

SEC Charges Anheuser-Busch InBev With Violating FCPA and Whistleblower Protection Laws

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Washington D.C., Sept. 28, 2016 —

The Securities and Exchange Commission today announced that Anheuser-Busch InBev has agreed to pay \$6 million to settle charges that it violated the Foreign Corrupt Practices Act (FCPA) and chilled a whistleblower who reported the misconduct.

An SEC investigation found that the company used third-party sales promoters to make improper payments to government officials in India to increase the sales and production of Anheuser-Busch InBev products in that country. Despite repeated complaints from employees, Anheuser-Busch InBev had inadequate internal accounting controls to detect and prevent the improper payments, and the company failed to ensure that transactions involving the promoters were recorded properly in its books and records.

The SEC's order further finds that Anheuser-Busch InBev entered into a separation agreement that stopped an employee from continuing to voluntarily communicate with the SEC about potential FCPA violations due to a substantial financial penalty that would be imposed for violating strict non-disclosure terms.

"Anheuser-Busch InBev recorded improper payments by its sales promoters in India as legitimate expenses in its financial accounting, and then exacerbated the problem by including language in a separation agreement that chilled an employee from communicating with the SEC," said Kara Brockmeyer, Chief of the SEC Enforcement Division's FCPA Unit.

"Threat of financial punishment for whistleblowing is unacceptable," added Jane Norberg, Acting Chief of the SEC's Office of the Whistleblower. "We will continue to take a hard look at these types of provisions and fact patterns."

The SEC's order finds that Anheuser-Busch InBev, which is headquartered in Leuven, Belgium, violated the books and records provisions and the internal controls provisions of the federal securities laws as well as Securities Exchange Act Rule 21F-17(a). Anheuser-Busch InBev agreed to pay \$2,712,955 in disgorgement plus interest of \$292,381 and a penalty of \$3,002,955. For a two-year period, the company must cooperate with the SEC and report its FCPA compliance efforts while making reasonable efforts to notify certain former employees that Anheuser-Busch InBev does not prohibit employees from contacting the SEC about possible law violations.

The SEC's investigation was conducted by Morgan B. Ward Doran, Sonali Singh, and Carol Shau, and supervised by Alka Patel. The SEC appreciates the assistance of the Fraud Section of the Criminal Division at the Department of Justice, the Federal Bureau of Investigation, and the Securities and Exchange Board of India.