

MANUFACTURING

Airbus to settle fraud, bribery cases in U.S., Europe with massive \$4B payment



By [Andrew McIntosh](#)
Staff Writer, Puget Sound Business Journal
Jan 28, 2020, 6:48pm PST

Airbus said Tuesday it reached a deal with U.S. and European authorities to pay \$4 billion to settle probes into allegations that it won military and commercial jet deals with bribery and corruption.

Anti-fraud authorities in France, the United Kingdom and United States have been investigating Airbus [since 2016 following claims it was making payments to third-party middlemen](#) to juice sales.

[Airbus announced the preliminary settlement](#) along with a photo of a white flag with Airbus' name it but shared no details of its alleged transgressions or whether they harmed

Boeing's business.

More will become clear at special court hearings in France, the U.K. and U.S. that will take place Jan. 31, Airbus said.

When the probes were first revealed, Airbus executives initially denied wrongdoing, but a wave of departures soon swept over its senior ranks as separate probes were advanced by France's *Parquet National Financier*, the U.K.'s Serious Fraud Office and U.S. Justice Department officials who prosecute Foreign Corrupt Practices Act cases.

U.S. authorities also are investigating allegations that Airbus made false claims in the documents jet manufacturers must submit when making military sales under the U.S. International Traffic in Arms Regulations. The allegations include that the third-party sales agents' names were omitted from export finance applications.

The agreements in principle and payments by Airbus must now be reviewed and approved by courts in the multiple jurisdictions.

Upon that approval, Airbus said, it then will book a special charge of 5.6 billion euros to cover payment of potential penalties against its 2019 financial results.

"The extent of the bribery and commercial deals it might include have not been disclosed so far, but the settlement indicates it must have happened on a large scale," AirInsight analyst [Richard Schuurman](#) said in a research note to clients.

Bainbridge Island aerospace analyst [Scott Hamilton](#) said word of the settlement involving Airbus is welcome news, but he noted on Twitter that it remains unclear if the deal includes immunity for individual former executives.

Airbus said its officials continue to cooperate with investigative authorities and will share further details when the agreements have been finalized.

Since the C-suite overhaul, Airbus says it no longer deals with third-party sales consultants.

It also has adopted a code of conduct similar to rival Boeing's own ethics rules.

 **THURSDAY, FEBRUARY 13, 2020**

Innovators of the Year Awards

Hear from the most creative and forward-thinking people in this region.

[Register now](#)

MOVING WHAT Connecting Washington's farmers

SPONSORED CONTENT BY ZEEKS

Four things an entrepreneur should know about franchising



SPONSORED CONTENT BY THE BUSINESS JOURNALS

5 tips to plan your year in branded content



PUGET SOUND **BUSINESS JOURNAL**

[User Agreement](#) | [Privacy Policy](#)

[Your California Privacy Rights](#) | [Ad Choices](#)

© 2020 American City Business Journals. All rights reserved. Use of and/or registration on any portion of this site constitutes acceptance of our User Agreement (updated 1/1/20) and Privacy Policy and Cookie Statement (updated 1/1/20). The material on this site may not be reproduced, distributed, transmitted, cached or otherwise used, except with the prior written permission of American City Business Journals.