

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 101988 / December 19, 2024

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 4551 / December 19, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-22370

In the Matter of

DEEPAK SHARMA,

Respondent.

**ORDER INSTITUTING CEASE-AND-
DESIST PROCEEDINGS PURSUANT TO
SECTION 21C OF THE SECURITIES
EXCHANGE ACT OF 1934, MAKING
FINDINGS, AND IMPOSING A CEASE-
AND-DESIST ORDER**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against Deepak Sharma (“Sharma” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and except as provided herein in Section V, consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer of Settlement, the Commission finds¹ that:

SUMMARY

1. This matter concerns violations of the anti-bribery, books and records, and internal accounting controls provisions of the Foreign Corrupt Practices Act of 1977 (the "FCPA") by AAR, a provider of aviation products and services, arising from two separate bribery schemes. One scheme was in connection with the sale of two Airbus A330 aircraft to Nepal Airlines Corporation ("Nepal Airlines"), a government-owned airline, and the second was in connection with the sale of aftermarket aviation services to SAA Technical (SOC) Ltd. ("South African Airways Technical"), a subsidiary of South African Airways (SOC) Ltd ("South African Airways"), a government-owned airline.

2. The improper payments were in the form of sham commissions and fees payable to government officials through the use of a third-party agent and joint venture partner. The misconduct also involved a now-former high-level employee of an AAR subsidiary, Deepak Sharma. The payments were in violation of AAR policies and were falsely recorded on the company's books and records as legitimate expenses.

RESPONDENT

3. **Sharma**, age 46, was President of International Supply Chain for a wholly owned AAR subsidiary, from November 2015 until his suspension in April 2019. He resigned from AAR in September 2019. Sharma is a UK citizen residing in the UK. After starting at the AAR subsidiary, Sharma was the lead executive responsible for the Nepal Airlines transaction. During the relevant period, Sharma signed SOX sub-certifications as President of International Supply Chain. In August 2024, in connection with the Nepal Airlines scheme, Sharma pleaded guilty to a one-count criminal information filed in the US charging him with conspiracy to violate the anti-bribery provisions of the FCPA, in violation of 18 U.S.C. § 371.

¹ The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

OTHER RELEVANT ENTITIES AND INDIVIDUALS

4. **AAR** is a provider of aviation products and services. AAR and its wholly owned subsidiaries currently have approximately 5,700 employees and hold approximately \$2.8 billion in total assets. AAR is incorporated in Delaware with its principal executive offices in Illinois. The company's common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act, and it files periodic reports with the Commission pursuant to Section 13 of the Exchange Act. The company's common stock trades on the New York Stock Exchange under the ticker symbol AIR.

5. **Nepal Airlines** is a state-owned airline and the flag carrier for the government of Nepal. It was founded in 1958 and is the oldest airline in the country. In 2015, it was looking to expand its international fleet through the purchase of two wide-body aircraft.

6. **Consortium Party A**, a German corporation, was part of a consortium with an AAR subsidiary involved in bidding on the sale of two Airbus A330 aircraft to Nepal Airlines. It established a special purpose vehicle to facilitate the sale.

7. **Consortium Party B**, a Portuguese charter airline, was part of a consortium with an AAR subsidiary involved in bidding on the sale of two Airbus A330 aircraft to Nepal Airlines. It had the right to purchase the two Airbus planes, which it assigned to a special purpose vehicle.

8. **Special Purpose Vehicle** was a special purpose vehicle established by Consortium Party A for the purpose of facilitating the sale of two Airbus A330 aircraft to Nepal Airlines.

9. **Principal AB**, a Nepalese national, controlled Third-Party Agent A and Third-Party Agent B. In connection with the Nepal transaction, an AAR subsidiary, Consortium Party A, and Special Purpose Vehicle retained Principal AB.

10. **Third-Party Agent A**, a Hong Kong corporation, was controlled by Principal AB and purportedly involved in the telecommunications business.

11. **Third-Party Agent B**, a Dubai-based entity incorporated in the UAE, was formed and controlled by Principal AB as a successor entity to Third-Party Agent A.

12. **South African Airways** is a South African government-owned airline.

13. **South African Airways Technical** is a state-owned subsidiary of South African Airways that provides aircraft maintenance services to various commercial airlines.

