

Press Release

United Technologies Charged With Violating FCPA

FOR IMMEDIATE RELEASE

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Washington D.C., Sept. 12, 2018 —

The Securities and Exchange Commission today announced that Connecticut-based United Technologies Corporation will pay \$13.9 million to resolve charges that it violated the Foreign Corrupt Practices Act (FCPA) by making illicit payments in its elevator and aircraft engine businesses.

According to the SEC's order, United Technologies subsidiary Otis Elevator Co. made unlawful payments to Azerbaijani officials to facilitate the sales of elevator equipment for public housing in Baku and as part of a kickback scheme to sell elevators in China. The order also found that United Technologies, through its joint venture, made payments to a Chinese sales agent in a bid to obtain confidential information from a Chinese official that would help the company win engine sales to a Chinese state-owned airline. The SEC's order also found that United Technologies improperly provided trips and gifts to various foreign officials in China, Kuwait, South Korea, Pakistan, Thailand, and Indonesia through its Pratt & Whitney division and Otis subsidiary in order to obtain business.

"U.S. companies with global operations must implement policies and procedures that prevent bribery and motivate employees to perform ethically," said Tracy L. Price, Deputy Chief of the SEC Enforcement Division's FCPA Unit. "Issuers with weak internal accounting controls open the door to corruption and other financial misconduct."

United Technologies consented to the SEC's order without admitting or denying the findings that it violated the anti-bribery, books and records, and internal accounting controls provisions of the Securities Exchange Act of 1934, and the company agreed to pay disgorgement of \$9,067,142 plus interest of \$919,392 and a penalty of \$4 million.

The SEC's investigation was conducted by Ilana Z. Sultan and M. Shahriar Masud and supervised by Tracy L. Price. The SEC appreciates the assistance of the Fraud Section of the Department of Justice and the U.S. Postal Inspection Service.

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