

£23 million bribery case leads to 28 years in jail

Date : December 11, 2014

The Serious Fraud Office (SFO) obtained its first convictions under the Bribery Act 2010 on 5th December 2014 at Southwark Crown Court. They secured sentences of 28 years in total for three men.

The Sustainable AgroEnergy plc case

Two of those accused were convicted of offences under the Bribery Act 2010. The offences followed an investigation by the SFO into Sustainable AgroEnergy plc ("SAE"). One of the men, Gary Lloyd West, was a former Director and Chief Commercial Officer of SAE. The second man, Stuart John Stone, was a sales agent of unregulated pension and investment products for a separate company. Both men were convicted of various dishonesty offences including being found guilty of offences under the Bribery Act 2010.

Sentences

Gary West was convicted of two counts under s.2 of the Bribery Act 2010 - the offence of being bribed. West was sentenced to a total of 13 years in respect of all the offences of which he was convicted on 5th December. The offences took place between April 2011 and February 2012.

Stuart Stone was convicted of two counts under s.1 of the Act - the offence of offering or giving bribes. He was sentenced to a total of 6 years in prison for all the offences that he faced.

West was also disqualified from being a director for 15 years (the maximum permitted) whilst Stone was disqualified for 10 years. This means that their names will go on a public register of people who are disqualified from being company directors. They will not be able to be a director of any company registered in the UK or an overseas company that has connections with the UK or be involved in forming, marketing or running a company for the disqualification period.

The SFO is also seeking compensation and confiscation orders to deny them their ill-gotten gains.

What was the case about?

The defendants were found to have been involved in a pension investor scam where people were encouraged to invest in a biofuel scheme that was supposed to yield huge returns. The scheme was a sham and investors were defrauded of around £23 million. Investors were duped into investing in green biofuel tree plantations in Cambodia. Investors were told they were insured against the crops failing.

The case was uncovered after an SFO investigation into suspicious accounting that had come to their attention. False representations were made to investors and false invoices were issued. False email addresses, foreign bank accounts and companies were used to hide the tracks of the fraudsters. West received bribes for his role in the false invoices submitted by Stone.

Judge Martin Beddoe said in his sentencing remarks that the scheme was a *"thickening quagmire of dishonesty there were more than 250 victims of relatively modest means, some of whom lost all of their life savings and their homes."*

The role of the SFO

Cases like this can take several years to investigate – in that context these cases have been prosecuted relatively efficiently. The SFO deserve credit for the way in which they handled this case. The SFO is an independent government department, operating under the superintendence of the Attorney General that investigates serious financial matters and decides whether to bring criminal prosecutions. The SFO have sometimes come in for harsh and often unfair criticism when some of their prosecutions have not resulted in convictions. Others have said that

the SFO were doing too little to stamp out international corruption. Some parts of the media can have an overly simplistic view of prosecutions and they often report on how much unsuccessful prosecutions can cost whilst ignoring how difficult and complex it can be to mount successful cases of this type.

The SFO have to handle difficult cases relating to bribery, corruption and fraud, often on an international basis. For prosecutors it is difficult to secure convictions for this type of case in front of a jury. Jurors can find the seemingly limitless documents and the complex facts difficult to follow. As a result it can be difficult for prosecutors to convince a jury of the defendant's crime beyond all reasonable doubt.

The SFO have taken the Bribery Act 2010 seriously since it came into force in 2011. There was much ill-informed comment when the legislation came in and those not familiar with this type of case expected instant results. This was always unlikely. Bribery is often international in its nature, these offences need proper investigation and that must be done carefully given that the Act can carry ten year prison sentences.

The Director of the SFO David Green CB QC said about this case that the defendants *"preyed on investors, many of whom were duped into investing life savings and pension funds."*

Features of this case

Perhaps the most striking things about this case are:

- The speed with which the case was processed. The men were charged relatively recently on 14th August 2013.
- The fact that both the bribe payer and the bribe receiver were prosecuted – under the Bribery Act 2010 it is no longer better to give than to receive.
- The fact that the SFO will take on bribery cases with an international element. This case had Swiss bank accounts, foreign companies and misrepresentations about land in Cambodia.
- The fact that this prosecution was successful. Bribery and corruption cases have been hitherto notoriously difficult to prosecute in the UK and abroad.

Previous UK cases

These are not the first Bribery Act 2010 convictions in the UK. Previous cases have included a case of the magistrate's court clerk who took a £500 bribe to wipe a speeding conviction from a court record and a Chinese student who tried to bribe his university professor. This is however the first real chance the UK courts have had to interpret the Bribery Act 2010 in relation to large scale bribery. The court in this case did not shy away from handing out strict sentences. This may signal an era of tough sanctions for bribery offences.

There is more detail on Cordery's work in [bribery & corruption here](#) including short films in English and French. Our review of the [SFO's progress on other matters is here](#).

[Jonathan Armstrong](#), Cordery, Lexis House, 30 Farringdon Street, London, EC4A 4HH

Office: +44 (0)207 075 1784

jonathan.armstrong@corderycompliance.com

