

In the Matter of United Industrial Corporation (2009)

Nature of the Business.

United Industrial Corporation ("UIC"), a Delaware corporation headquartered in Hunt Valley, Maryland, focuses on the design and production of defense, training, transportation, and energy systems for the U.S. Department of Defense and domestic and international customers. ACL Technologies, Inc. ("ACL"), a wholly-owned subsidiary of UIC formerly headquartered in Brea, California, developed, operated, and maintained stationary and mobile test equipment in support of hydraulics, pneumatics, electrical, mechanical, and fuel requirements of commercial and military aircraft. In 2007, after the conduct described herein occurred, an affiliate of Textron Inc. acquired UIC.

Influence to be Obtained.

As alleged in the SEC's cease-and-desist order, in late 2001 and throughout 2002, Thomas Wurzel, then President of ACL, authorized multiple payments to an agent to secure a Contract Engineering Technical Services contract for ACL in connection with a project to build a F-16 combat aircraft depot for the EAF and provide, operate, and train labor to use the testing equipment for the depot. The order further alleges that Wurzel knew or consciously disregarded the high probability that the agent would offer, provide, or promise at least a portion of such payments to active EAF officials. During this time, UIC allegedly lacked meaningful controls to prevent or detect Wurzel's authorization of illicit payments to the agent. The UIC legal department allegedly approved the retention of the agent despite a lack of documented due diligence and the failure of the agent to comply with corporate policy. The order further alleges that a UIC official approved at least one payment to the agent and that UIC mischaracterized the illicit payment in its books and records as legitimate business expenses.

Enforcement.

On May 29, 2009 without admitting or denying the allegations in the order, UIC consented to an SEC order requiring it to cease and desist from committing or causing any future violations of the FCPA. In addition, UIC paid \$267,571 in disgorgement and \$70,108 prejudgment interest.

Key Facts

Citation. *In the Matter of United Indus. Corp.*, Admin. Proc. File No. 3-13495 (May 29, 2009).

Date Filed. May 29, 2009.

Country. Egypt.

Date of Conduct. 2001 – 2002.

Amount of the Value. Not Stated.

Amount of Business Related to the Payment. Approximately \$5.3 million in gross revenues; net profits of \$267,000.

Intermediary. Agent.

Foreign Official. Egyptian Air Force officials.

FCPA Statutory Provision. Anti-Bribery; Books-and-Records; Internal Controls.

Other Statutory Provision. None.

Disposition. Cease-and-Desist Order.

Defendant Jurisdictional Basis. Issuer.

Defendant's Citizenship. United States.

Total Sanction. \$337,679.

Compliance Monitor/Reporting Requirements. None.

Related Enforcement Actions. *SEC v. Wurzel*, No. 1:09-cv-1005 (D.D.C. 2009).

Total Combined Sanction. \$337,679.