

Litigation

May 26, 2014

First Prison Sentence under the *Corruption of Foreign Public Officials Act*

Justice Hackland of the Ontario Superior Court of Justice issued the first prison sentence last week under the *Corruption of Foreign Public Officials Act* in the *R. v. Karigar* case. In August 2013, we reported that Nazir Karigar was convicted under the Act for agreeing to offer a bribe to a foreign official contrary to section 3(1)(b). He was the first to be convicted under the Act. On Friday, May 23, 2014, Justice Hackland sentenced Karigar to three (3) years in prison.

The background to *Karigar* and highlights of the decision regarding Karigar's conviction can be read in our August 2013 Update: "First Conviction under the *Corruption of Foreign Public Officials Act*".¹

The severity of the prison sentence imposed in *Karigar* is a caution to all directors, officers and executives of Canadian companies operating abroad that: (i) Canadian authorities have intensified their enforcement of the Act, and (ii) Canadian courts consider bribery of foreign public offices to be serious criminal conduct and are willing to impose significant prison sentences to punish and deter such conduct. *Karigar* reinforces the need for a robust compliance program so that employees and foreign agents of companies connected to Canada are aware of, and adhere to, a policy that prohibits paying or offering bribes to foreign public officials.

For further information on the Act or on *Karigar*, please contact any member of our Corporate Securities or Litigation Law Groups.

¹ Refer to our August 29, 2013 Goodmans Update "First Conviction under the *Corruption of Foreign Public Officials Act*". The full text of the Update can be found at: <http://www.goodmans.ca/files/file/docs/08.29.2013%20Corp%20Sec%20Update.pdf>