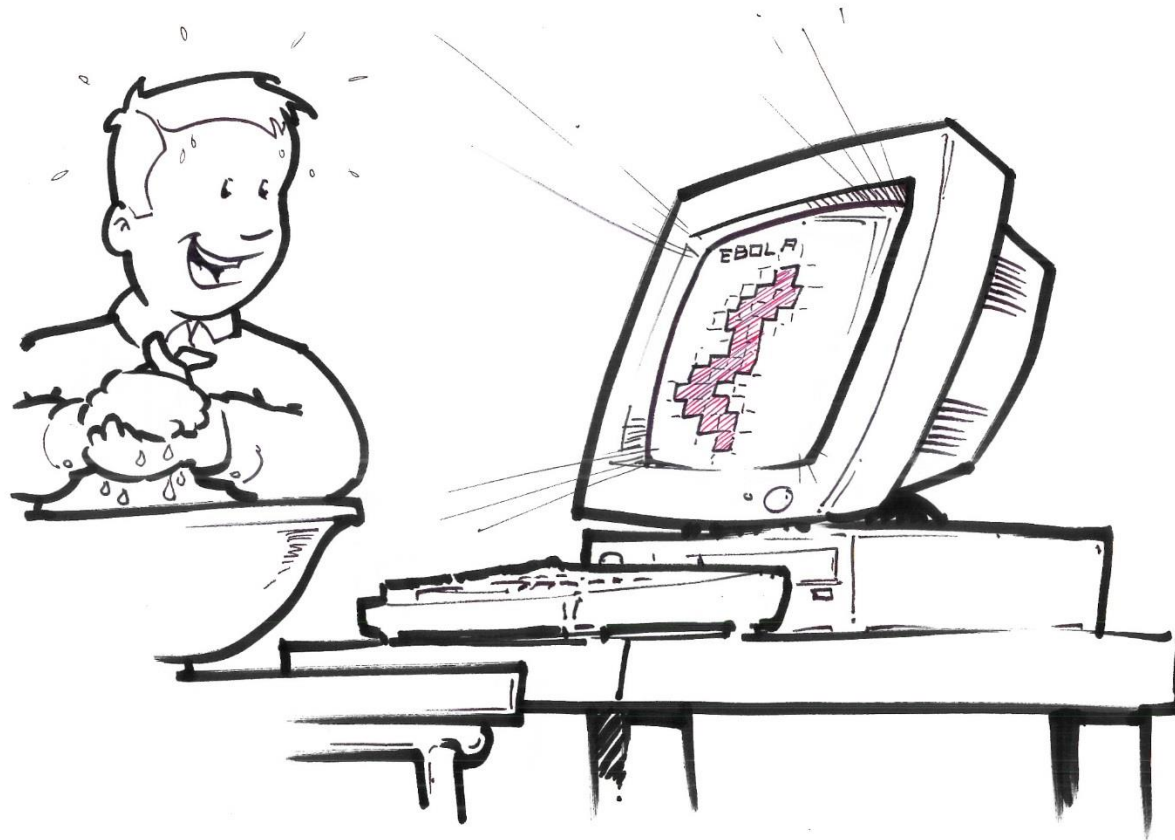
# Compliance & Integrity Management

## Internal and external risks and appropriate controls



# Organizations go belly-up due to good people doing stupid things

## Outside-in dangers: IT and much more



## Risk environment

Look inside but also outside to find the risks

Fraud

Corruption



Sanctions

Export Controls

## Hot risks

Sanctions: watch out the Russians are back!

Black Cowboy hat before



Black Cowboy hat now



# Top ten corruption settlements US

10. [Bruker Corp.](#) —agreed to pay \$2.4 million to settle charges of providing non-business related travel and improper payments to various Chinese government officials in an effort to win business there.
9. [Layne Christensen Company](#) —agreed to pay more than \$5 million to settle charges of making improper payments to foreign officials in several African countries to obtain beneficial treatment and reduce its tax liability.
8. [Dallas Airmotive](#) —paid a \$14 million criminal penalty to resolve charges it bribed Latin American government officials in order to secure lucrative government contracts there.
7. [Bio-Rad Laboratories](#) —agreed to pay \$55 million to settle charges the company made improper payments to foreign officials in Russia, Thailand, and Vietnam to win business there, falsified its books to hide the payments, and **failed to implement adequate internal controls to prevent bribery and corruption.**
6. [Hewlett Packard](#) — Hewlett-Packard subsidiary Hewlett-Packard Russia pleaded guilty and agreed to pay \$58.8 million for bribing Russian government officials to secure a large technology contract with the Office of the Prosecutor General of the Russian Federation.
5. [Marubeni Corp.](#) — The Japanese trading company agreed to pay \$88 million for paying bribes to high-ranking government officials in Indonesia to secure a lucrative power project.
4. [Hewlett Packard](#) — The company agreed to pay more than \$108 million to settle charges its subsidiaries in Russia, Poland and Mexico made improper payments to government officials to obtain or retain lucrative public contracts.
3. [Avon Products.](#) — The company pleaded guilty and paid more than \$135 million to settle charges of making and concealing more than \$8 million worth of illicit payments in the form of gifts, travel, meals and entertainment to Chinese officials to secure business there.
2. [Alcoa](#) — The global aluminum producer agreed to pay \$384 million for repeatedly paying bribes, collectively valued at more than \$110M, to government officials in Bahrain to maintain a key source of business. Click [here](#) for more.
1. [Alstom S.A.](#) — The French company paid \$772 million to settle charge of bribing government officials and falsifying books and records in connection with power, grid and transportation projects for state-owned entities around the world, including in Indonesia, Egypt, Saudi Arabia, the Bahamas and Taiwan.

