

Press Release

Kinross Gold Charged With FCPA Violations

FOR IMMEDIATE RELEASE

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Washington D.C., March 26, 2018 — The Securities and Exchange Commission today announced a settled action against Canada-based Kinross Gold Corporation for Foreign Corrupt Practices Act violations arising from the company's repeated failure to implement adequate accounting controls of two African subsidiaries.

According to the SEC's order instituting a settled administrative proceeding, Kinross Gold acquired the African subsidiaries in a \$7.1 billion transaction in 2010, understanding that the subsidiaries lacked anti-corruption compliance programs and internal accounting controls. It took Kinross Gold almost three years to implement adequate controls, despite multiple internal audits flagging widespread deficiencies.

Even after implementing the controls, Kinross Gold failed to maintain them. Among other things, Kinross Gold is found to have awarded a lucrative logistics contract to a company preferred by Mauritanian government officials, despite concerns that the company was a high-cost provider with poor technical capabilities, in contravention of Kinross Gold's bidding and tendering procedures. Kinross Gold also contracted with a politically-connected consultant to facilitate contacts with high-level Mauritanian government officials without conducting required, heightened due diligence. In addition, the company paid vendors and consultants without ensuring the payments were consistent with policies prohibiting improper payments.

"Companies should take particular care to remediate known accounting controls issues when making acquisitions to mitigate the risk that company funds will be misused for unauthorized purposes," said Tracy L. Price, Deputy Chief of the SEC Enforcement Division's FCPA Unit. [Return to Top](#)

The SEC's order finds that Kinross Gold violated books and records and internal accounting controls provisions of the federal securities laws. Without admitting or denying the findings, Kinross agreed to a cease-and-desist order, a penalty of \$950,000 and undertakings to report on its remedial steps for a period of one year.

The SEC's investigation was conducted by Steven A. Susswein and Maria Boodoo of the FCPA Unit with assistance from Gregory Bockin.

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Related Materials

- [SEC Order](#)