

Key Takeaways from the FCPA Enforcement Actions Involving Embraer S.A.

Enforcement Actions: SEC Civil Action (Embraer S.A.) – October 24, 2016
DOJ Deferred Prosecution Agreement (Embraer S.A.) – October 24, 2016

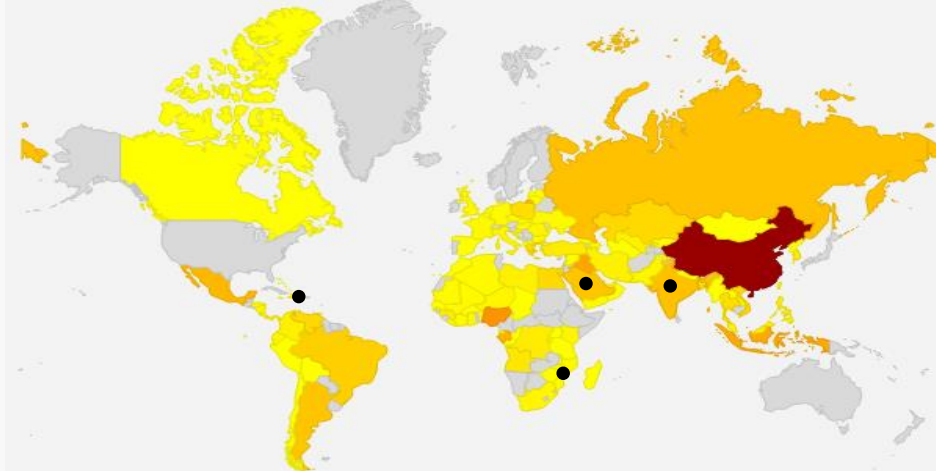
Total Sanctions: \$205,533,381

\$0 | **\$205 million** | **\$1.7 billion**

9th largest monetary sanction (of 178 total monetary sanctions against corporations in FCPA Groups to date)

Type of Bribery: Money

Geography: Dominican Republic, India, Mozambique, Saudi Arabia



Industry: Aerospace/Defense - the 34th FCPA Group in the Aerospace/Defense industry

Implicated Companies: Embraer S.A. (ticker: ERJ, exchange: NYSE)
Embraer Representations LLC (subsidiary of Embraer)
ECC Investment Switzerland AG (subsidiary of Embraer)

Individuals Prosecuted: None (as of October 24, 2016)

Description & Notes on the Resolutions:

According to the complaint in the SEC action, between 2005 and 2011, Embraer made bribe payments through third-party agents to foreign government officials in the Dominican Republic, Mozambique, and Saudi Arabia. In all, Embraer paid approximately \$6 million in illicit payments and reaped over \$83 million in profits from the business obtained by the bribes. The complaint also alleges that Embraer made payments to a commercial agent in order to obtain a defense contract in India, then covered up the payments in accounting records by marking them under an unrelated but otherwise legitimate contract in a different country. On October 24, 2016, the DOJ and SEC brought settled enforcement actions against Embraer. The SEC required Embraer to pay \$98 million in disgorgement plus interest, and the DOJ imposed a penalty of \$107 million. The company may receive up to a \$20 million credit depending on the amount of disgorgement Brazilian authorities will require in a parallel civil proceeding in Brazil.

Mitigating / Aggravating Factors:

Self-Reported	Cooperation	Voluntary Remediation
No	Yes	Partial

Compliance / Reporting:

Compliance Obligation	Monitor Ordered	Length of Reporting
Yes	Independent Monitor	3 years