

Armor Holdings Inc.

Case ID:

ST-49

Case Cluster :

Armor Holdings, Inc.

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Department of Justice

Jurisdiction of Foreign Public Official(s) :

United Nations

Year of Settlement:

2011

Month/Day of Settlement (or Notes):

07/13

Other Jurisdictions of Settlement:

Unknown

Settlement with Individual or Legal Person?:

Legal Person

Type of Settlement:

Criminal

Legal Form of Settlement:

Non-Prosecution Agreement

Monetary Sanctions (Types):

Criminal Fine

Total Monetary Sanctions (US\$):

\$10,290,000.00

Criminal Fine/Penalty (US\$) :

\$10,290,000

Monetary Sanctions Returned / Ordered Returned (Explanation):

Unspecified

UNCAC Articles(s) Implicated:

Art.16

Art.26

OECD Anti-Bribery Convention Articles Implicated:

Art. 1, Art. 2, Art. 8

Offenses - Alleged:

Failure to maintain books and records, Internal controls violations

Offenses - Settled:

Failure to maintain books and records, Internal controls violations

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the US Department of Justice Press Release regarding its Non-Prosecution Agreement with Armor Holdings, the company "accepts responsibility for its subsidiary's

payment of more than \$200,000 in commissions to a third-party sales agent, a portion of which it knew was to be passed on to a U.N. procurement official to induce the official to award two separate U.N. contracts to Armor's subsidiary. The contracts were for the sale of approximately \$6 million of body armor. Armor also acknowledged that it falsely recorded the commission payments on its books and records. In addition, Armor admitted that it kept off its books and records approximately \$4.4 million in additional payments to agents and other third-party intermediaries used by its Products Group to assist it in obtaining business from foreign government customers. Armor acknowledged that it failed to devise and maintain an appropriate system of internal accounting controls. In a related matter, Armor reached a settlement today with the U.S. Securities and Exchange Commission (SEC) and agreed to pay more than \$5.69 million in disgorgement of profits, including pre-judgment interest, and a civil money penalty." (Source: US Department of Justice Press Release, "Armor Holdings Agrees to Pay \$10.2 Million Criminal Penalty to Resolve Violations of the Foreign Corrupt Practices Act," July 13, 2011.)

Sources :

US Department of Justice, In Re: Armor Holdings, Inc., Non-Prosecution Agreement (July 13, 2011), accessed at <http://www.justice.gov/criminal/fraud/fcpa/cases/armor/07-31-11armor-holdings.pdf>; US Department of Justice Press Release, "Armor Holdings Agrees to Pay \$10.2 Million Criminal Penalty to Resolve Violations of the Foreign Corrupt Practices Act," July 13, 2011, accessed at <http://www.justice.gov/opa/pr/2011/July/11-crm-911.html>