14. **Joint Venture Party** was formed in 2015 as a South African Broad-Based Black Economic Empowerment (“BBBEE”) entity. The principals of Joint Venture Party were Principal 1, Principal 2, and two of Principal 2’s daughters. On January 4, 2022, after AAR had terminated the relationship with Joint Venture Party and South African Airways Technical, an investigative commission of the South African government found that Principal 1, Principal 2, and Joint Venture Party bribed government officials in connection with a transaction unrelated to AAR. That commission did not make findings of corruption as to AAR or its arrangement with Joint Venture Party but found that the award of the component tender to Joint Venture Party was unlawful and irregular.

FACTS

Nepal Bribery Scheme

15. From at least November 2015 through 2018, Sharma, a then senior executive at an AAR subsidiary, orchestrated and implemented a bribery scheme to win a contract for the sale to Nepal Airlines of two Airbus A330 aircraft valued at approximately \$210 million. As part of the scheme, an AAR subsidiary retained Third-Party Agent A, whose role was to pay bribes to officials who had control over the Nepal Airlines contract. AAR terminated its relationship with Third-Party Agent A prior to the transaction closing, resulting in Sharma arranging to have Consortium Party A pay Third-Party Agent A and its successor entity, Third-Party Agent B, a success fee for winning the Nepal Airlines contract.

16. In 2015, Sharma was hired as President of the International Supply Chain for an AAR subsidiary. At the time, Sharma suggested that he could help secure the Nepal Airlines opportunity. Upon arriving at AAR, Sharma pursued the opportunity as the lead employee responsible for winning the Nepal Airlines contract, reporting directly to an AAR executive. Sharma’s internal communications to AAR personnel suggested that the Nepal Airlines request for proposal (“RFP”) would be drafted to favor AAR. For example, on November 22, 2015, Sharma sent an internal email conveying that he had a “good meeting” with the “CEO of [Nepal] airlines” and that the RFP for the transaction would be drafted in favor of AAR. In a follow-up December internal email, Sharma forwarded email correspondence between himself and the Nepal Airlines’ Managing Director, adding that the Managing Director was “100% relying on us to bid and win this aircraft sales” contract.

17. Starting at least as early as December 2015, Sharma worked with Principal AB, a Nepalese individual who controlled Third-Party Agent A, and its successor entity, Third-Party Agent B, and with Nepalese officials to help AAR win the Nepal Airlines contract. In March, 2016, Sharma secured, and shared internally at AAR, an unpublished draft of the RFP for AAR executives to “comment” on and “change any terms to suit AAR.” As a result, Sharma and others at AAR proposed changes to the draft RFP to benefit AAR in the bidding process. A few months later, Sharma emailed the Nepal Airlines’ Managing Director adding specifications to the RFP, and then forwarded this email internally, writing that the “way this RFP is going no one else will qualify to bid except AAR.” On September 26, 2016, the RFP was officially published. Upon publication, Sharma reported in an internal email that the RFP was “designed for us.”

18. Soon after the RFP was published, Sharma discussed internally the need to engage Third-Party Agent A as an agent on the Nepal Airlines transaction. In doing so, Sharma noted that he would “pull all political strings in Nepal” and that setting up a foreign representative agreement (“FRA”) with Third-Party Agent A would help “lock . . . in” the Nepal Airlines transaction. Third-Party Agent A, based in Hong Kong and purportedly a telecommunications business, was engaged by an AAR subsidiary despite red flags raised during due diligence including: (1) its lack of any aviation industry experience; (2) limited and vague descriptions of the services it would provide; (3) that two customer references provided by Third-Party Agent A involved sales of cellphones and electronics; and (4) a higher than normal commission rate.

19. On November 1, 2016, Third-Party Agent A was officially engaged pursuant to the FRA. Under the FRA, Third-Party Agent A would receive a commission payment of 7% of the final sales price of the two aircraft, and the commission payment was estimated to be between \$9.6 and \$14.6 million. An internal AAR PowerPoint noted the arrangement to be “necessary” for AAR to win the Nepal Airlines transaction.

