

General Electric Company

Case ID:

ST-160

Case Cluster :

General Electric Company

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Securities and Exchange Commission

Jurisdiction of Foreign Public Official(s) :

Iraq (UN Oil-for-Food)

Year of Settlement:

2010

Month/Day of Settlement (or Notes):

07/27

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\$):

\$23,478,614.00

Civil Disgorgement of Profits (US\$) :

\$18,397,949

Civil Prejudgment Interest (US\$) :

\$4,080,665

Civil Fine / Penalty (US\$):

\$1,000,000

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:

Falsification of books and records, Internal controls violations

Offenses - Settled:

No admission or denial of alleged offenses

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the June 2011 US Report to the OECD, "On July 27, 2010, the SEC filed a settled civil action against General Electric Company ("GE") and two GE subsidiaries (Ionics, Inc. (currently known as GE Ionics, Inc.) and Amersham plc (currently known as GE Healthcare Ltd.) in the U.S. District Court for the District of Columbia. The SEC's complaint charged the companies with books and records and internal controls violations in connection with bribes paid to former Iraqi government officials under the United Nations Oil for Food Program (OFFP) by two GE subsidiaries and two other subsidiaries of public companies that have since been acquired by GE. [] According to the SEC's Complaint, from approximately 2000 to 2003, two GE subsidiaries, Marquette-Hellige ("Marquette") and OEC-Medical Systems (Europa) AG ("OEC-Medical"), made approximately \$2.04 million in kickback payments in the form of computer equipment, medical supplies, and services to the Iraqi Ministry of Health. [] Two other current GE subsidiaries, Ionics S.r.l. and Nycomed Imaging AS made approximately \$1.55 million in cash kickback payments under the OFFP prior to GE's acquisition of their parent companies." (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, General Electric Company Case Summary at 47-48.)

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, General Electric Company Case Summary at 47-48, accessed at <http://www.oecd.org/dataoecd/18/8/42103833.pdf>; US Securities and Exchange Commission Litigation Release (July 27, 2010) at <http://www.sec.gov/litigation/litreleases/2010/lr21602.htm>.