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JUSTICE NEWS
Department of Justice
Office of Public Affairs

FOR IMMEDIATE RELEASE

Tuesday, August 7, 2012

Pfizer H.C.P. Corp. Agrees to Pay \$15 Million Penalty to Resolve Foreign Bribery Investigation

SEC and Companies Agree to Civil Disgorgement of \$45 Million

WASHINGTON – Pfizer H.C.P. Corporation, an indirect wholly owned subsidiary of Pfizer Inc., has agreed to pay a \$15 million penalty to resolve an investigation of Foreign Corrupt Practices Act (FCPA) violations, Principal Deputy Assistant Attorney General Mythili Raman of the Justice Department's Criminal Division and Assistant Director James W. McJunkin in charge of the FBI's Washington Field Office announced today. In a related matter, Pfizer Inc. and Wyeth LLC reached settlements today with the Securities and Exchange Commission (SEC) under which Pfizer Inc. agreed to pay more than \$26.3 million in disgorgement of profits, including pre-judgment interest, to resolve concerns involving the conduct of its subsidiaries. Wyeth, which had been acquired by Pfizer Inc. in 2009, agreed to pay \$18.8 million in disgorgement of profits, including pre-judgment interest, to resolve concerns involving the conduct of Wyeth subsidiaries.

As part of the resolution, the department today filed a two-count criminal information charging Pfizer H.C.P. with conspiracy and violations of the FCPA in connection with improper payments made to government officials, including publicly-employed regulators and health care professionals in Bulgaria, Croatia, Kazakhstan and Russia. The department and Pfizer H.C.P. agreed to resolve the investigation by entering into a deferred prosecution agreement. Both the information and the deferred prosecution agreement were filed today in the U.S. District Court in the District of Columbia.

Pfizer H.C.P. is incorporated under the laws of the State of New York, and its parent company, Pfizer Inc., is a global pharmaceutical, animal health and consumer product company headquartered in New York City.

"Pfizer took short cuts to boost its business in several Eurasian countries, bribing government officials in Bulgaria, Croatia, Kazakhstan and Russia to the tune of millions of dollars," said Principal Deputy Assistant Attorney General Raman. "The Department of Justice recognizes the significant efforts the company made to eliminate such improper practices, not only by implementing compliance reforms, but also by assisting U.S. authorities in our ongoing FCPA investigations of other companies and individuals."

"Corrupt pay-offs to foreign officials in order to secure lucrative contracts creates an inherently uneven marketplace and puts honest companies at a disadvantage," said Assistant Director McJunkin. "Those that attempt to make these illegal backroom deals to influence contract procurement can expect to be investigated by the FBI and appropriately held responsible for their actions."

According to court documents, Pfizer H.C.P. made a broad range of improper payments to numerous government officials in Bulgaria, Croatia, Kazakhstan and Russia – including hospital administrators, members of regulatory and purchasing committees and other health care professionals – and sought to improperly influence government decisions in these countries regarding the approval and registration of Pfizer Inc. products, the award of pharmaceutical tenders and the level of sales of Pfizer Inc. products. According to court documents, Pfizer H.C.P. used numerous mechanisms to improperly influence government officials, including sham consulting contracts, an exclusive distributorship and improper travel and cash payments.

Pfizer H.C.P. admitted that between 1997 and 2006, it paid more than \$2 million of bribes to government officials in Bulgaria, Croatia, Kazakhstan and Russia. Pfizer H.C.P. also admitted that it made more than \$7 million in profits as a result of the bribes.

The agreement recognizes the timely voluntary disclosure by Pfizer H.C.P.'s parent company, Pfizer Inc.; the thorough and wide-reaching self-investigation of the underlying and related conduct; the significant cooperation provided by the company to the department and the SEC; and the early and extensive remedial efforts and the substantial and continuing improvements Pfizer Inc. has made to its global anti-corruption compliance procedures.

Pfizer H.C.P. received a reduction in its penalty as a result of Pfizer Inc.'s cooperation in the ongoing investigation of other companies and individuals. In addition to the \$15 million penalty, the agreement requires Pfizer Inc. to continue to implement rigorous internal controls and to cooperate fully with the department.

Due to Pfizer Inc.'s extensive remediation and improvement of its compliance systems and internal controls, as well as the enhanced compliance undertakings included in the agreement, Pfizer H.C.P. is not required to retain a corporate monitor, but Pfizer Inc. must periodically report to the department on implementation of its remediation and enhanced compliance efforts for the duration of the agreement.

In the 18 months following its acquisition of Wyeth, Pfizer Inc., in consultation with the department, conducted a due diligence and investigative review of the Wyeth business operations and integrated Pfizer Inc.'s internal controls system into the former Wyeth business entities. The department considered these extensive efforts and the SEC resolution in its determination not to pursue a criminal resolution for the pre-acquisition improper conduct of Wyeth subsidiaries.

This case is being prosecuted by Assistant Chief Nathaniel B. Edmonds and Trial Attorney Andrew Gentin of the Criminal Division's Fraud Section. The case was investigated by the FBI's Washington Field Office's team of special agents dedicated to the investigation of foreign bribery cases.

The Justice Department acknowledges and expresses its appreciation for the significant assistance provided by the SEC's Division of Enforcement.

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Criminal Division