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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\$):

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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 o 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:

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