

InVision Technologies, Inc. / David Pillor

Case ID:

ST-220

Case Cluster :

InVision Technologies, Inc.

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Securities and Exchange Commission

Jurisdiction of Foreign Public Official(s) :

China, Philippines, Thailand

Year of Settlement:

2006

Month/Day of Settlement (or Notes):

08/15

Other Jurisdictions of Settlement:

Unknown

Settlement with Individual or Legal Person?:

Individual

Type of Settlement:

Civil

Legal Form of Settlement:

Consent to Permanent Injunction

Monetary Sanctions (Types):

Civil Penalty

Total Monetary Sanctions (US\$):

\$65,000.00

Civil Disgorgement of Profits (US\$) :

\$0

Civil Prejudgment Interest (US\$) :

\$0

Civil Fine / Penalty (US\$):

\$65,000

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

\$0

UNCAC Articles(s) Implicated:

Art.16

Art.27

OECD Anti-Bribery Convention Articles Implicated:

Art. 1, Art. 8

Offenses - Alleged:

Falsification of books and records, Aiding and abetting InVision's internal controls violations

Offenses - Settled:

No admission or denial of allegations

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the US Securities and Exchange Commission's Litigation Release, the agency alleged that "during the period from late 2001 through June 2004, InVision completed sales to airports in China, the Philippines, and Thailand. In the course of these transactions, Pillor received e-mail messages from his Asian regional sales manager that suggested that InVision's overseas sales agents and distributors intended to make improper payments or other gifts to foreign government officials, in violation of the FCPA. InVision subsequently paid invoices to its agents and distributors in China and the Philippines and improperly recorded the payments as legitimate business expenses. InVision's FCPA violations occurred, in part, because the company lacked adequate internal controls to detect and prevent such conduct. For example, InVision's sales department provided only informal training about the FCPA to its employees and foreign agents. Similarly, the company's sales department failed to monitor its employees and foreign agents to ensure that they did not violate the requirements of the FCPA. As InVision's head of sales and a member of the company's board of directors, Pillor aided and abetted InVision's failure to establish adequate internal controls." (Source: US Securities and Exchange Commission Litigation Release No. 19803 / August 15, 2006, SEC v. David M. Pillor, Case No. C-06-4906-WHA (N.D. Cal. filed Aug. 15, 2006), "SEC Settles Charges Against Former InVision Technologies Senior Vice President for Sales and Marketing.") According to the same Litigation Release, "Simultaneous with the filing of the Commission's complaint, Pillor agreed, without admitting or denying the allegations, to pay a \$65,000 civil penalty and to entry of a permanent injunction against future violations, in settlement of the matter." (Source: Ibid.)

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," InVision Technologies, Inc. at 100-101, accessed at www.justice.gov/criminal/fraud/fcpa/docs/response3-appx-c.pdf; US Securities and Exchange Commission Litigation Release No. 19803 / August 15, 2006, SEC v. David M. Pillor, Case No. C-06-4906-WHA (N.D. Cal. filed Aug. 15, 2006), "SEC Settles Charges Against Former InVision Technologies Senior Vice President for Sales and Marketing," accessed at <http://www.sec.gov/litigation/litreleases/2006/lr19803.htm>.