

Avery Dennison Corporation

Case ID:

ST-51

Case Cluster :

Avery Dennison Corporation

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Securities and Exchange Commission

Jurisdiction of Foreign Public Official(s) :

China and several (unnamed) countries

Year of Settlement:

2009

Month/Day of Settlement (or Notes):

07/28

Other Jurisdictions of Settlement:

Unknown

Settlement with Individual or Legal Person?:

Legal Person

Type of Settlement:

Civil

Legal Form of Settlement:

Consent to Cease-and-Desist Order

Monetary Sanctions (Types):

Disgorgement of Profits, Prejudgment Interest, Civil Penalty

Total Monetary Sanctions (US\$):

\$518,470.00

Civil Disgorgement of Profits (US\$) :

\$273,213

Civil Prejudgment Interest (US\$) :

\$45,257

Civil Fine / Penalty (US\$):

\$200,000

Monetary Sanctions Returned / Ordered Returned (US\$):

\$0

UNCAC Articles(s) Implicated:

Art.16

Art.26

OECD Anti-Bribery Convention Articles Implicated:

Art. 1, Art. 2, Art. 8

Offenses - Alleged:

Internal Controls Violations, Falsification of books and records

Offenses - Settled:

No admission or denial of allegations

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to US Department of Justice Report to Congress, "Appendix C: Summaries of Foreign Corrupt Practices Act Enforcement Actions by the United States, January 1, 1998 - September 30, 2010," Avery Dennison Corporation, at 39-40: Misconduct in China took place 2002-2005; (1) the Reflective Division of Avery (China) Co. Ltd. (Avery China) paid or authorized the payments of approximately \$300,000 in kickbacks, sightseeing trips, and gifts to Chinese government officials; In one transaction, Avery China secured a sale to a state-owned end user by agreeing to pay a Chinese official a kickback of nearly \$25,000 through a distributor. Avery China realized \$273,313 in profits from this transaction. (2) illegal payments of approximately \$51,000 by an Avery-acquired company, after acquisition, of making illegal petty cash payments to customs or other officials in several countries. Civil disposition: In administrative proceeding, SEC ordered Avery to cease and desist from such violations and to disgorge \$273,213, with \$45,257 in prejudgment interest. In federal civil action, Avery agreed to the entry of a final judgment requiring it to pay a civil penalty in the amount of \$200,000. Cases are: SEC v. Avery Dennison Corporation (C.D. Cal., July 28, 2009), In the Matter of Avery Dennison Corporation (July 28, 2009).

Sources :

US Department of Justice Report to Congress, "Appendix C: Summaries of Foreign Corrupt Practices Act Enforcement Actions by the United States, January 1, 1998 - September 30, 2010," Avery Dennison Corporation, at 39-40, accessed at www.justice.gov/criminal/fraud/fcpa/docs/response3-appx-c.pdf; In the Matter of Avery Dennison Corporation, Administrative Proceeding, File No. 3-13564, Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21 C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (July 28, 2009), accessed at <http://www.sec.gov/litigation/admin/2009/34-60393.pdf>; Litigation Release No. 21156 / July 28, 2009, accessed at <http://www.sec.gov/litigation/litreleases/2009/lr21156.htm>; SEC v. Avery Dennison, Corporation, Case No. 09-cv-5493-DSF (C.D. Cal.), Complaint filed July 28, 2009, accessed at <http://www.sec.gov/litigation/complaints/2009/comp21156.pdf>