Press Release

SEC Charges Hospitality Company for Failing to Disclose Executive Perks

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Washington D.C., Sept. 30, 2020 —
The Securities and Exchange Commission today announced settled charges against Virginia-based hospitality company Hilton Worldwide Holdings Inc. for failing to fully disclose perquisites and personal benefits provided to executive officers. The action was generated by the Division of Enforcement's use of risk-based data analytics to uncover potential violations related to corporate perquisites.

According to the SEC's order, Hilton failed to disclose approximately $1.7 million worth of travel-related perquisites and personal benefits it provided to executive officers from 2015 through 2018. The perquisites included the CEO's personal use of Hilton's corporate aircraft and executive officers' hotel stays. The order finds that Hilton failed to appropriately apply the SEC's compensation disclosure rules to its system for identifying, tracking and calculating perquisites.

"We remain focused on ensuring companies provide required disclosures, including those relating to travel-related perks and personal benefits," said Stephanie Avakian, Director of the SEC's Division of Enforcement. "We will continue to use risk-based analytics to identify companies that fail to comply with the Commission's executive compensation disclosure rules."

The SEC's order charges Hilton with violating the proxy solicitation provisions of Section 14(a) of the Securities Exchange Act of 1934 and Rule 14a-3 thereunder, and the reporting provisions of Section 13(a) of the Exchange Act and Rules 12b-20 and 13a-1 thereunder. Without admitting or denying the SEC's findings, Hilton consented to the SEC's cease-and-desist order, which requires Hilton to pay a $600,000 civil penalty.

The SEC's investigation was conducted by Brian Higgins and Oreste McClung, and supervised by Brendan McGlynn and Kelly L. Gibson, all of the Philadelphia Regional Office.

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