

## Armor Holdings Inc.

**Case ID:**

ST-50

**Case Cluster :**

Armor Holdings, Inc.

**Jurisdiction of Settlement:**

United States

**Jurisdiction of Settlement / Enforcement Agency:**

Securities and Exchange Commission

**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:**

Civil

**Legal Form of Settlement:**

Consent to Permanent Injunction

**Monetary Sanctions (Types):**

Disgorgement of Profits, Prejudgment Interest, Civil Penalty

**Total Monetary Sanctions (US\$):**

\$5,690,744.00

**Civil Disgorgement of Profits (US\$) :**

\$1,552,306

**Civil Prejudgment Interest (US\$) :**

\$458,438

**Civil Fine / Penalty (US\$):**

\$3,680,000

**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." (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.) According to the US Securities and Exchange Commission Litigation Release, Without admitting or denying the allegations in the Commission's complaint, Armor Holdings has consented to a court order permanently enjoining it from violating Sections 30A, 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act; ordering it to pay disgorgement of \$1,552,306, together with prejudgment interest of \$458,438; imposing on it a civil penalty of \$3,680,000 [ ] The proposed settlement is subject to court approval." (Source: US Securities and Exchange Commission, Litigation Release No. 22037 / July 13, 2011, Securities and Exchange Commission v. Armor Holdings, Inc., Case No. 1:11-cv-01271(D. D.C.)(ESH) (filed July 13, 2011), "SEC FILES SETTLED ANTI-BRIBERY, BOOKS AND RECORDS, AND INTERNAL CONTROLS CHARGES AGAINST ARMOR HOLDINGS, INC.") Please note that according to the Court Docket Report, as of December 28, 2011, the case had been reassigned to another judge in July 2011 and no judgment ordered yet in this case. (Source: SEC v. Armor Holdings, Inc. Case No. 1:11-cv-01271 (D.D.C.), Court Docket Report as of December 28, 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>; US Securities and Exchange Commission, Litigation Release No. 22037 / July 13, 2011, Securities and Exchange Commission v. Armor Holdings, Inc., Case No. 1:11-cv-01271 (D. D.C.)(ESH) (filed July 13, 2011), "SEC FILES SETTLED ANTI-BRIBERY, BOOKS AND RECORDS, AND INTERNAL CONTROLS CHARGES AGAINST ARMOR HOLDINGS, INC.," accessed at <http://www.sec.gov/litigation/litreleases/2011/lr22037.htm>; Complaint filed July 13, 2011, accessed at <http://www.sec.gov/litigation/complaints/2011/comp22037.pdf>; SEC v. Armor Holdings, Inc. Case No. 1:11-cv-01271 (D.D.C.), Court Docket Report as of December 28, 2011 (accessed via Pacer).