

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-17517**

**AstraZeneca Charged with FCPA Violations**

**August 30, 2016** – The Securities and Exchange Commission today announced that U.K.-based biopharmaceutical company AstraZeneca PLC has agreed to pay more than \$5 million to settle charges that it violated the books and records and internal controls provisions of the Foreign Corrupt Practices Act (FCPA) as a result of its wholly-owned subsidiaries in China and Russia making improper payments to foreign officials.

An SEC investigation found that employees of AstraZeneca’s subsidiary in China made improper payments in the form of cash, gifts and other items to foreign official healthcare providers as incentives to purchase or prescribe AstraZeneca pharmaceuticals, and also made payments in cash to the local officials to get reductions or dismissals of proposed financial sanctions against the subsidiary. The investigation found that employees of AstraZeneca’s subsidiary in Russia also made improper payments in connection with pharmaceutical sales.

The SEC’s investigation also found that the improper payment schemes occurred over the course of several years, and were orchestrated or condoned by multiple levels of management at AstraZeneca’s China and Russia subsidiaries. The illicit payments by the China and Russia subsidiaries were not accurately reflected in AstraZeneca’s books and records. Furthermore, the Company failed to devise and maintain a sufficient system of internal accounting controls, and lacked an effective anti-corruption compliance program during this period.

The SEC’s order finds that AstraZeneca violated the FCPA’s internal controls and books-and-records provisions. Without admitting or denying the findings in the Commission’s order, AstraZeneca agreed to pay \$4.325 million in disgorgement, \$822,000 in prejudgment interest and a \$375,000 civil penalty.

The SEC appreciates the assistance of the Fraud Section of the U.S. Department of Justice and the Federal Bureau of Investigation.

**See also:**     [Order](#)

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