

Client Alert: UK Court orders Alstom to pay £15 million in bribery case

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Introduction

Following a prosecution brought by the UK's Serious Fraud Office (the "SFO"), this month a UK court ordered Alstom's UK entity to pay UK £15 million (USD \$19 million) and UK £1.4 million (USD \$1.8 million) in costs after being convicted for making corrupt payments to secure an infrastructure contract in Tunisia between 2000 and 2006.

What's the case about?

The key facts were as follows:

- In April 2018 Alstom Network UK was convicted of conspiracy to corrupt;
- It had paid an intermediary called Construction et Gestion Nevco Inc. ("Nevco") €2.4 million to secure an €79.9 million contract with Transtu, the company responsible for running the Tunis Metro. According to the SFO those bribes were subsequently paid to the brother-in-law of the president of Tunisia;
- In order to satisfy internal compliance checks and make its agreement with Nevco appear to be a legitimate contract for services, the business helped to produce paperwork as "evidence" of services rendered. But in fact, Nevco was simply a conduit for bribes, which was acknowledged by Alstom Network UK when it decided not to make a final payment of €240,000 in its original €2.64m contract;
- Two individuals, Graham Hill and Robert Hallett, along with Alstom Network UK were acquitted in the same trial of alleged corruption in relation to transport contracts in India and Poland;
- This case is the latest in a series concerning the SFO's investigation into and proceedings brought against Alstom – to date three individuals, Alstom Network UK Ltd and Alstom Power Ltd have all been convicted of conspiracy to corrupt.

For more details please see the SFO's press release here <https://www.sfo.gov.uk/2019/11/25/sfos-alstom-case-concludes-with-sentencing-of-alstom-network-uk-ltd/>

What are the takeaways?

Clearly businesses must do all they can to stamp out bribery and corruption and deal with it properly when it occurs. Our UK Bribery Act 2010 FAQs give more details of what proper policies and procedures are likely to involve – to obtain a copy of our FAQs please apply here <https://www.corderycompliance.com/contact-us/>

For more of our reporting about anti-bribery and anti-corruption issues please see here: <https://www.corderycompliance.com/category/bribery-corruption/>

For more information please contact André Bywater or Jonathan Armstrong who are lawyers with Cordery in London where their focus is on compliance issues.

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