UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 79704 / December 29, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17756

In the Matter of **KARL J. ZIMMER,** **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 Karl J. Zimmer ("Zimmer" 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, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent 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, the Commission finds[1] that:

Summary

1. In November and December 2013, Zimmer, who was a Senior Vice President of General Cable Corporation ("GCC"), approved improper commission payments to a third-party agent ("Agent") on sales by GCC's Angolan subsidiary to Angolan state-owned enterprises ("SOEs"). At the time, Zimmer knew that GCC's policies prohibited excessive commissions to third parties on sales to SOEs, GCC had commenced an investigation of potentially improper payments to the Agent, and GCC had prohibited the payment of past due commissions to the Agent while the investigation was pending and without further approval. Zimmer, however, approved multiple commissions to the Agent totaling $342,613, including commissions nearly double GCC's prescribed limits on third-party commissions, and which were not documented by any services performed by the Agent. By approving these commissions, Zimmer caused GCC's violations of the books and records and internal accounting controls provisions of the Foreign Corrupt Practices Act of 1977 ("FCPA"), and knowingly circumvented a number of GCC's internal accounting controls.

Respondent

2. Zimmer, age 40, is a resident of Douglas, Georgia. Zimmer joined GCC in June 2001 and was promoted, effective January 2014, to Senior Vice President of GCC's Europe and Africa Supply Chain and Global Supply Chain, responsible for sales and marketing in those regions. Zimmer's employment with GCC ended in January 2015.

Relevant Entities

3. **General Cable Corporation ("GCC")** is a publicly traded company headquartered in Highland Heights, Kentucky. GCC is a global manufacturer of copper, aluminum, and fiber optic wire and cable products. During the relevant period, GCC maintained operations in Angola within its Europe & Mediterranean segment ("E&M," now known as the Europe segment). GCC's common stock is registered with the Commission under Section 12(b) of the Exchange Act, and GCC files annual and quarterly reports under Section 13(a) of the Exchange Act and related rules. GCC's common stock trades on The New York Stock Exchange under the ticker symbol "BGC."

4. **General Cable Condel, Cabos de Energia e Telecomunicações, S.A. ("Condel")** is an indirect GCC subsidiary located in Angola and manufactured and sold wire and cable products primarily to entities owned by the Angolan government.

[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.

GCC's Policies on Unlawful or Unethical Payments

5. At all relevant times, GCC had a Code of Ethics and Compliance Guidelines ("Code of Ethics") that prohibited its employees from offering or giving any person any payment which may be illegal or unethical. The Code of Ethics specifically prohibited any consideration given to a public official, unless authorized by law. It also prohibited excessive payments to third parties when the value of the consideration offered or given exceeds the reasonable value of the services performed in return. Specifically, the Code of Ethics warned that an excessive payment to an individual arranging contracts with government officials could be illegal or unethical as it might suggest that some of the payment is being channeled to government officials, or is somehow being used for improper purposes. Finally, the Code of Ethics required all transactions to be executed only with management authority, general or specific, in compliance with federal securities laws that required GCC to maintain books, records, and accounts that accurately and fairly reflect transactions, and a system of internal accounting controls designed to provide reasonable assurances that GCC's financial statements will be accurate and complete.

6. In addition, at all relevant times, GCC's E&M segment maintained a policy governing the payment of commissions or fees to third-party entities relating to sales contracts. This policy required the approval of E&M's management for commissions to third-party entities greater than 5% of the value of the sales contracts. The policy also prohibited commissions over 10% of the value of the sales contracts.

Condel's Relationship With the Agent on Government Sales

7. Beginning in May 2009, before Zimmer had any involvement with GCC's business in Angola, Condel entered into a contract with the Agent for assistance with sales to Angolan SOEs. The contract with the Agent did not specify any terms and conditions, except that Condel would pay the Agent a commission of 1% of the value of each sales contract with SOEs that may be revised on a case-by-case basis. The contract did not did not include an anti-bribery clause for compliance with the FCPA. The Agent was Condel's sole agent for sales in Angola.

GCC's Investigation of the Agent

8. In September 2012, GCC's Internal Audit department ("Internal Audit") performed an on-site audit of financial and operational processes and controls at Condel. In December 2012, Internal Audit submitted a report to GCC's executive management that identified several issues with Condel's relationship with the Agent: (a) the agreement with the Agent did not include an anti-bribery clause for compliance with the FCPA; (b) the agreement with the Agent established a 1% commission, but actual commissions paid to the Agent in 2012 ranged from 8.5 to 18.5%, although E&M's policy prohibited commissions over 10%; (c) Condel's management was not aware that contracts with agents should include language requiring compliance with the FCPA. Zimmer received a copy of this report in early 2013.

