

Corporate & Financial Weekly Digest

July 22, 2011 by [Edward Black](#)

FSA Fines Willis Limited £6.895 Million for Anti-bribery and Corruption Systems and Controls Failings

The UK Financial Services Authority announced on July 21 that it had fined Willis Limited £6.895 million (approximately \$11.2 million) for failings in its anti-bribery and corruption systems and controls. This is the biggest fine imposed by the FSA in relation to financial crime systems and controls to date. The FSA said that these failings created an unacceptable risk that payments made by Willis to overseas third parties could be used for corrupt purposes.

Between January 2005 and December 2009, Willis made payments totaling £27 million (approximately \$44 million) to overseas third parties who assisted it in winning and retaining business from overseas clients. The FSA investigation found that Willis breached Principle 3 of the FSA's Principles for Business and the Senior Management Arrangements, Systems and Controls sourcebook (SYSC 3.2.6R) in that Willis failed to:

- ensure that it established and recorded an adequate commercial rationale to support its payments to overseas third parties;
- ensure that adequate due diligence was carried out on overseas third parties to evaluate the risk involved in doing business with them;
- adequately review its relationships on a regular basis to confirm whether it was still necessary and appropriate for Willis to continue with the relationship;
- adequately monitor its staff to ensure that each time Willis engaged an overseas third party, an adequate commercial rationale had been recorded and that sufficient due diligence had been carried out. (Although Willis improved its policies in August 2008, it failed to ensure that its staff was adequately implementing them.); and
- ensure that senior management received sufficient information about the performance of Willis's relevant policies to allow them to assess whether bribery and corruption risks were being mitigated effectively.

Tracey McDermott, the FSA's acting director of enforcement and financial crime, said that Willis's failure was particularly disappointing as the FSA had repeatedly communicated with the industry on this issue and had previously taken enforcement action for failings in this area.

The UK's Bribery Act 2010 came into force on July 1, 2011 as reported in the April 1, 2011 edition of [Corporate and Financial Weekly Digest](#) and in a Katten [Client Alert](#).

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