20. On November 8, 2016, an AAR subsidiary formed a consortium through a framework agreement with Consortium Party A and Consortium Party B (collectively the “AAR Consortium”) to submit a bid on the Nepal Airlines transaction. Under the initial structure, AAR would provide the aircraft, Consortium Party A would provide the financing, and Consortium Party B would provide services, spare parts, and tooling. Consortium Party B would also assign the right it held to purchase two A330 aircraft from Airbus to Special Purpose Vehicle, which would be created by Consortium Party A. To purchase the aircraft, Consortium Party A would use Special Purpose Vehicle to buy the two A330 aircraft from Airbus, and Special Purpose Vehicle would then sell the aircraft to AAR, which in turn would sell the aircraft to Nepal Airlines. AAR estimated that it would make between \$8 million to \$12 million from that transaction structure.

21. On November 9, 2016, the AAR Consortium submitted its bid in response to the RFP. The cover letter for the bid was addressed to Nepal Airlines’ Managing Director from Sharma. The next day, Sharma texted an AAR executive “we got the Nepal deal.”

22. On or around December 1, 2016, AAR executives learned from Sharma that money going to Third-Party Agent A would be used to make donations to political parties in Nepal as part of the Nepal Airlines transaction. On December 4, 2016, AAR received an anonymous email alleging bribery related to the Nepal Airlines transaction. As a result of learning from Sharma that Third-Party Agent A would be making these payments, AAR terminated Third-Party Agent A on December 9, 2016. On January 16, 2017, Nepal Airlines notified AAR that its board had approved the AAR Consortium's bid.

23. The transaction was ultimately restructured such that Special Purpose Vehicle would buy the two A330 aircraft from Airbus, but rather than selling them to AAR, Special Purpose Vehicle would sell the aircraft directly to Nepal Airlines, and, for negotiating the transaction, AAR would receive a \$6 million commission (rather than the originally contemplated \$9.6-14.6 million commission).

24. As part of the termination of the FRA, the AAR subsidiary and Third-Party Agent A executed a termination and separate fee agreement that provided Third-Party Agent A with \$250,000 as "full payment to" Third-Party Agent A "for its time and costs associated with its efforts relating to the sale of [the] aircraft" upon the delivery of the two aircraft to Nepal Airlines and after payment to the AAR subsidiary.

25. Sharma subsequently put in place a May 2017 agreement between Third-Party Agent A and Consortium Party A pursuant to which Consortium Party A would pay Third-Party Agent A a commission of \$4 million per aircraft (\$8 million for the two aircraft). The agreement was backdated to October 7, 2016, to make it look like it was in place at the time the AAR Consortium placed its bid. A subsequent July 2017 agreement replaced Consortium Party A with Special Purpose Vehicle in Consortium Party A's agreement with Third-Party Agent A, making Special Purpose Vehicle the entity responsible for paying the relevant sales commission to Third-Party Agent A.

26. However, when the Nepal Airlines transaction closed, Consortium Party A's payments (through Special Purpose Vehicle) to Third-Party Agent A were blocked due to its financial institution's "Know Your Customer" rules. This resulted in Sharma working with Principal AB to form a new company, Third-Party Agent B, to receive payments from Consortium Party A. Third-Party Agent B was incorporated in UAE (Dubai) on October 22, 2017, with Principal AB's son as one of its two shareholders. Sharma then worked with Principal AB to assign to Third-Party Agent B Third-Party Agent A's rights under the Special Purpose Vehicle/Third-Party Agent A agreement. In 2018, AAR paid Third-Party Agent A the \$250,000 commission via a wire transfer through at least one US correspondent bank and Consortium Party A/Special Purpose Vehicle paid Third-Party Agent B \$2.6 million. In coordinating the payment to Third Party Agent A, Sharma communicated via email with AAR personnel located in the US.

27. While the payment to Third-Party Agent A was part of the bribery scheme and the AAR subsidiary lacked documentary evidence reflecting any legitimate services actually performed by Third-Party Agent A, the \$250,000 commission payment was recorded by the AAR subsidiary as a legitimate commission expense.

28. AAR failed to devise and maintain internal accounting controls related to vendor management and accounts payable sufficient to provide reasonable assurances that AAR personnel were adhering to AAR's Global Anti-Corruption Policy and its procedures regarding the retention of and payments to third-party agents.

29. As a result of Sharma's misconduct, he received \$130,835 as compensation from AAR in connection with the Nepal contract.

