

United States v. Dallas Airmotive, Inc. (N.D. Tex. 2014)

Nature of the Business.

Dallas Airmotive, Inc. (“DAI”) is an aircraft engine maintenance, repair, and overhaul services company headquartered in Grapevine, Texas. The company is a wholly-owned subsidiary of BBA Aviation plc, a U.K. company traded on the London Stock Exchange.

Influence to be Obtained.

According to court documents, between 2008 and 2012, DAI made or planned to make several improper payments to various government officials in Argentina, Brazil, and Peru who retained authority to influence the award of lucrative aircraft maintenance contracts to DAI. The DOJ claims that the illicit payments frequently took the form of kickbacks after the relevant foreign officials requested that DAI increase the value of their contract with the government agency to include additional “commissions.” According to the DOJ, DAI used the “commissions” to bribe the relevant government official, frequently funneling the payments through “front companies” to conceal the activity. Additionally, on one occasion, DAI is alleged to have paid for a sergeant of the Brazilian Air Force to take a vacation with his wife.

Enforcement.

On December 10, 2014, the DOJ announced that it settled an enforcement action against DAI by reaching a deferred prosecution agreement that required the company to pay a criminal penalty of \$14 million and agree to annual reporting requirements for a three-year period. According to an accompanying criminal information, the DOJ charged DAI with conspiracy to violate the FCPA and a substantive violation of the FCPA’s anti-bribery provisions.

Key Facts

Citation. *United States v. Dallas Airmotive, Inc.*, No. 3:14-cr-00483 (N.D. Tex. 2014).

Date Filed. December 18, 2014.

Country. Argentina; Brazil; Peru.

Date of Conduct. 2008 – 2012.

Amount of the Value. Not Stated.

Amount of Business Related to the Payment. Not Stated.

Intermediary. Third-Party Representative.

Foreign Official. Officials from the Office of the Governor of San Juan Province in Argentina; Officials from the Brazilian Air Force; Officials from the Office of the Governor of the Brazilian State of Roraima; and Officials from the Peruvian Air Force.

FCPA Statutory Provision. Conspiracy (Anti-Bribery); Anti-Bribery.

Other Statutory Provision. None.

Disposition. Deferred Prosecution Agreement.

Defendant Jurisdictional Basis. Domestic Concern.

Defendant’s Citizenship. United States.

Total Sanction. \$14,000,000.

Compliance Monitor/Reporting Requirements. Reporting Requirements.

Related Enforcement Actions. None.