

BAE Systems plc

Case ID:

ST-54

Case Cluster :

BAE Systems plc

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Department of State

Jurisdiction of Foreign Public Official(s) :

Czech Republic, Hungary, Saudi Arabia, Chile, Indonesia, South Africa and many others
(unnamed)

Year of Settlement:

2010

Month/Day of Settlement (or Notes):

05/16

Other Jurisdictions of Settlement:

United Kingdom

Settlement with Individual or Legal Person?:

Legal Person

Type of Settlement:

Civil

Legal Form of Settlement:

Consent Agreement

Monetary Sanctions (Types):

Civil Penalty

Total Monetary Sanctions (US\$):

\$79,000,000.00

Civil Disgorgement of Profits (US\$) :

\$0

Civil Prejudgment Interest (US\$) :

\$0

Civil Fine / Penalty (US\$):

\$79,000,000

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

\$0

UNCAC Articles(s) Implicated:

Art.16

Art.23

Art.26

OECD Anti-Bribery Convention Articles Implicated:

Art. 1, Art. 2, Art. 7, Art. 8

Offenses - Alleged:

Violations of Arms Export Control Act and International Traffic in Arms Regulations (Failure to Register as a Broker, Failure to Obtain Written Approval for Brokering, Failure to File Annual

Broker Reports, Causing Unauthorized Brokering, Failure to Disclose Payments, Failure to Maintain Records)

Offenses - Settled:

Violations of Arms Export Control Act and International Traffic in Arms Regulations (Failure to Register as a Broker, Failure to Obtain Written Approval for Brokering, Failure to File Annual Broker Reports, Causing Unauthorized Brokering, Failure to Disclose Payments, Failure to Maintain Records)

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the US Department of State Consent Agreement, on May 16, 2011, BAE Systems plc entered into an agreement with the State Department "to settle 2,591 violations of the Arms Control Export Act and International Traffic in Arms Regulations in connection with the unauthorized brokering of U.S. defense articles and services, failure to register as a broker, failure to file annual broker reports, causing unauthorized brokering, failure to report the payment of fees or commissions, and failure to maintain records involving ITAR-controlled transactions. As part of the Consent Agreement, the company was assessed \$79 million in civil penalties, with \$10 million possibly suspended upon implementation of remedial measures. (Source: US Department of State, BAE Systems plc, Consent Agreement signed May 16, 2011.) The Statement Department's May 2011 Proposed Charging Letter included a Summary of Investigation, which noted misconduct related to activities in more than a dozen jurisdictions. (Source: US Department of State, BAE Systems plc, Proposed Charging Letter, May [] 2011.)

Sources :

US Department of State, BAE Systems, Plc. Proposed Charging Letter, May [] 2011, accessed at

http://www.pmddtc.state.gov/compliance/consent_agreements/pdf/BAES_PCL.pdf; Consent Agreement signed May 16, 2011, accessed at

http://www.pmddtc.state.gov/compliance/consent_agreements/pdf/BAES_CA.pdf; Order entered into on May 16, 2011, accessed at

http://www.pmddtc.state.gov/compliance/consent_agreements/pdf/BAES_Order%20.pdf.