
SEC Charges Beam Suntory Inc. with FCPA Violations

ADMINISTRATIVE PROCEEDING

File No. 3-18568

July 2, 2018 – The Securities and Exchange Commission today announced that Beam Suntory Inc. has agreed to pay more than \$8 million to resolve Foreign Corrupt Practices Act (FCPA) charges arising from improper payments made by its Indian subsidiary.

According to the SEC's order, from 2006 through 2012 Beam's Indian subsidiary used third-party sales promoters and distributors to make illicit payments to government employees to increase sales orders, process license and label registrations, and facilitate the distribution of Beam's distilled spirit products. The order found that the Indian subsidiary reimbursed the third-parties for the illicit payments through the use of fabricated or inflated invoices, and then falsely recorded the expenses at the subsidiary level. The expenses were then consolidated into Beam's books and records. The SEC's order also found that during this period Beam failed to devise and maintain a sufficient system of internal accounting controls.

The SEC's order found that Beam Suntory violated Sections 13(b)(2)(A) and 13(b)(2)(B) of the Securities Exchange Act of 1934. Without admitting or denying the allegations, the company agreed to pay disgorgement of \$5,264,340, prejudgment interest of \$917,498, and a civil penalty of \$2 million.

The SEC's investigation was conducted by Paul W. Sharratt, M. Shahriar Masud, and Sonali Singh of the FCPA Unit and supervised by Robert I. Dodge. The SEC appreciates the assistance of the Justice Department's Fraud Section, the United States Attorney's Office for the Northern District of Illinois, and the Federal Bureau of Investigation.

Related Materials

- Order - Beam Inc., n/k/a Beam Suntory Inc.

Modified: July 3, 2018