Press Release

Sanofi Charged With FCPA Violations

FOR IMMEDIATE RELEASE 2018-174

Washington D.C., Sept. 4, 2018 — The Securities and Exchange Commission today announced that Paris-based pharmaceutical company Sanofi has agreed to pay more than \$25 million to resolve charges that its Kazakhstan and the Middle East subsidiaries made corrupt payments to win business.

According to the SEC's order, the schemes spanned multiple countries and involved bribe payments to government procurement officials and healthcare providers in order to be awarded tenders and to increase prescriptions of its products. In Kazakhstan, distributors were used as part of a kickback scheme to generate funds from which bribes were paid to officials to ensure that Sanofi was awarded tenders at public institutions. The kickbacks were tracked in internal spreadsheets where they were coded as "marzipans." In the Middle East, various pay-to-prescribe schemes were used to induce healthcare providers to increase their prescriptions of Sanofi products.

"Bribery in connection with pharmaceutical sales remains as a significant problem despite numerous prior enforcement actions involving the industry and life sciences more generally," said Charles Cain, FCPA Unit Chief, SEC Enforcement Division. "While bribery risk can impact any industry, this matter illustrates that more work needs to be done to address the particular risks posed in the pharmaceutical industry."

The SEC's order finds that Sanofi violated the books and records and internal accounting controls provisions of the federal securities laws. Without admitting or denying the findings, Sanofi agreed to a cease-and-desist order and to pay \$17.5 million in disgorgement, \$2.7 million in prejudgment interest, and a civil penalty of \$5 million.

The SEC appreciates the assistance of Fraud Section of the Department of Justice, the Federal Bureau of Investigation, and the Autorité des marchés financiers in France.

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Related Materials

SEC Order