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# Pfizer Announces Resolutions with DOJ and SEC Related to Certain International Operations

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U.S. Agencies Praise Company's Cooperation and Compliance Program

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(BUSINESS WIRE)--Pfizer Inc. today announced it has resolved U.S. Department of Justice (DOJ) and Securities and Exchange Commission (SEC) matters related to certain improper payments in the operations of two of its subsidiaries outside the United States, which Pfizer voluntarily reported to the U.S. government beginning in 2004. To resolve those historical issues, a Pfizer indirect subsidiary (Pfizer H.C.P. Corporation) will enter into a deferred prosecution agreement with the DOJ, and pay a fine of $15 million. Under the terms of a civil settlement with the SEC, Pfizer Inc. agreed to a disgorgement of profits of $16 million and prejudgment interest of $10.3 million. The DOJ declined to bring a criminal action against Pfizer Inc.

In a separate civil settlement also announced today with the SEC, Pfizer's Wyeth subsidiary has agreed to a disgorgement of profits of $17.2 million and prejudgment interest of $1.66 million to resolve issues involving certain improper payments in the operations of four subsidiaries outside the United States. Pfizer conducted a risk-based Foreign Corrupt Practices Act (FCPA) due diligence review of Wyeth's global operations after it acquired the company in late 2009 and, as it had with its own issues, promptly and voluntarily disclosed these issues to the U.S. government.

There is no allegation by either DOJ or SEC that anyone at Pfizer's or Wyeth's corporate headquarters knew of or approved the conduct at issue before Pfizer took appropriate action to investigate and report it. As soon as these local activities came to the attention of Pfizer's corporate headquarters, they were voluntarily brought to the attention of the DOJ and SEC. Today's settlements are focused solely on these local activities.

Both the DOJ and SEC praised Pfizer's cooperation with the investigation and its enhanced compliance program. In the deferred prosecution agreement, the DOJ noted "the extraordinary cooperation of Pfizer H.C.P.'s parent company, Pfizer Inc.," including "thorough and responsive reporting of potential violations," as well as "early and extensive remedial efforts." The SEC highlighted Pfizer's creation of "innovative and proactive anti-corruption compliance reviews" and its commitment to "comprehensive anti-corruption training throughout the organization."

"The actions which led to this resolution were disappointing, but the openness and speed with which Pfizer voluntarily disclosed and addressed them reflects our true culture and the real value we place on integrity and meeting commitments," said Amy Schulman, executive vice president and general counsel for Pfizer. "We expect every colleague across Pfizer to adhere to the highest standards of conduct, and we will continue to hold ourselves and our colleagues accountable for maintaining these standards. We are grateful that the DOJ and the

SEC specifically recognized our extensive proactive compliance efforts and cooperation with the investigation, which demonstrates the hard work of many colleagues throughout the world and underscores the ongoing productive work we have done in this area."

All the conduct at issue was investigated by Pfizer and voluntarily disclosed to the U.S. government. Pfizer began self-reporting to the U.S. government in 2004 after the discovery of certain improper payments that had been made by employees of a recently-acquired Pfizer affiliate in Croatia. Pfizer legal and compliance staff, outside counsel and auditors then conducted an intensive, global, multi-year internal investigation. Throughout this period, Pfizer regularly briefed both the DOJ and SEC on its findings.

The DOJ settlement with Pfizer H.C.P. Corporation covers improper conduct in Bulgaria, Croatia, Kazakhstan, and Russia. The Pfizer SEC civil settlement covers improper conduct in all of these countries as well as in Italy, China, the Czech Republic and Serbia.

In addition, Pfizer's post-acquisition due diligence review of Wyeth identified certain improper payments in China, Saudi Arabia, Indonesia and Pakistan. Pfizer identified these legacy-Wyeth issues within 180 days after the acquisition closed, voluntarily disclosed them to the U.S. government, and they are covered in Wyeth's separate SEC civil settlement.

In recognition of the depth of Pfizer's extraordinary and proactive efforts to self-report dating back to 2004, as well as its adoption of an extensive anti-corruption compliance program, the DOJ and the SEC agreed that the appointment of an independent compliance monitor for the company was unnecessary.

As part of its agreement with the DOJ, Pfizer H.C.P. Corporation will continue to cooperate with the DOJ for a period of two years in connection with its settlement. Pfizer Inc. will continue to maintain the rigorous anti-corruption systems and innovative compliance program that it voluntarily developed and implemented, including the proactive market reviews and trend analyses it pioneered approximately five years ago. The company already has integrated Wyeth operations and employees into those programs and systems.

"We have worked diligently to strengthen our corporate compliance program worldwide," said Douglas Lankler, executive vice president and chief compliance and risk officer for Pfizer. "We are pleased that the DOJ and SEC today recognized these efforts and our close cooperation. We have instituted rigorous oversight and accounting mechanisms and pioneered a host of new tools designed to maintain compliance and detect problems before they spread."

Some of Pfizer's corporate compliance measures include the following:

- Developed and implemented an enhanced set of anti-corruption policies and procedures;
- Designed an innovative, anti-corruption internal audit program used throughout the world to detect potential misconduct;
- Pioneered annual proactive market reviews – a cutting-edge FCPA compliance monitoring tool – which scrutinizes commercial practices in a risk-based sample of non-U.S. markets to ensure compliance with company policies;
- Formed a mergers and acquisitions compliance function designed to support due diligence reviews of complex business transactions and to help ensure the integration of new businesses into Pfizer's compliance program;
- Established other processes by which it closely monitors its relationships with non-U.S. health care providers and government officials; and
- Implemented global mandatory training for all appropriate colleagues on its anti-corruption program and the need to maintain compliance in the area.

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At Pfizer, we apply science and our global resources to improve health and well-being at every stage of life. We strive to set the standard for quality, safety and value in the discovery, development and manufacturing of medicines for people and animals. Our diversified global health care portfolio includes human and animal biologic and small molecule medicines and vaccines, as well as nutritional products and many of the world's best-known consumer products. Every day, Pfizer colleagues work across developed and emerging markets to advance wellness, prevention, treatments and cures that challenge the most feared diseases of our time. Consistent with our responsibility as the world's leading biopharmaceutical company, we also collaborate with health care providers, governments and local communities to support and expand access to reliable, affordable health care around the world. For more than 150 years, Pfizer has worked to make a difference for all who rely on us. To learn more about our commitments, please visit us at www.pfizer.com.

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