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Airbus agrees 1bn Euro High Court deal to settle corruption claims

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The British taxpayer will be nearly 1 billion euro better off after Airbus formally agreed that it had been involved in bribery and corruption across five continents over the past decade.

The admission of bribes by Airbus through a network of middlemen to sell its aircraft has cost the group 3.6 billion euros in unprecedented global out-of-court settlements, with 2.1 billion euros going to France, where it is headquartered, and 530 million euros to the United States, where it also makes planes.

About 991 million euros is payable to the UK through a deferred prosecution agreement, in which a company accepts in the High Court that it has been involved in egregious corruption but pays a fine rather than go through a lengthy and costly court case.

“The seriousness of the criminality in this case hardly needs to be spelt out,” Dame Victoria Sharp, president of the Queen’s Bench Division of the High Court in England and Wales, said, signing off on the agreement. “The scale and scope of the wrongdoing . . . demonstrates that bribery was, to the extent indicated, endemic in two core business areas within Airbus.”

Lisa Osofsky, director of the Serious Fraud Office, said: “Airbus paid bribes through agents around the world to stack the decks in its favour and win contracts around the globe.”

The settlement dwarfs the largest similar case of its kind, when Rolls-Royce, the British engine maker — and a key supplier to Airbus — agreed to settle actions against it three years ago with payments of £671 million, nearly £500 million of which was due to the British taxpayer.



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Airbus is a big employer in the UK, with a workforce of 13,500. It constructs 800 commercial aircraft a year, employs 134,000 people worldwide and has annual revenues of 64 billion. A payout of 3.6 billion is roughly equivalent to a year's profits.

The corruption at Airbus is a huge embarrassment to the British government and its UK Export Finance body, which has supported billions of pounds of export guarantees.

The settlement with the SFO covers deals with five airlines or states, with other bribery cases being captured by authorities in France and Britain.

Those cited by the SFO are:

- The sale of 406 aircraft to Air Asia between 2005 and 2014 . The DPA cites \$50 million of payments to an unnamed Air Asia executive concerning an unnamed sport team. Throughout this period, the Air Asia chief executive was Tony Fernandes, also the majority shareholder in Queens Park Rangers, the London football club. "The payments to the sports teams were intended to secure or reward improper favour," the DPA concluded;
- A \$16 million payment to an Airbus "business partner" who was the wife of a Sri Lankan Airlines executive, which eased the 2013 sale of ten aircraft;
- Bribery amounting to \$14 million of a Transasia Airways director and an employee to secure "business or advantage" at the defunct Taiwan carrier;
- Payments of \$3.3 million to senior employees of Garuda, the Indonesian national airline and its discount subsidiary, Citilink. During the period the airlines purchased 58 aircraft;
- The bribery of a close relative of a high-ranking elected Ghanaian government official, amounting to \$5 million during campaigns by Airbus to sell military transport aircraft.