

FLIR Systems

Case ID:

ST-448

Case Cluster :

FLIR Systems

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Securities and Exchange Commission

Jurisdiction of Foreign Public Official(s) :

Saudi Arabia

Year of Settlement:

2015

Month/Day of Settlement (or Notes):

4/8

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 Penalty

Total Monetary Sanctions (US\$):

\$9,504,584

Civil Disgorgement of Profits (US\$) :

\$7,534,000

Civil Prejudgment Interest (US\$) :

\$970,584

Civil Fine / Penalty (US\$):

\$1,000,000

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:

Bribery of Foreign Officials; Falsification of Books and Records; Internal Controls Violations

Offenses - Settled:

No admission or denial of alleged offenses

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the US Securities and Exchange Commission, FLIR Systems, Inc. is an Oregon-based corporation founded in 1978 which develops infrared technology for use in thermal imaging and other sensing products and systems, night vision, and camera systems for government and commercial customers. "According to the SEC's order instituting a settled administrative proceeding against FLIR, the company had few internal controls over gifts and travel out of its foreign sales offices. Two employees in its Dubai office provided expensive watches to government officials with the Saudi Arabia Ministry of Interior in 2009, and they arranged for the company to pay for a 20-night excursion by Saudi officials that included stops in Casablanca, Paris, Dubai, Beirut, and New York City. The value of the gifts and the extent and nature of the travel were falsely recorded in FLIR's books and records as legitimate business expenses, and the company's internal controls failed to catch the improper payments despite documentation suggesting that extravagant gifts and travel were being provided. The SEC's order finds that from 2008 to 2010, FLIR paid approximately \$40,000 for additional travel by Saudi government officials, including multiple New Year's Eve trips to Dubai with airfare, hotel, and expensive dinners and drinks. FLIR also accepted cursory invoices from a FLIR company partner without any supporting documentation to pay extended travel of Egyptian officials in mid-2011." (Source: US SEC Press Release, "SEC Charges Oregon-Based Defense Contractor With FCPA Violations," April 8, 2015.)

Sources :

US Securities and Exchange Commission Administrative Proceeding File No, 3-16478, In the Matter of Flir Systems Inc., April 8, 2015, at <https://www.sec.gov/litigation/admin/2015/34-74673.pdf>; SEC Press Release, "SEC Charges Oregon-Based Defense Contractor With FCPA Violations," April 8, 2015, at <https://www.sec.gov/news/pressrelease/2015-62.html>