

Ingersoll - Rand Company Limited / Ingersoll-Rand Italiana SpA and Thermo-King Ireland Limited

Case ID:

ST-205

Case Cluster :

Ingersoll - Rand Company Limited

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Department of Justice

Jurisdiction of Foreign Public Official(s) :

Iraq (UN Oil-for-Food)

Year of Settlement:

2007

Month/Day of Settlement (or Notes):

10/31

Other Jurisdictions of Settlement:

Unknown

Settlement with Individual or Legal Person?:

Legal Person

Type of Settlement:

Criminal

Legal Form of Settlement:

Deferred Prosecution Agreement

Monetary Sanctions (Types):

Criminal Fine

Total Monetary Sanctions (US\$):

\$2,500,000.00

Criminal Fine/Penalty (US\$) :

\$2,500,000

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:

Conspiracy to falsify books and records

Offenses - Settled:

Conspiracy to falsify books and records

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the June 2011 United States Report to the OECD, "On October 31, 2007, the

Department of Justice filed criminal charges against two subsidiaries of Ingersoll-Rand Company Limited (Ingersoll-Rand), in connection with payments made by these and other subsidiaries to obtain contracts administered by the United Nations Oil for Food Program (OFFP). On the same day, the SEC filed a settled civil complaint against Ingersoll-Rand, charging it with violations of the internal controls and books and records provisions of the FCPA arising out of the same underlying conduct. According to court documents, between October 2000 and August 2003, employees of three subsidiaries, one unnamed, Ingersoll-Rand Italiana, and Thermo King Ireland Limited, made \$963,148 in kickback payments to the Iraqi government, and promised an additional \$544,697, in exchange for contracts to provide road construction equipment, air compressors and parts, and refrigerated trucks under the OFFP. In order to both pay for and conceal these kickbacks, the subsidiaries inflated the price of contracts by approximately 10 percent before submitting them to the U.N. for approval. The subsidiaries never revealed to the U.N. the fact that the contract prices contained a kickback to the Iraqi government." (Source: US Report to the Organisation for Economic Co-operation and Development, "Steps taken to implement and enforce the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions," Information as of May 31, 2011, Ingersoll-Rand Company Limited Case Summary at 92-93.) Ingersoll-Rand, on behalf of itself and its subsidiaries, entered into Deferred Prosecution Agreement with the Department of Justice and agreed to pay a criminal fine of \$2.5 million. (Source: US v. Ingersoll-Rand Italiana SpA, Case No. 1:07-cr-00296-RJL (D.D.C.), Deferred Prosecution Agreement filed November 14, 2007, accessed at <http://www.justice.gov/criminal/fraud/fcpa/cases/ingerand-italiana/11-17-07ingersollrand-def-agree.pdf>.)

Sources :

US Report to the Organisation for Economic Co-operation and Development, "Steps taken to implement and enforce the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions," Information as of May 31, 2011, Ingersoll-Rand Company Limited Case Summary at 92-93, accessed at <http://www.oecd.org/dataoecd/18/8/42103833.pdf>. US v. Thermo-King Ireland Limited, Case No. 1:07-cr-00296-RJL (D.D.C.), Notice of Filing of Deferred Prosecution Agreement (as to Ingersoll-Rand Company Limited), filed November 14, 2007, accessed at <http://www.justice.gov/criminal/fraud/fcpa/cases/thermoking-ireland/11-14-07thermo-king-ingersoll-dpa.pdf>; Attachment A: Statement of Offenses, filed November 14, 2007, accessed at <http://www.justice.gov/criminal/fraud/fcpa/cases/ingerand-italiana/10-30-07ingersollrand-statement.pdf>