

Serco Group

08:35 03 Jul 2019

Serco pays £19.2m to draw line under electronic tag scandal

Outsourcer Serco PLC (LON:SRP) will pay a fine of £19.2m together with £3.7m in costs as part of a deferred prosecution agreement for a fraud investigation dating back to 2013.

In one of the most high-profile business scandals of its time, a Serco subsidiary understated how much it was earning from an electronic tag contract with the Ministry of Justice.

The company paid £70m in compensation to the Ministry of Justice in 2013, but this latest fine relates to a separate investigation by the Serious Fraud Office.

Serco itself reported the two offences of false accounting and one of fraud, which meant the fine was half what it might have been.

Rupert Soames, Serco Group chief executive, said: "Those of us who now run the business are mortified, embarrassed and angry that, in a period between six and nine years ago, Serco understated the level of profitability of its Electronic Monitoring contract in its reports to the Ministry of Justice. Serco apologised unreservedly at the time, and we do so again."

"Nobody who sat on the board of Serco Group, or who was part of the executive management team at the time these offences were committed, works for the group today," he added.

In early morning trading, shares in Serco were 1% lower at 144.30p.

-- Adds share price --

Price: 155.7

Market Cap: £19.05 m

1 Year Share Price Graph



Share Information

Code: SRP

Listing: LSE

52 week High Low
161.103 83.6

Sector: Business & education services

Website: www.serco.com

Company Synopsis:

Serco Group supports governments, agencies and companies by offering operational, management and consulting expertise in the aviation, defense, education, health, home affairs, local government, nuclear, science, technology, transport and commercial sectors.

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