

Key Takeaways from the DOJ FCPA Pilot Program Declination Involving Linde North America Inc. and Linde Gas North America LLC

Enforcement Action: DOJ Declination with Disgorgement – June 16, 2017

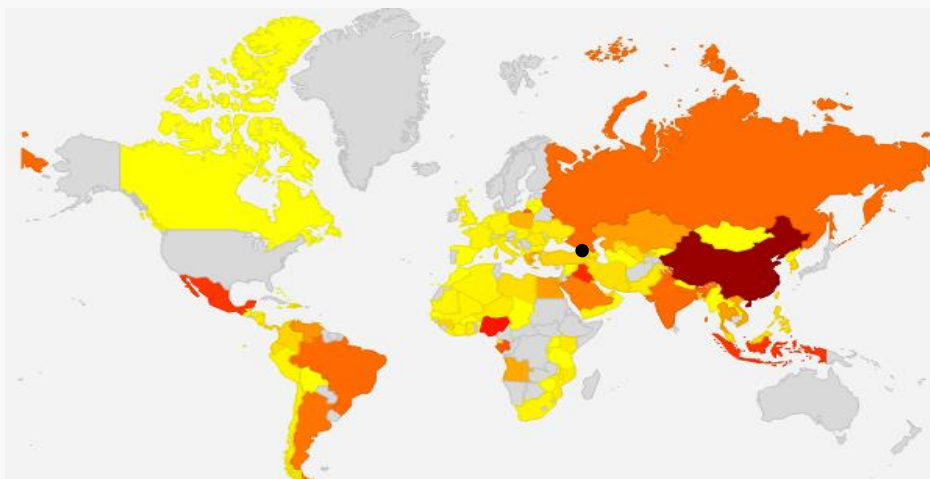
Total Sanctions: \$11,235,000



87th highest monetary sanction (of 189 total monetary sanctions against corporations in FCPA Groups to date)

Type of Bribery: Money

Geography: Georgia



Industry: Basic Materials - the 18th FCPA Group involving the Basic Materials industry

Implicated Companies: Linde North America Inc. (private subsidiary of Linde AG)
Linde Gas North America LLC (private subsidiary of Linde AG)

Individuals Prosecuted: None

Description & Notes on the Resolutions:

From approximately November 2006 to December 2009, Spectra Gases, Inc., a subsidiary of both Linde North America Inc. and Linde Gas North America LLC (collectively "Linde"), made corrupt payments to high-level officials at the National High Technology Center ("NHTC"), a 100% state-owned Georgian entity. The payments were made as part of an agreement to purchase equipment for the production of boron gas from the NHTC. Profits generated by the sale of the boron gas were split 25% to Spectra Gases and 75% to the NHTC officials. In all, Spectra Gases (and later Linde after the dissolution of Spectra Gases in January 2010) earned approximately \$7,820,000 in profits from the arrangement. When Linde discovered the misconduct, it immediately began an internal investigation and withheld any further payments to Spectra Gases' executives and companies owned by the NHTC officials.

On June 16, 2017, the DOJ issued a declination letter to Linde pursuant to its FCPA Pilot Program. In declining to prosecute Linde, the DOJ cited the companies' voluntary self-disclosure of the misconduct, thorough cooperation, extensive remediation, and agreement to disgorge the profits associated with the misconduct as well as to forfeit the remaining payments owed to the NHTC officials' companies. In all, Linde disgorged and forfeited \$11.2 million.

Mitigating / Aggravating Factors:

Self-Reported	Cooperation	Voluntary Remediation
Yes	Yes	Yes

Compliance / Reporting:

Compliance Obligation	Monitor Ordered	Length of Reporting
No	N/A	N/A