# Sanctions & Export Controls

Fokker- case

## **Fokker Iran Sanctions Accord Rejected as Too Lenient**

(Bloomberg) -- Fokker Services BV's \$21 million settlement with the U.S. to resolve claims the Dutch aerospace firm violated sanctions against Iran was rejected by a judge as too lenient, a decision that both sides said earlier he didn't have the authority to make.

Even though Fokker voluntarily disclosed the violations and had precarious finances, the proposed settlement "is grossly disproportionate to the gravity of Fokker Services' conduct in a post-9-11 world," U.S. District Judge Richard Leon in Washington wrote.

Leon's ruling Thursday is likely to trigger a challenge to the extent of his authority over the Fokker settlement.

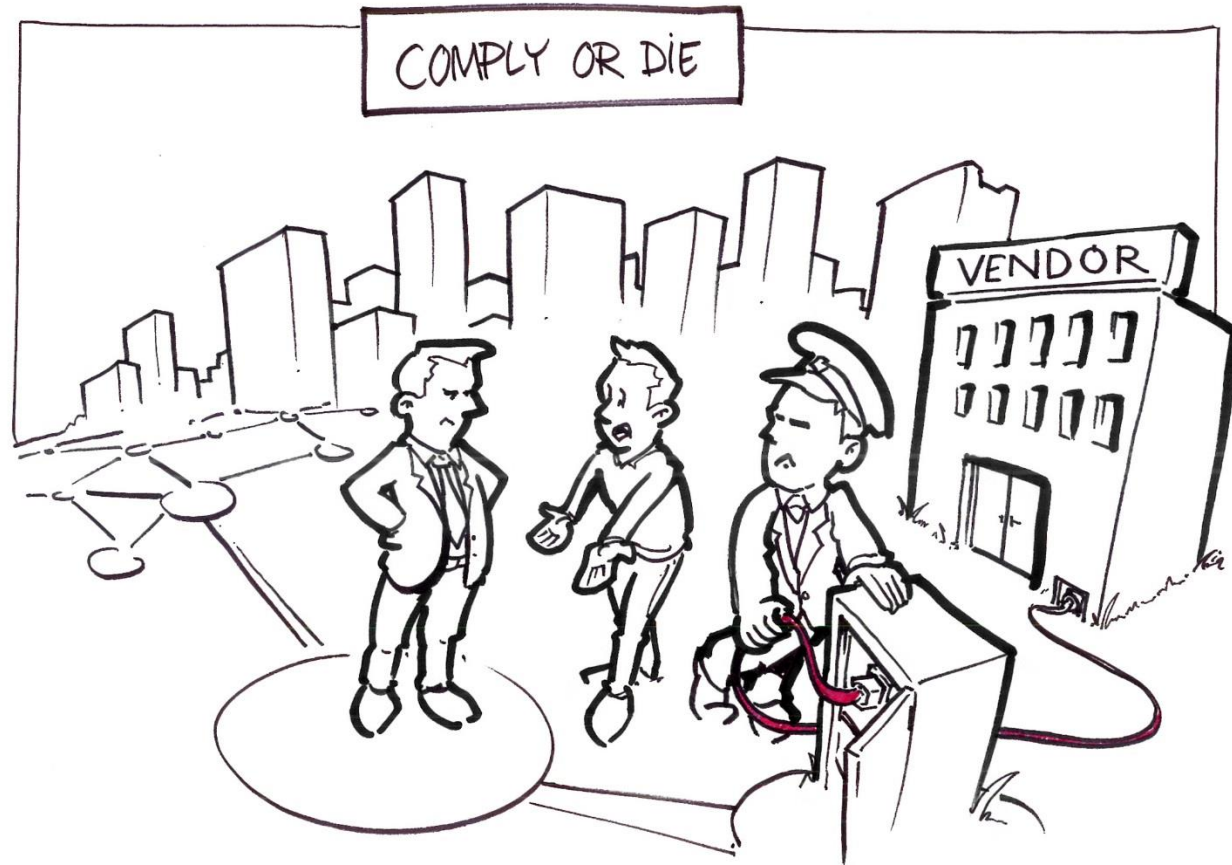
The company and the government said in court filings last year that Leon's authority to oversee a deferred-prosecution agreement like theirs is limited to making sure it doesn't violate the defendant's right to a speedy trial.

Such agreements effectively put companies on probation, with the U.S. agreeing to drop the case if the terms of the probation are fulfilled.

The law doesn't "authorize the court to approve or deny" deferred-prosecution agreements and "only permits a court to approve parties' agreement to exclude time from the computation of the speedy-trial clock," prosecutors wrote. Such agreements "are contractual in nature and are not created or governed by statute."

## Comply or die?

Not only your company, but also within the chain: who do you buy from and who do you sell to?





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