9. In August 2013, GCC's executive management commenced an internal investigation of Condel's relationship with the Agent. In October 2013, GCC's executive

management instructed E&M's management to cease payment of past due commissions to the Agent pending further investigation and without authorization by GCC's executive management.

<u>Zimmer Approves Improper Payments to the Agent</u>

10. In October 2013, GCC promoted Zimmer as a Senior Vice President of GCC, and head of E&M's supply chain. As one of his many responsibilities in this capacity, Zimmer would supervise Condel's operations, including its sales and marketing functions.

11. By at least October 2013, Zimmer knew that GCC's Code of Ethics prohibited, among other things, excessive payments to an individual arranging contracts with government officials as it might suggest that some of the payment is being channeled to government officials, or is somehow being used for an improper purpose. Zimmer certified to GCC's Legal Department that he had read and understood the Code of Ethics and he was and has been in compliance with the Code of Ethics since January 1, 2012.

12. Further, by at least October 2013, Zimmer also was aware that Condel had paid commissions to the Agent between 8.5 to 18.5% , although E&M's policy required approval of third-party commissions above 5%, and prohibited third-party commissions over 10%. And he was aware that GCC was investigating Condel's relationship with the Agent and had restricted the payment of past due commissions to the Agent without the approval of GCC's executive management. Zimmer instructed Condel's management not to pay any commissions to the Agent while the investigation was pending, and informed Condel's management that GCC's executive management was considering replacing the Agent and limiting commissions to 10%.

13. In November 2013, E&M's management, including Zimmer, consulted GCC's executive management on how to proceed with proposing new business to the Angolan SOEs in light of the investigation of the Agent. The prohibition of commission payments to the Agent had resulted in a loss or potential loss of approximately $15 million in sales to the Angolan SOEs. To avoid further loss of sales, E&M's management asked GCC's executive management whether Condel could continue to use the Agent in dealing with the SOEs, or whether Condel should use another agent or deal directly with the SOEs.

14. GCC's executive management instructed that (1) Condel should terminate the Agent and transition to a new agent, but (2) to allow time to transition to the new agent, Condel could work with the existing Agent on a case-by-case basis, until the new agent is in place, for new business with the SOEs, but with "appropriate" and "proper" commission payments to the Agent. E&M's policy required E&M' management's approval of third-party commissions above 5% and prohibited commissions above 10%. GCC's executive management requested E&M's management, including Zimmer, to follow up on these instructions and to lay out the process for dealing with the Agent while they transition to a new agent.

15. Shortly thereafter, in November 2013, Zimmer approved sales contracts with the Angolan SOEs that called for commissions to the Agent from 7.5% to 18.5% Further, in December 2013, Zimmer approved the payment of multiple past due commissions totaling $342,613 to the agent from 6 to 18% of the related sales contracts. Zimmer did not follow up with

or seek advance approval from GCC's executive management before knowingly approving these commissions. These commissions violated GCC's Code of Ethics, E&M's policy on excessive payments to third-parties, and GCC executive management's instructions.

16. The new business with, and past due commissions to, the Agent were not supported by any documentation of the services performed by the Agent. Condel nonetheless improperly recorded these payments as legitimate commissions on its books and records and financial statements. Condel's financial statements were ultimately included in GCC's consolidated financial statements presented in GCC's filings with the Commission for the quarterly and annual periods ended December 31, 2013.

Legal Standards and Violations

17. Under Section 21C 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 of omission the person knew or should have known would contribute to such violation.

18. As a result of the conduct described above, Zimmer caused GCC's violation of Section 13(b)(2)(A) of the Exchange Act, which requires every issuer of a security registered pursuant to Section 12 of the Exchange Act to make and keep books, records, and accounts which, in reasonable detail, accurately and fairly reflect their transactions and dispositions of their assets.

19. As a result of the conduct described above, Zimmer caused GCC's violation of Section 13(b)(2)(B) of the Exchange Act, which requires issuers to 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.

20. Finally, as a result of the conduct described above, Zimmer violated Section 13(b)(5) of the Exchange Act, which states 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.

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 cease-and-desist from committing or causing any violations and any future violations of Sections 13(b)(2)(A), 13(b)(2)(B), and 13(b)(5) of the Exchange Act.

B. Respondent shall, within 14 days of the entry of this Order, pay a civil penalty in the amount of $20,000 to the Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717.

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

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

2. Respondent 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. Respondent 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 Karl J. Zimmer as a 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 Gerald W. Hodgkins, Associate Director, Division of Enforcement, Securities and Exchange Commission, 100 F Street, N.E., Washington, DC 20549.

D. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, Respondent shall not argue that Respondent is entitled to, nor shall Respondent benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that Respondent shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

V.

It is further Ordered that, solely 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.

Brent J. Fields
Secretary