

# 2016 DOJ and SEC FCPA Resolution Tracker

Davis Polk

TARGET	ENFORCER	RESOLUTION	ALLEGED FCPA VIOLATION	INDUSTRY	GEOGRAPHY	ALLEGATIONS
SAP SE	SEC	\$3.7M (no-admit, no-deney, cease & desist order)		Technology/ Electronics	Panama	Sold artificially discounted software through intermediaries to fund bribes for technology contracts
Ignacio Cueto Plaza (LAN Airlines)	SEC	\$75K (no-admit, no-deney, cease & desist order)		Aerospace/Aviation	Argentina	Authorized sham consulting agreement to enable bribes to union officials
SciClone Pharmaceuticals, Inc.	SEC	\$12.8M (no-admit, no-deney, cease & desist order)		Pharmaceuticals/ Healthcare	China	Subsidiaries gave money and gifts to state health care professionals to increase sales
PTC Inc. PTC Shanghai PTC Hong Kong  Yu Kai Yuan	DOJ; SEC	SEC: \$13.6M (cease & desist order) DOJ: \$14.5M (NPA)  SEC: \$0 (DPA)	  	Technology/ Electronics	China	Provided travel, gifts, and entertainment to officials
VimpelCom Ltd.  Unitel LLC (Uzbek Sub)	DOJ; SEC	DOJ: \$230.3M (DPA) SEC: \$167.5M (permanent injunction)  DOJ: Pled guilty		Telecommunications	Uzbekistan	Paid bribes, some disguised as charity, to obtain business
Qualcomm	SEC	\$7.5M (no-admit, no-deney, cease & desist order)		Telecommunications	China	Hired relatives and gave gifts to officials at state-owned telecom companies
Olympus Latin America, Inc.	DOJ	\$22.8M (DPA)		Medical Equipment/ Pharmaceuticals/ Healthcare	Argentina, Brazil, Bolivia, Colombia, Costa Rica, Mexico	Gave money, travel and free equipment to health officials
Nordion Inc.  Mikhail Gourevitch	SEC	\$375K (no-admit, no-deney, cease & desist order)  \$179K (no-admit, no-deney, cease & desist order)	  	Pharmaceuticals/ Healthcare	Russia	Bribed officials to obtain drug approvals
Novartis AG	SEC	\$25M (no-admit, no-deney, cease & desist order)		Pharmaceuticals/ Healthcare	China	Subsidiaries paid bribes to increase drug sales
Abraham Jose Shiera Bastidas (Vertix Instrumentos; Emea Venezuela SA)	DOJ	Pled guilty, sentencing scheduled for 1/6/2017		Natural Resources/ Utilities/Energy	Venezuela	Paid bribes to state-owned energy company officials
Biomet	DOJ	(DPA) (Second 1-year extension to DPA entered in 2012)		Pharmaceuticals/ Healthcare	Argentina, Brazil, China, Mexico	Paid bribes and kickbacks to doctors for medical device sales
Las Vegas Sands Corp.	SEC	\$9M (no-admit, no-deney, cease & desist order)		Entertainment	China, Macao	Failed to properly authorize or document payments to a consultant
Dmitrij Harder (Chestnut Consulting Group Inc., Chestnut Consulting Group Co.)	DOJ	Pled guilty, sentencing scheduled for 11/3/2016		Finance/Insurance/ Commodities Trading	United Kingdom	Paid bribes to get financing approved for clients and obtain other business

Q1 2016

DPA = Deferred Prosecution Agreement

NPA = Non-prosecution Agreement

= Bribery

= Books/Records

= Internal Controls










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Q2 2016	Akamai Technologies	SEC	\$672K (NPA)		Internet Services	China	Subsidiary provided gift cards, meals and entertainment to officials
	Nortek	SEC	\$322K (NPA)		Manufacturing	China	Subsidiary paid bribes to reduce oversight and taxes/fees
	Roberto Enrique Rincon Fernandez (Vertex Instrumentos; Emea Venezuela SA)	DOJ	Pled guilty, sentencing scheduled for 1/6/2017		Natural Resources/ Utilities/Energy	Venezuela	Paid bribes to state-owned energy company officials
	Analogic Corporation		SEC: \$11.5M (cease & desist order)			Ghana, Israel, Kazakhstan, Russia, Ukraine, Vietnam	Subsidiary made improper payments using falsified invoices
	BK Medical ApS (Danish Sub)  Lars Frost	DOJ; SEC	DOJ: \$3.4M (NPA)  SEC: \$20K (cease & desist order)		Medical Equipment		
Q3 2016	Johnson Controls, Inc.	SEC	\$14.4M (no-admit, no-deny, cease & desist order)		Industrials/ Manufacturing/ Natural Resources/ Utilities/ Energy/Shipping/ Freight/Transportation	China	Subsidiary used fake vendors to pay bribes to employees of state-owned shipyards, ship owners and others
	LATAM Airlines Group, S.A., f/k/a LAN Airlines, S.A.	DOJ; SEC	DOJ: \$12.8M (DPA) SEC: \$9.4M (cease & desist order)		Aerospace/Aviation	Argentina, Chile	Used false consulting contract to bribe union officials to settle labor disputes
	Key Energy Services, Inc.	SEC	\$5M (no-admit, no-deny, cease & desist order)		Natural Resources/ Utilities/Energy	Mexico	Subsidiary used consulting firm to make improper payments to state-owned oil company employee
	AstraZeneca PLC	SEC	\$5.5M (no-admit, no-deny, cease & desist order)		Pharmaceuticals/ Healthcare	China, Russia	Subsidiaries made improper payments to increase sales and reduce or dismiss financial sanctions
	Jun Ping Zhang (Hunan CareFx Information Technology, LLC/Harris Corporation)	SEC	\$46K (no-admit, no-deny, cease & desist order)		Technology/Electronics/ Telecommunications	China	Used fake expense receipts to generate cash for gifts to officials at state-owned hospitals
	Nu Skin Enterprises, Inc.	SEC	\$766K (no-admit, no-deny, cease & desist order)		Personal Care Products/ Cosmetics	China	Subsidiary exchanged payment to charity for official to intervene in investigation
	Anheuser-Busch InBev	SEC	\$6M (no-admit, no-deny, cease & desist order)		Food/Beverage	India	Used third-party sales promoters to make improper payments to officials to obtain sales and increase production hours


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Q3 2016	Och-Ziff Capital Management Group	DOJ; SEC	DOJ: \$213M (DPA) SEC: \$199M (cease & desist order)	  	Finance/Investment Management	Chad, Democratic Republic of the Congo, Guinea, Libya, Niger, South Africa, Zimbabwe	Used intermediaries, agents and business partners to bribe officials
	OZ Management		DOJ: Pled guilty				
	<i>Daniel S. Och</i>		SEC: \$2.2M (no-admit, no-deney, cease & desist order)				
	<i>Joel M. Frank</i>		SEC: Penalty TBD (no-admit, no-deney, cease & desist order)	 			
GlaxoSmithKline	SEC	\$20M (no-admit, no-deney, cease & desist order)	 	Pharmaceuticals/ Healthcare	China	Subsidiary disguised improper payments to officials as legitimate expenses	

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