



### **First conviction for the SFO under the Bribery Act 2010**

25 January 2016

On 1 July 2011 the Bribery Act 2010 (the "Act") came into force and on 2 December 2015 the Serious Fraud Office made its first conviction under it.

### **The conviction of Sweett Group Plc**

Sweett Group Plc ("Sweett") is a UK AIM listed construction and property consultant and the UK's only listed quantity surveyor. The bribery allegations involve the conduct of a former UAE-based employee, Richard Kingston, between 2009 and 2011 when he was the Managing Director for the Middle East and India at Cyril Sweett International Ltd, a subsidiary of Sweett at the time.

The allegations were first reported on 21 June 2013 in the Wall Street Journal. They concerned a meeting between Kingston and a former employee of HLW International LLP, a US-based architecture firm. At this meeting Kingston purportedly said that in order for HLW International LLP to obtain the work to design a \$100 million hospital in Morocco, a construction project managed by Cyril Sweett International Ltd, a bribe was required, that bribe was 3.5% of the contract value payable to an official inside the UAE president's personal foundation who was funding the project.

Sweett notified the SFO of the allegations and initiated independent investigations. On 14 July 2014 the SFO announced it had opened an investigation into Sweett, and on 2 December 2015 Sweett admitted an offence under section 7 of the Act regarding its conduct in the Middle East.

Sweett is said to have spent approximately £3 million investigating these bribery allegations, which have had a significant effect on its share price (dropping from a peak of 60p before the allegations were first reported to 19p during the afternoon of the admission), and it is likely to pay a fine, the amount of which is uncertain and unlimited. Sentencing is due to take place on 12 February 2016.

### **Conclusion**

This latest conviction represents one of several recent successes for the SFO who are clearly demonstrating that they have both the power and the willingness to enforce the Act. We are reminded that the Act has created the most stringent anti-corruption regime in the world and it has international reach as UK companies and persons effectively "carry" the Act wherever they operate in the world. It is also important to remember that companies can be held responsible for the actions of their contractors, subsidiaries and employees and so it is crucial that commercial organisations have robust anti-bribery policies and procedures in place and that all persons working for or with the organisation are

adequately trained.

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