

THE BENEFITS OF COOPERATION – HYPERDYNAMICS AVOIDS INDICTMENT

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On May 21, 2015, the Department of Justice (DOJ) announced that it has closed its investigation involving Hyperdynamics Corporation regarding possible violations of the Foreign Corrupt Practices Act (FCPA). In doing so, Patrick Stokes, Deputy Chief of DOJ's Fraud Section noted that “ [the Department values cooperation with investigations such as shown here.](#)” In September of 2013, Hyperdynamics received a subpoena from the DOJ seeking company records pertaining to its operations in Guinea, West Africa. The Guinean operations involved obtaining and retaining oil and gas concession rights off the coast of Guinea. The DOJ also inquired about Hyperdynamics' relationship with various charitable organizations. Hyperdynamics cooperated with the government during the investigation, conducted its own internal investigation into issues raised by investigators and provided information regarding the results of its investigation to DOJ. The SEC also issued a subpoena to the company concerning possible violations of the FCPA and other laws. The SEC investigation remains open. This result—an inquiry closed without prosecution—again illustrates that cooperation with the government can, indeed, benefit companies under federal investigation. Benefits of cooperating with government officials conducting FCPA investigations have been frequently touted by officials at DOJ and the SEC. Andrew Ceresney, SEC Enforcement Director, speaking at a pharmaceutical industry conference earlier this year, said, “The bottom line is that the benefits from cooperation are significant and tangible.”

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