

# Compliance & Risk

Volume 10 Issue 5

September/October 2021

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- Regulators to target ads making false green claims, p.19

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## Petrofac to pay \$95m penalty after admitting bribery offences

On 24 September 2021, Petrofac, the oilfield services company, agreed to enter into a plea agreement with the UK Serious Fraud Office (SFO), indicating that the company would plead guilty to seven bribery offences over payments for contracts in the Middle East.

Following a four-year investigation, the SFO charged Petrofac with seven separate offences of failing to prevent bribery over a six year period.

Petrofac itself confirmed that the charges related to bribes or offers made

to agents between 2011 and 2017, and contracts that the company was awarded in Saudi Arabia, Iraq and the United Arab Emirates between 2012 and 2015.

The SFO investigation was sparked by its earlier probe into Monaco-based oil and gas consultancy Unaoil, during which a former executive at Unaoil admitted to paying \$17m in bribes to secure contracts worth \$1.7bn for the company.

That investigation resulted in four convictions, though the Petrofac settlement shows the regulator

moving its focus away from criminal convictions of companies in the direction of plea agreements.

The settlement with Petrofac came hot on the heels of its former head of sales, David Lufkin, also entering guilty pleas in relation to 14 counts of bribery relating to some \$7.5bn worth of contracts.

Both the company and Mr Lufkin were sentenced in early October 2021, with Petrofac receiving

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## Grant Thornton fined £2.3m by regulator for Patisserie Valerie failings

Grant Thornton, the UK's sixth-largest accounting firm, has been fined more than £2.3m by the industry regulator over its audits of the collapsed UK café chain, Patisserie Valerie, which folded in January 2019 amidst allegations of fraud.

The Financial Reporting Council said that Grant Thornton had shown a "serious lack of competence" in its work for Patisserie Valerie, which

the firm had audited since 2007.

Claudia Mortimore, deputy executive counsel to the FRC, said, "The audit of Patisserie Holdings PLC's revenue and cash in particular involved missed red flags, a failure to obtain sufficient audit evidence and a failure to stand back and question information provided by management".

The regulator pointed out that, if the auditors had carried out their function correctly, they "should have identified clear indicators of the risk of material misstatement" in Patisserie Valerie's accounts, which should have led them to suspect fraud.

The regulator also found that evidence provided for cash transactions

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