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NEWS ARTICLE

DOJ, SEC announce enforcement actions against tobacco companies

The DOJ and SEC announced enforcement actions against two major tobacco companies, Universal Corporation, Inc. and Alliance One International, Inc.

“The DOJ filed criminal actions against a Universal subsidiary and two Alliance One subsidiaries charging each of them with one count of conspiring to violate the FCPA and one count of violating the anti-bribery provisions of the FCPA. Universal and Alliance One entered into non-prosecution agreements with the DOJ and agreed to pay criminal penalties of \$4,400,000 and \$9,450,000, respectively, and retain independent monitors for a period of three years.”

The SEC charged Universal and Alliance One with violating, among other things, the anti-bribery provisions of the FCPA for their “involvement in a multi-million dollar bribery scheme with government officials in Thailand to obtain nearly \$30 million in sales contracts to supply tobacco.

The SEC also charged Alliance One with paying bribes in Kyrgyzstan and making improper payments in China, Greece, and Indonesia and Universal with making improper payments in Malawi and Mozambique. Moreover, the SEC’s complaints alleged Universal and Alliance One engaged in books and records and internal control violations.”

Mike Koehler / FCPA Professor