

Biomet, Inc.

Case ID:

ST-64

Case Cluster :

Biomet, Inc.

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Securities and Exchange Commission

Jurisdiction of Foreign Public Official(s) :

Argentina, Brazil, China

Year of Settlement:

2012

Month/Day of Settlement (or Notes):

03/26

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

Total Monetary Sanctions (US\$):

\$5,575,731.00

Civil Disgorgement of Profits (US\$) :

\$4,432,998

Civil Prejudgment Interest (US\$) :

\$1,142,733

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:

Bribery of foreign officials, Books and records provisions

Offenses - Settled:

Bribery of foreign officials, Books and records provisions

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the US Securities and Exchange Commission Complaint, Biomet and four of its subsidiaries paid bribes to public doctors employed by public hospitals and agencies in Argentina, Brazil and China. (Source: US SEC v. Biomet, Inc., Case No. 1:12-cv-00454 (D.D.C.), Complaint filed March 26, 2012.) According to the SEC Press Release, "According to the SEC's complaint filed in federal court in Washington D.C., employees of Biomet Argentina SA paid kickbacks as high as 15 to 20 percent of each sale to publicly-employed doctors in Argentina. Phony invoices were used to justify the payments, and the bribes were falsely recorded as "consulting fees" or "commissions" in Biomet's books and records. [] The SEC alleges that Biomet's U.S. subsidiary Biomet International used a distributor to bribe publicly-employed doctors in Brazil by paying them as much as 10 to 20 percent of the value of their medical device purchases. [] two additional subsidiaries - Biomet China and Scandimed AB - sold medical devices through a distributor in China who provided publicly-employed doctors with money and travel in exchange for their purchases of Biomet products." (Source: US Securities and Exchange Commission Press Release 2012-50, "SEC Charges Medical Device Company Biomet with Foreign Bribery," March 26, 2012.)

Sources :

US Securities and Exchange Commission Press Release 2012-50, "SEC Charges Medical Device Company Biomet with Foreign Bribery," March 26, 2012, accessed at <http://www.sec.gov/news/press/2012/2012-50.htm>; US SEC v. Biomet, Inc. Case No. 1:12-cv-00454 (D.D.C.), Complaint filed March 26, 2012, accessed at <http://www.sec.gov/litigation/complaints/2012/comp22306.pdf>