

## Key Takeaways from the FCPA Enforcement Action Involving GlaxoSmithKline

**Enforcement Action:** SEC Administrative Proceeding (GlaxoSmithKline plc) – Sept. 30, 2016

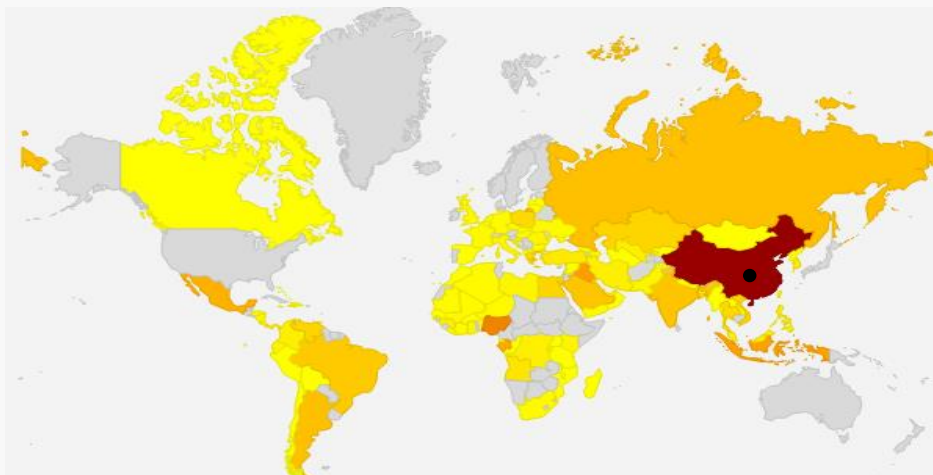
**Total Sanctions:**

\$0 | \$20,000,000 | \$1.7 billion

115th highest monetary sanction (of 177 total monetary sanctions against corporations in FCPA Groups to date)

**Type of Bribery:** Electronics/Computer Equipment, Entertainment/Recreation, Money, Non-Cash Gifts, Travel/Lodging

**Geography:** China



**Industry:** Healthcare - the 24th FCPA Group involving the Healthcare industry

**Implicated Companies:** GlaxoSmithKline plc (ticker: GSK, exchange: NYSE)  
GlaxoSmithKline (China) Investment Co Ltd. (subsidiary)  
Sino-American Tianjin Smith Kline & French Laboratories Ltd (joint venture)

**Individuals Prosecuted:** None

**Description & Notes on the Resolutions:**

Between at least 2010 and June 2013, employees and agents of GlaxoSmithKline plc's (GSK) China-based subsidiary and a China-based joint-venture provided things of value to foreign officials in China in order to induce sales of GSK products in China. The corrupt payments took several forms, including gifts, improper travel and entertainment with no or little educational purpose, shopping excursions, family and home visits, and cash. Employees used a number of schemes to fund the improper payments, including third-party vendors that submitted inflated invoices. On September 30, 2016, the SEC filed a settled cease-and-desist proceeding against GSK, charging the company with violating the FCPA's books and records and internal control provisions. GSK agreed to pay a civil monetary penalty of \$20,000,000 to resolve the claims, and to report to the SEC for a period of two years the status of its remediation and implementation of compliance measures. This is the fifth FCPA-related enforcement action filed this year that involves improper payments to healthcare workers in China to induce sales.

**Mitigating / Aggravating Factors:**

Self-Reported	Cooperation	Voluntary Remediation
Unknown	Yes	Yes

**Compliance / Reporting:**

Compliance Obligation	Monitor Ordered	Length of Reporting
Yes	Self-Reporting	2 years