

ADMINISTRATIVE PROCEEDING
File No. 3-17606

GlaxoSmithKline Pays \$20 Million Penalty to Settle FCPA Violations

September 30, 2016 – The Securities and Exchange Commission today announced that GlaxoSmithKline plc (“GSK”) has agreed to pay \$20 million to settle charges that it violated the Foreign Corrupt Practices Act (FCPA) when its China-based subsidiaries engaged in pay-to-prescribe schemes to increase sales.

An SEC investigation found that the schemes spanned a period of years and involved the transfer of money, gifts, and other things of value to health care professionals, which led to millions of dollars in increased sales of GSK pharmaceutical products to China’s state health institutions. The participants included certain complicit sales and marketing managers within GSK’s China-based subsidiaries. GSK failed to devise and maintain a sufficient system of internal accounting controls and lacked an effective anti-corruption compliance program to detect and prevent these schemes. As a result, the improper payments were not accurately reflected in GSK’s books and records.

The SEC’s order finds that GSK violated the FCPA’s internal controls and books-and-records provisions. GSK consented to the order without admitting or denying the findings, and agreed to pay a \$20 million civil penalty. GSK also agreed to provide status reports to the SEC for the next two years on its remediation and implementation of anti-corruption compliance measures.

See also: [Order](#)

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