South Africa Bribery Scheme

30. From January 2016 through February 2020, Joint Venture Party, AAR's agent in South Africa, bribed South African government officials to obtain a contract for an AAR subsidiary to provide aftermarket aviation services to South African Airways Technical. The bribes were funded by money paid to Joint Venture Party from AAR as "success fee payments" and "commissions" that were falsely designated in AAR's books and records as legitimate business expenses. Sharma facilitated these payments and Principal 1, a principal of Joint Venture Party, arranged for and invoiced the bribes, while his partner, Principal 2, paid them to the officials.

31. Between 2011 and 2015, AAR had repeatedly tried unsuccessfully to enter South Africa's aviation market. As a result, a now former AAR executive sought to cultivate relationships with South African officials, including South African Airways Technical's Chairperson (Government Official 1) and South African Airways Technical's Head of Procurement (Government Official 2).

32. Following a failed AAR bid on a South African Airways Technical contract using a BBEE² partner AAR had selected, Government Official 2 advised the former AAR executive in an August 18, 2015 email that, "the selection [of a BBEE partner] . . . should be a decision by both the parties; however, it seems that AAR is far ahead with this without [South African Airways Technical]'s involvement and input. We believe that being a State-Owned Company [South African Airways Technical] is in the right position to drive the process." Shortly thereafter, at a September 2015 dinner in South Africa, Government Official 1 introduced the former AAR executive to Principal 2, a principal of Joint Venture Party, which was an accredited BBEE partner and an approved aviation services vendor for South African Airways and South African Airways Technical. On December 14, 2015, Joint Venture Party advised the former AAR executive that Joint Venture Party had a "special relationship" with South African Airways Technical.

² BBEE is a policy of the South African government which aims to facilitate broader participation in the economy and viable economic empowerment by Black South Africans. It is intended to redress the inequalities and inequities created by Apartheid.

33. Joint Venture Party described this “special” relationship to others at AAR, including Sharma, and on December 3, 2015, an AAR subsidiary entered into a Collaboration Agreement with Joint Venture Party. This initial agreement provided that Joint Venture Party would assist AAR in obtaining supply parts and services contracts in exchange for a 5% commission. The agreement contemplated the parties entering into an FRA, although that never occurred.

34. On December 8, 2015, South African Airways Technical issued a request for bids for Component Support Services on its Boeing and Airbus fleets.

35. In early January 2016, Joint Venture Party principals met with Government Official 2, and they openly discussed that Government Official 1, Government Official 2, and Government Official 3 (who was the acting Chief Executive Officer of South African Airways) would be sharing in the AAR contract proceeds along with Joint Venture Party. In return for this arrangement, Government Official 2 would ensure that AAR would be awarded the bid.

36. In order for the contract to be economical for Joint Venture Party, Joint Venture Party required an upfront success fee from AAR. Sharma was kept informed of this scheme and clearly understood from Joint Venture Party that officials needed to be paid for AAR to win the South African Airways Technical bid.

37. The bid was due on January 18, 2016, and a Joint Venture Agreement was executed between an AAR subsidiary and Joint Venture Party that day. However, to have sufficient funds to pay the bribes going forward, prior to executing the Agreement, and prior to submitting the bid, Joint Venture Party demanded a 3% success fee from AAR in addition to the agreed upon 5% commission on all gross revenues. Sharma countered with a 1.5% success fee made in equal payments at the end of every quarter from service commencement, for the first service year.

38. As part of ensuring AAR would be awarded the contract, one of the government officials provided Joint Venture Party with guidance on how to best meet the specifics of the request for bids as well as confidential nonpublic information, including notes of competitors’ bids and pricing, which was shared with Sharma through emails and texts sent to Sharma and others in the US, as well as to a principal of the Joint Venture Party who was, at times, in California. AAR knew it was receiving inside information to secure the award of the bid but did not inquire as to how that information was obtained.

39. The AAR subsidiary was, in fact, awarded the contract, and in July 2016, the AAR subsidiary, Joint Venture Party, and South African Airways Technical signed a Component Support Agreement. After the contract was awarded, the incumbent service provider challenged the award. A South African court rejected this challenge. Servicing pursuant to the Component Support Agreement began in October 2016.

