

Key Takeaways from the FCPA Enforcement Action Involving Orthofix International N.V.

Enforcement Actions: SEC Administrative Proceeding (Orthofix International N.V.) – January 18, 2017

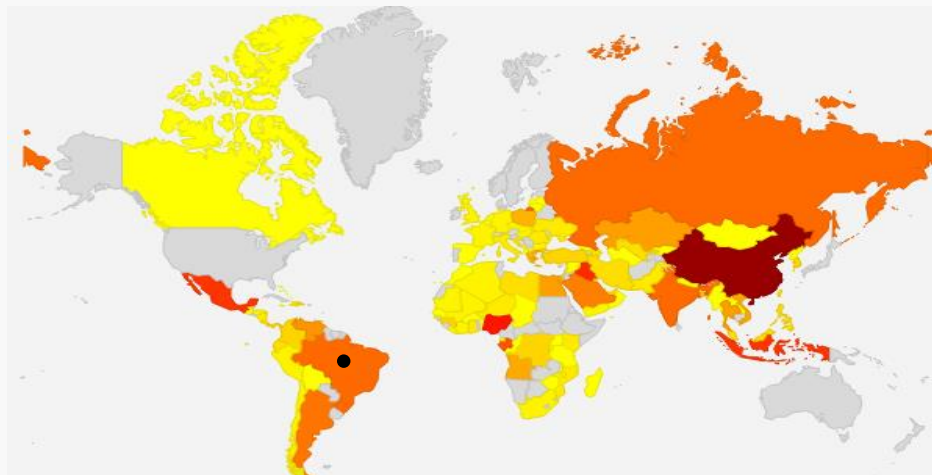
Total Sanctions: \$6,119,375

\$0 | **\$6.1 million** | **\$1.7 billion**

100th highest monetary sanction (of 188 total monetary sanctions against corporations in FCPA Groups to date)

Type of Bribery: Money

Geography: Brazil



Industry: Healthcare - the 32nd FCPA Group involving the Healthcare industry

Implicated Companies: Orthofix International N.V. (ticker: OFIX, exchange: NASDAQ)
Orthofix do Brasil LTDA (subsidiary of Orthofix International)

Implicated Individuals: None

Description & Notes on the Resolutions:

According to the SEC, from about 2011 to 2013, Orthofix engaged in a series of schemes to make improper payments through third-party commercial representatives and distributors to doctors in government-owned hospitals in Brazil in order to induce the doctors to use the company's products. Because these payments were largely supported with fake invoices and other fraudulent documentation, Orthofix failed to properly record the transactions in its books and records, and the company lacked sufficient controls to prevent the misconduct. Orthofix self-reported the misconduct in Brazil as part of its ongoing obligations under the DOJ and SEC FCPA enforcement actions for misconduct in Mexico that the company settled in 2012. The SEC also brought a separate administrative action against Orthofix based on the company's accounting violations, including for some of the same misconduct alleged in this action, and imposed a monetary penalty in that action of \$8.25 million. In a statement released on January 18, 2017, Orthofix stated that the DOJ would be taking no further action in its investigation of this matter.

Mitigating / Aggravating Factors:

Self-Reported	Cooperation	Voluntary Remediation
No	Yes	Yes

Compliance / Reporting:

Compliance Obligation	Monitor Ordered	Length of Reporting
Yes	Independent Monitor	1 Year