

Monsanto fined \$1.5m for bribery

The US agrochemical giant Monsanto has agreed to pay a \$1.5m (£799,000) fine for bribing an Indonesian official.

Monsanto admitted one of its employees paid the senior official two years ago in a bid to avoid environmental impact studies being conducted on its cotton.

In addition to the penalty, Monsanto also agreed to three years' close monitoring of its business practices by the American authorities.

It said it accepted full responsibility for what it called improper activities.

Payout

A former senior manager at Monsanto directed an Indonesian consulting firm to give a \$50,000 bribe to a high-level official in Indonesia's environment ministry in 2002.

The manager told the company to disguise an invoice for the bribe as "consulting fees".

" Companies cannot bribe their way into favourable treatment by foreign officials "

Christopher Wray, assistant US attorney-general

Monsanto was facing stiff opposition from activists and farmers who were campaigning against its plans to introduce genetically modified cotton in Indonesia.

Despite the bribe, the official did not authorise the waiving of the environmental study requirement.

Monsanto also has admitted to paying bribes to a number of other high-ranking officials between 1997 and 2002.

'Full responsibility'

The chemicals-and-crops firm said it became aware of irregularities at a Jakarta-based subsidiary in 2001 and launched an internal investigation before informing the US Department of Justice and the Securities and Exchange Commission (SEC).

Monsanto faced both criminal and civil charges from the Department of Justice and the SEC.

"Companies cannot bribe their way into favourable treatment by foreign officials," said Christopher Wray, assistant US attorney general.

Monsanto has agreed to pay \$1m to the Department of Justice, adopt internal compliance measures, and co-operate with continuing civil and criminal investigations.

It is also paying \$500,000 to the SEC to settle the bribe charge and other related violations.

Monsanto said it accepted full responsibility for its employees' actions, adding that it had taken "remedial actions to address the activities in Indonesia" and had been "fully co-operative" throughout the investigative process.

Story from BBC NEWS:
<http://news.bbc.co.uk/go/pr/fr/-/2/hi/business/4153635.stm>

Published: 2005/01/07 06:22:58 GMT

© BBC MMX