40. The AAR subsidiary paid Joint Venture Party \$150,000 on September 1, 2016, as an advance on its first success fee payment, via a wire transfer through US bank accounts. This

initial payment was split among Principal 1 of the Joint Venture Party, Principal 2 of the Joint Venture Party, Government Official 1, Government Official 2, and Government Official 3. The bribe payments continued throughout the course of the contract and were tracked by and accounted for monthly by Joint Venture Party.

41. Throughout the contract term, Joint Venture Party continued to request more money from AAR and continued to seek its originally requested 3% success fee. While Sharma and a now former AAR executive together tried to find ways to increase Joint Venture Party's compensation through a rate increase, the success fee itself was not changed. Moreover, by December 2019, South African Airways was in financial straits and could no longer assist in the funding of South African Airways Technical. Thereafter, South African Airways Technical suffered severe financial distress and was in turn unable to meet its payment obligations to AAR.

42. When AAR asked Joint Venture Party to address reports of its potential corrupt conduct made in certain testimony before a public commission in South Africa, including an illicit payment made by Principal 2 to Government Official 2 in an unrelated, sham real estate transaction not involving AAR, Joint Venture Party tendered false documents to AAR. As a result, AAR terminated the Component Services Agreement and asked for an audit of Joint Venture Party, which Joint Venture Party declined. Shortly after February 14, 2020, AAR terminated the relationship with Joint Venture Party. In total, over the term of the Component Support Agreement with South African Airways Technical AAR paid \$1.24 million in success fees and \$4.16 million in commission payments to Joint Venture Party, for a total of \$5.4 million.

LEGAL STANDARDS AND VIOLATIONS

43. Under Section 21C(a) of the Exchange Act, the Commission may impose a cease-and-desist order upon any person who is violating, has violated, or is about to violate any provision of the Exchange Act or any rule or regulation thereunder, and upon any other person that is, was, or would be a cause of the violation, due to an act or omission the person knew or should have known would contribute to such violation.

44. Section 30A(a) of the Exchange Act, an anti-bribery provision of the Exchange Act, provides, in relevant part, that it is unlawful for any issuer with a class of securities registered pursuant to Section 12 of the Exchange Act or which is required to file reports under Section 15(d) of the Exchange Act, or any employee or agent of such issuer, to make use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift or promise to give anything of value to any foreign official for purposes of influencing any act or decision of such foreign official in his official capacity, or to any foreign political party or party official for purposes of influencing any act or decision of such party or party official in its official capacity, in order to assist such issuer in obtaining or retaining business for or with any person. 15 U.S.C. § 78dd-1(a). As a result of improper payments made through AAR's third-party and joint venture agents to foreign officials in Nepal and South Africa, AAR, through Sharma, was able to obtain

business from state-owned actors as described above. As a result of the conduct described above, Sharma violated Exchange Act Section 30A(a).

45. Section 13(b)(2)(A) of the Exchange Act, part of the books and records provisions of the FCPA, requires, in relevant part, that every issuer with a class of securities registered pursuant to Section 12 of the Exchange Act or which is required to file reports under Section 15(d) of the Exchange Act, to make and keep books, records, and accounts which, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the issuer. 15 U.S.C. § 78m(b)(2)(A). As a result of the conduct described above, and in violation of Section 13(b)(2)(A), AAR's books and records inaccurately characterized commission payments and success fees to third-party and joint venture agents in connection with the Nepal and South Africa transactions. AAR failed to properly record the true nature of these payments and falsely recorded the payments as legitimate expenses or contra revenue.

46. Through his involvement in the Nepal and South Africa transactions as described above, including his failure to disclose the improper payment arrangements, Sharma caused expenses related to the bribe schemes to be falsely recorded in AAR's books and records as legitimate payments in circumstances where he knew, or should have known, that his conduct would contribute to the violations. As a result, Sharma caused AAR to violate Exchange Act Section 13(b)(2)(A), through his conduct.

