

York International Corporation

Case ID:

ST-396

Case Cluster :

York International Corporation

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), Bahrain, Egypt, India, Turkey, UAE, Nigeria, China and various other European and Middle Eastern countries 1999-2006

Year of Settlement:

2007

Month/Day of Settlement (or Notes):

10/01

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 Profit, Prejudgment Interest, Civil Penalty

Total Monetary Sanctions (US\$):

\$12,032,880.00

Civil Disgorgement of Profits (US\$) :

\$8,949,132

Civil Prejudgment Interest (US\$) :

\$1,083,748

Civil Fine / Penalty (US\$):

\$2,000,000

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

\$0

UNCAC Articles(s) Implicated:

Art.16

Art.23

Art.26

OECD Anti-Bribery Convention Articles Implicated:

Art. 1, Art. 2, Art. 7, Art. 8

Offenses - Alleged:

Bribery of foreign officials, Internal controls violations, Falsification of books and records

Offenses - Settled:

No admission or denial of alleged offenses

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the US Securities and Exchange Commission Litigation Release, on October 1, 2007, the Commission "filed anti-bribery, internal controls, and books and records charges under the Foreign Corrupt Practices Act against York International Corporation ("York International") in the U.S. District Court for the District of Columbia. York International, a global provider of heating, ventilation, air conditioning, and refrigeration products and services, was acquired by Johnson Controls, Inc. in 2005. The Commission's complaint alleges that York International's Delaware subsidiary paid approximately \$522,500 to an intermediary while knowing that most of the money was intended to bribe United Arab Emirate officials; York International's Dubai subsidiary authorized and made approximately \$647,110 in kickback payments under the U.N. Oil for Food Program; and that York International's subsidiaries devised elaborate schemes to conceal kickback payments of over \$7.5 million made to secure orders on certain commercial and government projects in the Middle East, India, China, Nigeria and Europe." (Source: US Securities and Exchange Commission, Litigation Release No. 20319 / October 1, 2007, Securities and Exchange Commission v. York International Corporation, 07 CV 01750 (D.D.C.)(RCL), "SEC Files Settled Foreign Corrupt Practices Act Charges Against York International Corporation For Improper Payments to UAE Officials, to Iraq Under the U.N. Oil for Food Program, and to Others - - Company Agrees to Pay Over \$12 Million and to Retain an Independent Compliance Monitor.)

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," York International Corporation, at 76-77, accessed at www.justice.gov/criminal/fraud/fcpa/docs/response3-appx-c.pdf. US Securities and Exchange Commission, Litigation Release No. 20319 / October 1, 2007, Securities and Exchange Commission v. York International Corporation, 07 CV 01750 (D.D.C.)(RCL), "SEC Files Settled Foreign Corrupt Practices Act Charges Against York International Corporation For Improper Payments to UAE Officials, to Iraq Under the U.N. Oil for Food Program, and to Others - - Company Agrees to Pay Over \$12 Million and to Retain an Independent Compliance Monitor," accessed at <http://www.sec.gov/litigation/litreleases/2007/lr20319.htm>; Complaint filed October 1, 2007, accessed at <http://www.sec.gov/litigation/complaints/2007/comp20319.pdf>.