

SEC Charges Engineer and Former Employer with Bribe Scheme in Russia

March 3, 2016 – The Securities and Exchange Commission today charged an engineer with violating the Foreign Corrupt Practices Act (FCPA) by scheming to bribe Russian government officials and obtain drug approvals for his then-employer while secretly enriching himself. The SEC also charged the company with lacking sufficient internal controls to detect and prevent the scheme.

An SEC investigation found that Mikhail Gourevitch arranged improper payments from global health science company Nordion Inc. to a third-party agent so that a portion of the funds could be used to bribe Russian officials to approve the distribution of a liver cancer treatment called TheraSphere. Gourevitch provided false documentation to Nordion to conceal the scheme, and received \$100,000 in kickbacks from the third-party agent.

Gourevitch, whose employment was terminated by Nordion, agreed to settle the charges by paying \$100,000 in disgorgement, \$12,950 in prejudgment interest, and a \$66,000 penalty.

Nordion, which traded on the New York Stock Exchange when the scheme occurred from 2004 to 2011, agreed to pay a \$375,000 penalty to settle charges that it lacked internal accounting controls and basic FCPA due diligence to prevent Gourevitch from conducting the scheme. The SEC considered the company's significant cooperation, self-reporting and remedial acts when determining a settlement. Once Nordion discovered evidence of misconduct by Gourevitch, the company self-reported to the SEC, cooperated extensively with the investigation, and took immediate steps to remedy the problems. Nordion was ultimately unable to distribute TheraSphere in Russia and thus earned no profits from the scheme.

Nordion and Gourevitch consented to SEC orders without admitting or denying the findings that Nordion violated the books-and-records and internal accounting controls provisions of the Securities Exchange Act of 1934 while Gourevitch violated the anti-bribery, books-and-records, and false records provisions.

The SEC's investigation was conducted by Jennifer Moore, who works in the FCPA Unit out of the agency's Salt Lake office, under the supervision of Kara Brockmeyer. The SEC appreciates the assistance of the U.S. Department of Justice's Fraud Section, Federal Bureau of Investigation, Royal Canadian Mounted Police, Financial and Capital Market Commission of Latvia, Finantsinspektsioon Financial Supervision Authority of Estonia, Cyprus Securities and Exchange Commission, British Virgin Islands Financial Services Commission, Liechtenstein Federal Market Authority, and Financial Supervisory Authority of Finland.

See also:

- [SEC order against Mikhail Gourevitch](#)
- [SEC order against Nordion \(Canada\) Inc.](#)