



worldcompliance

FCPA NEWS ARTICLE

BAE Systems

The British international defense contractor, BAE Systems PLC (BAES) has pled guilty in a U.S. District Court to conspiring to defraud the United States by impairing and impeding its lawful functions; to making false claims about its Foreign Corrupt Practices Act (FCPA) compliance program and to violating the Arms Export Control Act (AECA) as well as International Traffic in Arms Regulations (ITAR.).

These charges were brought after an investigation by the U.S. Immigration and Customs Enforcement Agency as well as other federal agencies. As a result of the violations, BAES was sentenced by to pay a \$400 million criminal fine. Additionally, the U.S State Department has put a “temporary administrative hold” on weapons export license by BAE systems or companies using BAE Systems products.

As stated in court documents, BAES consciously failed to establish procedures to ensure compliance with the FCPA as well as the Organization for Economic Cooperation and Development (OECD) Anti-bribery Convention after stating to various U.S government agencies that it would do so. According to court documents, the gain to BAES from the various false statements and failures to make required disclosures to the U.S. government was more than \$200 million.