

Litton Industries / Litton Applied Technologies / Litton Systems, Inc. Canada

Case ID:

ST-258

Case Cluster :

Litton Industries

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

United States Attorney for the Central District of California

Jurisdiction of Foreign Public Official(s) :

Taiwan, China; Greece

Year of Settlement:

1999

Month/Day of Settlement (or Notes):

06/30

Other Jurisdictions of Settlement:

Unknown

Settlement with Individual or Legal Person?:

Legal Person

Type of Settlement:

Criminal

Legal Form of Settlement:

Guilty Plea

Monetary Sanctions (Types):

Criminal Fine, Criminal Restitution, Investigation Costs

Total Monetary Sanctions (US\$):

\$18,501,600.00

Criminal Fine/Penalty (US\$) :

\$16,500,000

Criminal Restitution / Reparation (US\$):

\$737

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

Offenses - Alleged:

Conspiracy to Defraud the Government (Litton Applied); Conspiracy to Defraud the Government, Causing False Statement to the US, Mail Fraud (Litton Systems Canada)

Offenses - Settled:

Conspiracy to Defraud the Government (Litton Applied); Conspiracy to Defraud the

Government, Causing False Statement to the US, Mail Fraud (Litton Systems Canada)

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the Court Docket Report, pursuant to the E-Government Act, the final judgments are not available for public viewing. (Source: US v. Litton Applied Technologies, et al, Case No. 2:99-cr-00673 (C.D. Cal.), Docket Report retrieved via Pacer on October 4, 2011). The US Department of Justice website on FCPA Enforcement Actions lists the case but no documents. (<http://www.justice.gov/criminal/fraud/fcpa/cases/litton-applied.html>). According to the Court Docket Report in US v. Litton Applied et al, Litton Applied and Litton Systems were ordered to jointly pay \$18.5 million, consisting of \$16.5 million in fines, restitution of \$737,000, Cost of Investigation of \$1,263,000 and special assessment of \$1,600. The recipient of the restitution was not expressly stated. According to the New York Times, the two Litton Industries units had "agreed to pay \$18.5 million to settle allegations of having made illegal payments to obtain defense business in Greece and Taiwan. [] The negotiated plea ends investigations of a \$150 million deal to sell radar for F-16 fighter planes to Greece and \$47 million in contracts to upgrade Taiwanese military aircraft. In both cases, the company was accused of paying private consultants for help in getting business. [] In the Taiwan case, prosecutors accused the Litton units of paying more than \$4.3 million to Richard M. Hei, a retired Taiwanese Air Force major, for using his contacts to help secure contracts. [] In Greece, the Applied Technology division was alleged to have paid more than \$12 million to four Greek agents for help in selling the F-16 radars in 1993. [] In both cases the companies were accused of hiding the payments from American regulators. Federal law does not ban the use of foreign consultants, but require the disclosure of any commissions that are promised or paid." (Source: New York Times, "2 Litton Units Plead Guilty To Illegal Foreign Payments," July 1, 1999.)

Sources :

New York Times, "2 Litton Units Plead Guilty To Illegal Foreign Payments," July 1, 1999, at <http://www.nytimes.com/1999/07/01/business/2-litton-units-plead-guilty-to-illegal-foreign-payments.html>; [case listed but no documents on DOJ Fraud/FCPA website]; US v. Litton Applied Technologies, Case No. 2:99-cr-00673 (C.D. Cal.), Docket Report retrieved via Pacer on October 4, 2011; New York Times, "2 Litton Units Plead Guilty To Illegal Foreign Payments," July 1, 1999, accessed at <http://www.nytimes.com/1999/07/01/business/2-litton-units-plead-guilty-to-illegal-foreign-payments.html?pagewanted=print&src=pm>.