U.S. Securities and Exchange Commission

PRESS RELEASE

SEC Charges Virginia-Based RTX Corp. with Violating Foreign Corrupt Practices Act in Connection with Efforts to Obtain Contracts with the Qatari Military

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Washington D.C., Oct. 16, 2024 —The Securities and Exchange Commission today announced that RTX Corporation, a Virginia-based aerospace and defense company, agreed to pay more than $124 million to resolve charges that it violated the Foreign Corrupt Practices Act (FCPA) in connection with payments made to assist in obtaining contracts with the Qatari military. RTX, which was named Raytheon Technologies Corp. until 2023, was formed after the 2020 merger of Raytheon Company and United Technologies Corp. (collectively, Raytheon).

According to the SEC's order, Raytheon used sham subcontracts with a supplier to pay bribes of nearly $2 million to Qatari military and other officials from 2011 to 2017 to obtain Qatari military defense contracts. Additionally, the order finds that from the early 2000s into 2020, Raytheon paid more than $30 million to a Qatari agent who was a relative of the Qatari Emir and who, despite being retained as Raytheon's representative in Qatar, had no prior background in military defense contracting. Raytheon obtained additional defense contracts through the agent under circumstances with significant corruption risks. The order finds that Raytheon continued working with the agent even after numerous Raytheon employees raised concerns about risks of corruption and despite a lack of adequate documentation of the agent's services.

"The penalty in this case reflects the significant misconduct by Raytheon and the need for global companies to implement meaningful internal accounting controls that ensure that payments to intermediaries are not used to circumvent the restrictions of the FCPA," said Charles E. Cain, Chief of the SEC Enforcement Division's FCPA Unit.

The SEC's order finds that Raytheon violated the antibribery, internal accounting controls, and books and records provisions of the FCPA. Raytheon consented to the entry of the SEC's order requiring it to cease and desist from committing or causing any future violations and to pay disgorgement and prejudgment interest of approximately $49 million and a civil penalty of $75 million, $22.5 million of which will be offset by a criminal fine in a parallel criminal action. As part of the resolution, Raytheon must retain an independent compliance monitor for three years.

The SEC's investigation was conducted by Irene Gutierrez, Ilana Z. Sultan, Eric Heining, Sonali Singh, and Tracy L. Price of the SEC's FCPA Unit.

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RESOURCES

- **SEC Order**