

Statoil ASA, Norway (Oil and Gas Sector)
TI Progress Report 2007 – Foreign bribery cases

In September 2003, a Norwegian newspaper uncovered a foreign bribery scandal by the Norwegian oil company Statoil in Iran. As part of the company's efforts to secure lucrative oil contracts, the company hired the services of an Iranian consultancy firm owned by the son of former Iranian President Hashemi Rafsanjani. Statoil paid US \$15.2 million to this company to influence important political figures in Iran to grant oil contracts to Statoil.

The revelations led to cases being brought in both Norway and the United States. In Norway, Statoil was found guilty of corruption by a Norwegian court and ordered to pay approximately US \$3 million in fines. Several members of the company's leadership had to step down from their posts. Statoil insisted that this did not imply any admission of guilt on their part.

In the US, charges were brought against Statoil for violating the Foreign Corrupt Practices Act (FCPA) by paying bribes to Iranian government officials. In October 2006, Statoil was ordered to pay US \$21 million in fines. As part of the settlement agreement Statoil admitted that they had paid bribes to an Iranian public servant in 2002 and 2003, with the aim of securing contracts for Statoil in the development of gas fields. Bribes were also allegedly paid to secure other contracts in the country and to get hold of confidential information. Inaccurate accounting procedures had been used in order to hide the bribes in the records. The settlement also stipulated that no Statoil employee or representative for the company could make any statements to the media contradicting the verdict for the next three years.

Sources: United States vs. Statoil ASA – Department of Justice Press Release 13 Oct 2006); SEC vs. Statoil ASA – Securities and Exchange Commission Info – Statoil ASA – 6-K – For 10/30/06 (13 Oct 2006)