

ITT Corporation

Case ID:

ST-232

Case Cluster :

ITT Corporation

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Securities and Exchange Commission

Jurisdiction of Foreign Public Official(s) :

China

Year of Settlement:

2009

Month/Day of Settlement (or Notes):

02/11

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\$):

\$1,678,650.11

Civil Disgorgement of Profits (US\$) :

\$1,041,112

Civil Prejudgment Interest (US\$) :

\$387,538.11

Civil Fine / Penalty (US\$):

\$250,000

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:

Internal controls violations, Falsification of books and records

Offenses - Settled:

No admission or denial of allegations

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the 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," ITT Corporation, at 48: Misconduct in China, 2001-2005; misconduct involved alleged payments to Chinese government officials by ITT's wholly-owned Chinese subsidiary, Nanjing Goulds Pumps Ltd. (NGP). Securities and Exchange Commission complaint had alleged that approximately \$200,000 in illicit payments to 32 different Chinese state-owned entities which generated over \$4 million in sales to NGP, from which ITT realized improper profits of more than \$1 million. The complaint mentioned two involved projects: the Xiaolangdi Hydroelectric Power Plant on the Yellow River and the Three Gorges Dam infrastructure project. Payments disguised as increased commissions in NGP's books and records. (See also, US Securities and Exchange Commission Litigation Release No. 20896 / February 11, 2009, SEC v. ITT Corporation, Civil Action No. 1:09-cv-00272 (RJL) (D.D.C. filed February 11, 2009).)

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," ITT Corporation, at 48; US Securities and Exchange Commission Litigation Release No. 20896 / February 11, 2009, SEC v. ITT Corporation, Civil Action No. 1:09-cv-00272 (RJL) (D.D.C. filed Feb. 11, 2009), accessed at <http://www.sec.gov/litigation/litreleases/2009/lr20896.htm>; Texts of the Complaint, Consent agreement, and final judgment available at <http://fcpa.shearman.com>.