

Press Release

SEC Charges Canadian Clean Fuel Technology Company and Former CEO with FCPA Violations

FOR IMMEDIATE RELEASE

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Washington D.C., Sept. 27, 2019 — The Securities and Exchange Commission today announced that Westport Fuels Systems, Inc., a Canadian clean fuel technology company headquartered in Vancouver, Canada, and its former chief executive officer, Nancy Gougarty, of Leesville, South Carolina, have agreed to pay more than \$4.1 million to resolve charges that they violated the Foreign Corrupt Practices Act (FCPA) by paying bribes to a foreign government official in China.

According to the SEC's order, beginning no later than 2016, Westport, acting through Gougarty and others, engaged in a scheme to bribe a Chinese government official to obtain business and a cash dividend payment by transferring shares of stock in Westport's Chinese joint venture to a Chinese private equity fund in which the government official held a financial interest. The order finds that Westport concealed the identity of the Chinese private equity fund in its public filings, as well as in its books and records, by falsely identifying a different entity as the counterparty to the transaction. Gougarty caused Westport's violations by circumventing Westport's internal accounting controls and signing a false certification concerning the sufficiency of those controls.

"A company's commitment to compliance is only as strong as the effort put in by senior management," said Charles Cain, Chief of the SEC Enforcement Division's FCPA Unit. "Here, the chief executive exploited weaknesses in the company's controls to engage in bribery, undermining shareholder interests."

The SEC's order finds that respondents violated the anti-bribery, books and records, and internal controls provisions of the Securities Exchange Act of 1934 and that Gougarty caused certain of Westport's violations. Without admitting or denying the SEC's findings, respondents consented to a cease-and-desist order. Westport also agreed to pay \$2,546,000 in disgorgement and prejudgment interest and a civil penalty of \$1,500,000, and Gougarty agreed to pay a civil penalty of \$120,000. In determining to accept Westport's offer, the SEC considered remedial acts undertaken by Westport concerning its anti-corruption and financial reporting compliance programs, and its cooperation afforded SEC staff.

The SEC's investigation was conducted by Catherine Brilliant and Mark Yost of the SEC's FCPA Unit and supervised by Ansu N. Banerjee. The SEC appreciates the assistance of the British Columbia Securities Commission.

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Related Materials

- [SEC Order](#)

