

Compliance & Risk

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- Sanofi to pay \$25m to settle corruption charges, p.16
- EU probes luxury car manufacturers over possible cartel behaviour, p.17
- Europe plans new money-laundering measures, p.19

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ING to pay record €775m in money laundering penalties

The Dutch bank ING has reached an agreement with regulators to pay €775m in penalties for compliance failures that allegedly allowed companies to launder huge sums of money and to pay bribes over a period of six years.

In reaching its decision on the appropriate sanction, the Dutch public prosecution service used a 2015 law for the first time that allows a fine of up to 10 per cent of a company's revenue.

Imposing its largest ever penalty, the prosecutor said that it had found

"clients were able to use accounts held with ING for criminal activities for many years, virtually undisturbed" between 2010 and 2016.

The compliance failings were discovered after the Dutch prosecutor investigated wrongdoing at four companies that had accounts at ING, including a Curacao lingerie company that allegedly laundered €150m, a Suriname building materials group that is accused of laundering €9m, and a Russian mobile phone operator.

Chief Executive of ING,

Ralph Hamers, who has led the bank since 2013, admitted that ING had not done enough to tighten its compliance operations after having been fined \$619m by US regulators for breaching sanctions by helping Iranian and Cuban companies transfer billions of dollars through the US financial system.

ING has expressed its "regret" at the compliance failure and said its executive committee would waive its 2018 bonuses.

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Amazon investigates allegations into staff bribery by third party sellers

According to reports in the Wall Street Journal, the online sales giant Amazon is investigating claims that its employees accepted bribes in exchange for leaking confidential sales data.

It is alleged that Amazon employees sold confidential data, including internal sales data and the email addresses of product reviewers, to give third-party sellers that use its marketplace a competitive

advantage.

The allegations suggest that independent sellers have been allowed to delete negative reviews and restore banned accounts in return for payments of between \$80 (£61; €69) and \$2,000, and that the practice was particularly "pronounced in China".

The Journal said that independent brokers had used the Chinese

messaging service 'WeChat' to connect independent sellers with Amazon staff.

The Wall Street Journal report suggests that Amazon's investigation began as early as May 2018, when the firm was tipped off about the potential sale of confidential information linked to its China operation.

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