

Another Pharmaceutical Company Settles FCPA Matter with SEC

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On August 30, 2016 the Securities and Exchange Commission (“SEC”) settled charges with AstraZeneca, a U.K.-based pharmaceutical company, under the books and records and internal control provisions of the Foreign Corrupt Practices Act (“FCPA”). The SEC alleged that AstraZeneca’s wholly-owned subsidiaries in China and Russia violated the FCPA by making improper payments to doctors at government healthcare facilities to enhance AstraZeneca pharmaceutical sales and minimize pending sanctions. The improper payments were effected by creation of fraudulent tax receipts and travel invoices, and by specious speaker fees, and improper payments to government officials. Under the settlement, in which AstraZeneca neither admitted nor denied the SEC’s allegations, AstraZeneca is to disgorge \$4.325 million, and pay a \$375,000 civil penalty and \$822,000 in prejudgment interest.

The SEC’s settlement order states that AstraZeneca waived its statute of limitations defenses. The waiver is significant because AstraZeneca’s misconduct allegedly ended in 2010, and the FCPA statute of limitations is five years. Recently the SEC has conducted a number of FCPA investigations of pharmaceutical industry companies. Some, but not all, of these companies settling with SEC are [SciClone Pharmaceuticals](#), [Bristol-Myers Squibb](#), [Eli Lilly](#); and [Johnson & Johnson](#).

For further information, see the SEC’s [administrative order](#) and [press release](#).

To discuss this matter and how the FCPA may apply to your SEC reporting company, contact Michael E. Storck at 716-853-5100 or mstorck@lippes.com.

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