

## Brucker Corporation

**Case ID:**

ST-427

**Case Cluster :**

Brucker 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:**

2014

**Month/Day of Settlement (or Notes):**

12/15

**Other Jurisdictions of Settlement:**

Unknown

**Settlement with Individual or Legal Person?:**

Legal Person

**Type of Settlement:**

Civil

**Legal Form of Settlement:**

Cease and Desist Order

**Monetary Sanctions (Types):**

Disgorgement of Profits, Prejudgment interest, Civil Fine

**Total Monetary Sanctions (US\$):**

\$2,399,969

**Criminal Fine/Penalty (US\$) :**

NA

**Criminal Fine / Penalty (Explanation):**

NA

**Criminal Forfeiture / Confiscation (US\$):**

NA

**Criminal Restitution / Reparation (US\$):**

NA

**Civil Disgorgement of Profits (US\$) :**

\$1,714,852

**Civil Prejudgment Interest (US\$) :**

\$310,117

**Civil Fine / Penalty (US\$):**

\$375,000

**Other Civil Monetary Sanctions (US\$):**

\$0

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

\$0

**Monetary Sanctions Returned / Ordered Returned (Explanation):**

NA

**UNCAC Articles(s) Implicated:**

Art. 16

**OECD Anti-Bribery Convention Articles Implicated:**

Art. 1, Art. 2, Art. 8

**Offenses - Alleged:**

Internal controls violations and Recordkeeping

**Offenses - Settled:**

No admission or denial of alleged offenses

**Public Procurement Contract / SOE Involved?:**

Yes

**Summary:**

According to the US Securities and Exchange Commission, Bruker Corporation, a Billerica, Mass.-based global manufacturer of scientific instruments was charged "with violating the Foreign Corrupt Practices Act (FCPA) by providing non-business related travel and improper payments to various Chinese government officials in an effort to win business. An SEC investigation found that Bruker Corporation lacked sufficient internal controls to prevent and detect approximately \$230,000 in improper payments out of its China-based offices that falsely recorded them in books and records as legitimate business and marketing expenses. The payments enabled Bruker to realize approximately \$1.7 million in profits from sales contracts with state-owned entities in China whose officials received the improper payments. [ ] According to the SEC's order instituting a settled administrative proceeding, a Bruker office in China paid more than \$111,000 to Chinese government officials under 12 suspicious collaboration agreements contingent on state-owned entities providing research on Bruker products or using Bruker products in demonstration laboratories. The collaboration agreements did not specify the work product that the state-owned entities had to provide in order to be paid, and no work product was actually provided to the Bruker office by the state-owned entities. Certain collaboration agreements were executed directly with a Chinese government official rather than the state-owned entity itself, and in some cases Bruker's office paid the official directly. According to the SEC's order, the other improper payments involved reimbursements to Chinese government officials for leisure travel to the United States, Czech Republic, Norway, Sweden, France, Germany, Switzerland, and Italy. These officials often were responsible for authorizing the purchase of Bruker products, and the leisure trips typically followed business-related travel for the officials funded by the company. For example, Bruker paid for the purported training expenses of a Chinese government official who signed the sales contract on behalf of a state-owned entity, but the payment actually was reimbursement for sightseeing, tour tickets, shopping, and other leisure activities in Frankfurt and Paris. Bruker also funded some trips for Chinese government officials that had no legitimate business component. For example, two Chinese government officials received paid travel to New York despite the lack of any Bruker facilities there, and also to Los Angeles where they engaged in sightseeing activities." (Source: US SEC Press Release, "SEC Charges Massachusetts-Based Scientific Instruments Manufacturer with FCPA Violations," December 15, 2014.)

**Sources :**

US SEC Press Release, "SEC Charges Massachusetts-Based Scientific Instruments Manufacturer with FCPA Violations," December 15, 2014, at <https://www.sec.gov/News/PressRelease/Detail/PressRelease/1370543708934>; Administrative Proceeding File No.