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RISK & COMPLIANCE JOURNAL

German Dialysis Firm Reaches Agreement in Bribery Probe

The company disclosed the investigation in 2012



German health-care company Fresenius said it has reached an agreement with U.S. authorities regarding a bribery investigation. PHOTO: RALPH ORLOWSKI/REUTERS

By Samuel Rubinfeld

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German health-care firm Fresenius Medical Care AG said last week in a regulatory filing that it had reached an agreement in principle with U.S. authorities regarding a long-running foreign-bribery investigation that involved an anonymous whistleblower complaint.

Fresenius said in the filing that it received communications beginning in 2012 that had alleged conduct outside the U.S. that might violate the Foreign Corrupt Practices Act or other antibribery laws. The company didn't identify who communicated the allegations to the company.

According to documents reviewed by The Wall Street Journal, an anonymous whistleblower sent an email in April 2012 to Fresenius managers and board members.

The tipster, who alleged widespread bribery in parts of Latin America, said in the email that he or she would forward the message to U.S. authorities.

Rainer Runte, then the company's chief compliance officer and a member of the board, replied within 24 hours, saying he was launching an investigation.

The tipster sent a second email in August 2012, to which Mr. Runte replied: "I appreciate the opportunity you provided us to look into the matter described by you in detail," noting that he had already begun the investigation based on the initial message.

Christopher Connors and Andy Rickman, lawyers who represent the tipster, said last week that they submitted the April 2012 email to the Securities and Exchange Commission.

Spokeswomen for the SEC and the U.S. Justice Department both declined to comment. A representative of Fresenius declined to comment, citing the pending agreement with U.S. authorities. Mr. Runte, now an attorney at a German law firm, didn't respond to requests for comment.

The board of Fresenius conducted investigations with the help of outside lawyers, and the company voluntarily advised the Justice Department and the SEC of its findings, Fresenius said in the filing. The company also cooperated in the government's own investigation, it said.

Fresenius said the agreement in principle encompasses the terms understood to be necessary for settlement, but that the deal remains subject to final approval from the company and government officials.

Fresenius, a provider of dialysis products and services, said in the filing that it had recorded €224 million euros (\$253.9 million) in charges as the company negotiated with the government over a potential settlement. It also said the company is implementing enhancements to its anticorruption compliance program.

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