JUSTICE NEWS

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE Monday, April 22, 2013

Ralph Lauren Corporation Resolves Foreign Corrupt Practices Act Investigation and Agrees to Pay $882,000 Monetary Penalty

Ralph Lauren Corporation (RLC), a New York based apparel company, has agreed to pay an $882,000 penalty to resolve allegations that it violated the Foreign Corrupt Practices Act (FCPA) by bribing government officials in Argentina to obtain improper customs clearance of merchandise, announced Mythili Raman, the Acting Assistant Attorney General for the Criminal Division, and Loretta E. Lynch, the United States Attorney for the Eastern District of New York.

According to the agreement, the manager of RLC's subsidiary in Argentina bribed customs officials in Argentina over the span of five years to improperly obtain paperwork necessary for goods to clear customs; permit clearance of items without the necessary paperwork and/or the clearance of prohibited items; and on occasion, to avoid inspection entirely. RLC's employee disguised the payments by funneling them through a customs clearance agency, which created fake invoices to justify the improper payments. During these five years, RLC did not have an anti-corruption program and did not provide any anti-corruption training or oversight with respect to its subsidiary in Argentina.

In addition to the monetary penalty, RLC agreed to cooperate with the Department of Justice, to report periodically to the department concerning RLC's compliance efforts, and to continue to implement an enhanced compliance program and internal controls designed to prevent and detect FCPA violations. If RLC abides by the terms of the agreement, the Department will not prosecute RLC in connection with the conduct.

The agreement acknowledges RLC's extensive, thorough, and timely cooperation, including self-disclosure of the misconduct, voluntarily making employees available for interviews, making voluntary document disclosures, conducting a worldwide risk assessment, and making multiple presentations to the Department on the status and findings of the internal investigation and the risk assessment. In addition, RLC has engaged in early and extensive remediation, including conducting extensive FCPA training for employees worldwide, enhancing the company's existing FCPA policy, implementing an enhanced gift policy and other enhanced compliance, control and anti-corruption policies and procedures, enhancing its due diligence protocol for third-party agents, terminating culpable employees and a third-party agent, instituting a whistleblower hotline, and hiring a designated corporate compliance attorney.

In a related matter, the U.S. Securities and Exchange Commission today announced a non-prosecution agreement with RLC , in which RLC agreed to pay $$734,846 in disgorgement and prejudgment interest.

The case is being prosecuted by Trial Attorney Daniel S. Kahn of the Criminal Division's Fraud Section and Sarah Coyne, Chief of the Business and Securities Fraud Section of the Eastern District of New York. The case was investigated by the FBI's New York Field Office. The department acknowledges and expresses its appreciation for the assistance provided by the SEC's Division of Enforcement.

Additional information about the Justice Department's FCPA enforcement efforts can be found at www.justice.gov/criminal/fraud/fcpa.

13-456 Criminal Division