47. Section 13(b)(2)(B) of the Exchange Act, part of the internal accounting controls of the Exchange Act, requires, in relevant part, that issuers that have a class of securities registered pursuant to Section 12 of the Exchange Act or reporting obligations pursuant to Section 15(d) of the Exchange Act devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary (I) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (II) to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. 15 U.S.C. § 78m(b)(2)(B). As described above, and in violation of Section 13(b)(2)(A), AAR failed to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that transactions were executed and access to assets was permitted only in accordance with management's general or specific authorization. Specifically, AAR had insufficient internal accounting controls over vendor management and accounts payable to provide reasonable assurances that the AAR personnel were adhering to AAR's Global Anti-Corruption Policy and procedures regarding the retention of and payments to agents.

48. As President of International Supply Chain, Sharma signed false SOX sub-certifications during the relevant years on behalf of an AAR subsidiary, in which he attested to his compliance with AAR policies and internal accounting controls and sufficiency of documentation to substantiate that procedures operated effectively in circumstances in which he knew of deficiencies in those controls and had in fact taken advantage of the deficiencies in the course of

conduct described above. AAR relied on the accuracy of Sharma's sub-certifications in making required disclosures, representations, and certifications to its outside auditors and other stakeholders that AAR was in compliance with applicable laws and its internal accounting controls. Sharma knew, or should have known, that his conduct would contribute to AAR's violation (because such certifications constitute controls over the use of company assets and disclosures). By this conduct, Sharma caused AAR to violate Exchange Act Section 13(b)(2)(B).

49. Section 13(b)(5) of the Exchange Act, part of the internal accounting controls of the Exchange Act, provides, in relevant part, that no person shall knowingly circumvent or knowingly fail to implement a system of internal accounting controls or knowingly falsify any book, record, or account. 15 U.S.C § 78m(b)(5). Exchange Act Rule 13b2-1 prohibits persons from directly or indirectly falsifying or causing to be falsified any book, record, or account. 17 CFR § 240.13b2-1. Sharma violated Section 13(b)(5) of the Exchange Act by knowingly circumventing AAR's internal accounting controls when he concealed arrangements to pay bribes and failed to report them to AAR's Chief Financial Officer or General Counsel. He further violated Section 13(b)(5) and Rule 13b2-1 by participating in schemes to falsify the company's books and records with respect to bribe payments to Nepalese and South African government officials.

DISGORGEMENT AND NON-IMPOSITION OF CIVIL PENALTIES

50. The disgorgement and prejudgment interest ordered in Section IV below is consistent with equitable principles, does not exceed Respondent's net profits from its violations, and returning the money to Respondent would be inconsistent with equitable principles. Therefore, in these circumstances, distributing disgorged funds to the US Treasury is the most equitable alternative. The disgorgement and prejudgment interest ordered in Section IV below shall be transferred to the general fund of the US Treasury, subject to Section 21F(g)(3) of the Exchange Act.

51. Respondent acknowledges that the Commission is not imposing a civil penalty based upon Respondent's guilty plea to criminal conduct relating to the findings in the Order as part of his resolution with the US Department of Justice in *United States v. Sharma* (No. 1:24-cr-00302 (APM) (D.D.C. 2024)). Sharma pleaded guilty to one count of Conspiracy to Violate the FCPA. As part of his guilty plea, Sharma agreed to forfeit \$130,835.

COOPERATION

52. In determining to accept the Offer, the Commission considered cooperation undertaken by Sharma to the Commission staff. Respondent's cooperation included travelling to the US from overseas and voluntarily making himself available for interviews and providing information pertaining to current and former AAR employees.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent's Offer.

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 21C of the Exchange Act, Respondent Sharma cease and desist from committing or causing any violations and any future violations of Exchange Act Sections 30A, 13(b)(2)(A), 13(b)(2)(B), 13(b)(5), and Rule 13b2-1 thereunder.

B. Sharma shall, within 10 days of the entry of this Order, pay disgorgement of \$130,835 and prejudgment interest of \$53,762 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3) but payment of such amount, except for prejudgment interest of \$53,762, is deemed satisfied based upon Respondent's Order of Forfeiture of \$130,835 in *United States v. Sharma* (No. 1:24-cr-00302 (APM) (D.D.C. 2024)). If timely payment is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600.

C. Payment must be made in one of the following ways:

(1) Sharma may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;

(2) Sharma may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or

(3) Sharma may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Sharma as Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Charles E. Cain, Chief of the FCPA Unit, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549-5631B.

V.

It is further Ordered that, for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

By the Commission.

Vanessa A. Countryman
Secretary