



TRACE COMPENDIUM

ADDAX PETROLEUM / SINOPEC

INDUSTRY

Extractive Industries/Mining/Oil & Gas

CORPORATE HEADQUARTERS

Geneva, Switzerland

SUMMARY OF ALLEGATIONS:

Nationality of Foreign Officials: Nigeria

Summary of Allegations:

The CEO and legal director of Addax Petroleum are suspected of bribing foreign officials in Nigeria. More than USD 20 million in payments were made to "legal advisers" in Nigeria and the U.S. in 2014 and 2015. A separate payment of USD 80 million was paid to an engineering company for construction projects in Nigeria. Addax's auditor resigned on 14 December 2016 when Addax could not provide "satisfactory explanations" for the reason or size of the payments. The auditor alleged that it had received a number of whistleblowing allegations from inside and outside of Addax that the payments were made to bribe foreign government officials.

Approximate Alleged Payments to Foreign Officials: Unspecified

Business Advantage Allegedly Obtained: Unspecified

ENFORCEMENT RESULTS

Agencies: Internal Investigation

Results:

Year Resolved:

Compliance Monitor:

Ongoing: No

Details:

Sinopec, the parent company of Addax, is conducting an internal review.

Agencies: Switzerland: Unspecified

Results: Civil Penalty

Year Resolved: 2017

Compliance Monitor:**Ongoing:** No

Details:

The prosecutor in Geneva opened a criminal investigation into the Company, as well as its director-general and legal director.

On 20 March 2017, Addax's CEO Zhang Yi and legal director were both arrested during a Swiss raid on Addax's offices and charged with suspected bribery of foreign officials. They remained in jail until 11 April 2017, when Swiss authorities determined the men no longer posed the risk of disrupting the investigation.

On 5 July 2017, the Geneva prosecutor's office announced that the matter was settled, with the company agreeing to pay a penalty of CHF 31 million (approximately USD 32 million). The investigation had found the payments at issue to have been inadequately documented and possibly illegal, but had not established criminal intent. The prosecutor's office also closed its cases against the company's CEO and legal director.

Agencies: United States: Department of Justice, United States: Securities and Exchange Commission**Results:****Year Resolved:****Compliance Monitor:****Ongoing:** Yes

Details:

The SEC and DOJ are reportedly investigating China Petroleum and Chemical Corporation (Sinopec) over allegations that the state-controlled oil producer paid Nigerian officials about \$100 million worth of bribes to resolve a business dispute. Sources say that lawyers acting as middlemen for Sinopec funneled illicit payments from Addax Petroleum, Sinopec's Swiss unit, to Nigerian government officials through banks in New York and California.

ENTITIES / INDIVIDUALS INVOLVED

Addax Petroleum

China Petroleum & Chemical Corporation (Sinopec)

DETAILS OF HOW CONDUCT WAS DISCOVERED**Discovery Method:** Government Investigation**Details:****Country:** Switzerland, United States

RELATED DOCUMENTS

Reuters: "Addax CEO, legal director arrested in bribery case: Geneva prosecutor" (24 March 2017)

Bloomberg: "Sinopec Exec Freed on Bail as Swiss Bribery Probe Continues" (11 April 2017)

Reuters: "Addax to pay 31 million Swiss francs to settle Swiss bribery charges" (5 July 2017)

Bloomberg: Chinese Oil Giant Sinopec Probed by the U.S. Over Nigeria Bribery Allegations (Aug. 30, 2017)

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