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U.S. Securities and Exchange Commission

U.S. SECURITIES AND EXCHANGE COMMISSION

Litigation Release No. 20029 /March 6, 2007

Accounting and Auditing Enforcement Release No. 2572 / March 6, 2007

SEC v. Charles Michael Martin, Case No. 1:07CV0434 (D.D.C.) (filed March 6, 2007)

SEC Sues Former Senior Monsanto Manager Charles Martin for Authorizing a Bribe of \$50,000

Martin Agrees to Pay a Penalty of \$30,000

On March 6, 2007, the Commission filed a settled complaint against Charles Martin ("Martin"), the former Government Affairs Director for Asia for Monsanto Company ("Monsanto"), a global producer of technology-based solutions and agricultural products. In its complaint, the Commission alleged that in 2002, Martin authorized and directed an Indonesian consulting firm ("Consulting Firm") to pay a bribe of \$50,000 to a senior Indonesian Ministry of Environment official ("the Senior Environment Official"). The complaint alleged that the illegal payment was made to influence the Senior Environment Official to repeal language in a decree that was unfavorable to Monsanto's business in Indonesia.

The complaint further alleged that to generate the funds to make the illegal \$50,000 payment and to conceal the unlawful activity, Martin directed the Consulting Firm to create a set of invoices to falsely bill Monsanto in an amount sufficient to cover the illegal payment. Martin subsequently approved the false invoices for payment by Monsanto, and took steps to ensure that Monsanto paid the false invoices, thereby causing Monsanto's books and records to be falsified and circumventing Monsanto's system of internal accounting controls. Even though Martin's scheme was carried out pursuant to his instructions and the \$50,000 payment was made to the Senior Environment Official, the unfavorable decree remained in place.

Without admitting or denying the Commission's allegations, Martin consented to the entry of a final judgment permanently enjoining him from violating and/or aiding and abetting violations of the anti-bribery, books and records, and internal control provisions of the Foreign Corrupt Practices Act (Sections 30A, 13(b)(2)(A), 13(b)(2)(B), and 13(b)(5) of the Securities Exchange Act of 1934 and Exchange Act Rule 13b2-1). Martin also agreed to pay a civil penalty of \$30,000.

Based, in part, on these allegations, the Commission previously filed a settled enforcement action and instituted settled administrative proceedings against Monsanto. [SEC v. Monsanto Co., Case No. 1:05CV00014 (D.D.C.)

January 6, 2005); Monsanto Company, No. 3-11789, Exchange Act Rel. No. 19023 (January 6, 2005)].

The Commission acknowledges the assistance of the United States Department of Justice.

▶ [SEC Complaint in this matter](#)

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