

SEC Charges Stryker A Second Time for FCPA Violations

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Washington D.C., Sept. 28, 2018 —

The Securities and Exchange Commission today charged Stryker Corp. with violating the books and records and internal accounting controls provisions of the Foreign Corrupt Practices Act (FCPA), the second time the SEC has brought an FCPA action against the Michigan-based medical device company.

Stryker agreed to settle the charges and pay a \$7.8 million penalty. The SEC's order found that Stryker's internal accounting controls were not sufficient to detect the risk of improper payments in sales of Stryker products in India, China, and Kuwait, and that Stryker's India subsidiary failed to maintain complete and accurate books and records.

"Stryker's failures to implement sufficient internal accounting controls and keep accurate books and records are unacceptable, especially as this is not the first time the company has been charged for these types of violations," said Marc P. Berger, Director of the SEC's New York Regional Office. "The penalty ordered along with the imposition of a compliance consultant are appropriate and necessary."

Without admitting or denying the SEC's findings, Stryker consented to the entry of an order requiring the company to cease and desist from committing violations of the books and records and internal accounting controls provisions of the FCPA and pay a \$7.8 million penalty. In October 2013, Stryker [settled charges of FCPA violations](#) and was required to pay a \$3.5 million penalty plus more than \$7.5 million in disgorgement of ill-gotten gains and more than \$2.2 million in interest. Stryker also must now retain an independent compliance consultant to review and evaluate its internal controls, record-keeping, and anti-corruption policies and procedures relating to use of dealers, agents, distributors, sub-distributors, and other such third parties that sell on behalf of Stryker.