

No. 80-04

Date: October 29, 1980

Foreign Corrupt Practices Act

Review Procedure Release

The Department has reviewed a joint review request from the Olayan Group, a Saudi Arabian entity, and the Lockheed Corporation. The Olayan Group, a diversified trading, services and investment organization, and Lockheed plan to enter into certain agreements with each other for the purpose of engaging in certain prospective business transactions with the government of the Kingdom of Saudi Arabia and with the Saudi Arabian Airlines Corporation ('Saudia'). Both parties have requested a determination of the Department's present enforcement intention under the FCPA, given the circumstance that Mr. Suliman S. Olayan, the Chairman of the Olayan Group, is also an outside director of Saudia.

It is represented that Mr. Olayan will abstain from voting with respect to any matters concerning Lockheed or any of its subsidiaries which may come before the Saudia Board of Directors, so long as the Olayan Group and Lockheed continue to have any business relationship affecting Saudi Arabia and will disclose to the Saudia board the fact of that business relationship. Mr. Olayan will not use his position as a director of Saudia to influence, on behalf of Lockheed, any act or decision of the government of the Kingdom of Saudi Arabia or any department, agency or instrumentality thereof, including Saudia. Mr. Olayan holds no position in the government of Saudi Arabia, other than his position as a director of Saudia, and spends an insubstantial portion of the time he devotes to business matters in activities as a director of Saudia. His position on the Saudia board is one which is reserved, by Saudi law, for persons who are not civil servants. His position on the Saudia board and the contemporaneous activities of the Olayan Group, on behalf of Lockheed, do not violate the laws of the Kingdom of Saudi Arabia. He will receive confirmation from the Director General of Saudia that he is not, by virtue of his directorship, considered to be an officer of Saudia and that he is not authorized to act in any capacity for or on behalf of Saudia, other than to participate in considering and voting upon matters before the Saudia board.

Based upon all of the facts and circumstances, as represented by the requestors, the Department does not presently intend to take any enforcement action premised upon Mr. Olayan's directorship of Saudia.

The FCPA Review Letter and this Release have no binding application to any party which did not join in the request and can be relied upon by the requesting parties only to the extent that the disclosure of facts and circumstances in the request is accurate and complete and continues to accurately and completely reflect such facts and circumstances.