

## United States v. Société Générale S.A. (E.D.N.Y. 2018)

## United States v. SGA Société Générale Acceptance, N.V. (E.D.N.Y. 2018)

### Nature of the Business.

Société Générale S.A., is a French financial institution that provides financial services globally. Société Générale Corporate and Investment Bank (“SG CIB”) is a division of Société Générale that provides investment-banking services. SGA Société Générale Acceptance, N.V. (“SGA”) is incorporated in Curaçao and is a subsidiary of Société Générale that issues structured notes.

### Influence to be Obtained.

According to the DOJ, between 2004 and 2009, Société Générale paid bribes through a Libyan “broker” in connection with fourteen investments made by Libyan state-owned financial institutions. The DOJ alleged that Société Générale sold over a dozen investments and one restructuring to the Libyan state institutions worth a total of approximately \$3.66 billion, from which it earned profits of approximately \$523 million. For certain investments, Société Générale allegedly utilized SGA as the issuing bank while serving as the structuring bank to receive commissions from the sale of structured notes to the Libyan state-owned institutions.

Société Générale allegedly made payments to the Libyan broker worth approximately one to 3.5 percent of the investment value, which it categorized as payments for introduction services. According to the DOJ, the Libyan broker would then provide improper payments and benefits to Libyan government officials in exchange for the investments with Société Générale and its affiliates.

### Enforcement.

On June 4 2018, the DOJ announced that Société Générale had entered into a deferred prosecution agreement to resolve both the FCPA conduct and unrelated allegations involving LIBOR. As part of the DPA, Société Générale agreed to pay a criminal penalty of approximately \$585 million to resolve the FCPA charges. On the same day, SGA entered into a plea agreement to resolve the one-count charge against it of conspiracy to violate the anti-bribery provisions of the FCPA. Pursuant to the agreement, SGA will pay \$500,000 in criminal penalties.

In related proceedings, Société Générale reached a settlement with the Parquet National Financier (PNF) in Paris relating to the alleged Libya corruption scheme, and the DOJ agreed to credit payments made pursuant to this agreement.

### Key Facts

**Citation.** *United States v. Société Générale S.A.*, No. 18-CR-00253 (E.D.N.Y. 2018); *United States v. SGA Société Générale Acceptance, N.V.*, No. 18-CR-274 (E.D.N.Y. 2018).

**Date Filed.** June 4, 2018.

**Country.** Libya.

**Date of Conduct.** 2004 – 2009.

**Amount of the value.** Not stated.

**Amount of business related to the payment.** Approximately \$3.66 billion in structured notes, worth approximately \$523 million in profits.

**Intermediary.** Broker; Subsidiary.

**Foreign official.** Unnamed Libyan government officials.

#### FCPA Statutory Provision.

- **Société Générale.** Conspiracy (Anti-Bribery).
- **SGA.** Conspiracy (Anti-Bribery).

#### Other Statutory Provision.

- **Société Générale.** Conspiracy (Misstatements Affecting Commodity Prices).
- **SGA.** None.

**Disposition.** Deferred Prosecution Agreement (Société Générale); Plea Agreement (SGA).

**Defendant Jurisdictional Basis.** Territorial Jurisdiction; Conspirator.

**Defendant’s Citizenship.** France (Société Générale); Curaçao (SGA).

**Total Sanction.** \$585,052,888 (Société Générale); \$500,000 (SGA).<sup>1</sup>

**Compliance Monitor/Reporting Requirements.** Compliance Monitor.

**Related Enforcement Actions.** *In the Matter of Legg Mason, Inc.*; *In re Legg Mason, Inc.*

**Total Combined Sanction.** \$585,552,888.<sup>2</sup>

<sup>1</sup> Excludes \$275 million in criminal monetary penalties associated with the unrelated LIBOR allegations.

<sup>2</sup> Includes credit up to \$292,776,444 for penalties paid to the PNF as part of the settlement agreement.

