

Alcatel-Lucent / Instituto Costarricense de Electricidad (ICE) (Costa Rica Settlement Case)

Case ID:

ARW-3

Jurisdiction of Origin of Public Official or Entity Allegedly Involved:

Costa Rica

Position of Public Official(s) (yrs in office):

President Miguel Angel Rodriguez (1998-2002) and other public officials, including Instituto Costarricense de Electricidad representatives

Jurisdiction of Asset Recovery:

France

Jurisdiction of Asset Recovery ? Description:

Asset Location / Alleged Asset Location

Asset Recovery Start:

2004

Asset Recovery End:

2010

UNCAC Offenses Implicated:

Art.16

Art.23

Money laundering Implicated:

Yes

Legal Basis for Asset Recovery:

Private Civil Action

Intl.Cooperation: MLAT/Letter of Request?:

No

Basis for Intl Cooperation:

NA

Contributing Factors in Asset Recovery:

According to a U.S. Department of Justice Press Release, "The settlement marked the first time in Costa Rica's history that a foreign corporation agreed to pay the government damages for corruption." (Source: U.S. Department of Justice Press Release, "Alcatel-Lucent S.A. and Three Subsidiaries Agree to Pay \$92 Million to Resolve Foreign Corrupt Practices Act Investigation," December 27, 2010.); Concept of "Social Damages" as basis for monetary damages first applied by Costa Rica in this case. (Source: Transparency International Blog, Ahernandez, "Can bribes paid by private firms cause 'social damage'?" January 26, 2010 at <http://blog.transparency.org/2010/01/26/can-bribes-paid-by-private-firms-cause-%E2%80%9Csocial-damage%E2%80%9D/>.)

Status of Asset Recovery :

Completed

Agreement for Returned Assets:

No

Agreement for Returned Assets - Description:

NA

Case Summary:

A copy of the Settlement Agreement between the Government of Costa Rica and Alcatel-Lucent was filed by the US Government as part of its Foreign Corrupt Practices Act case against Alcatel. (Source: US v. Alcatel-Lucent France S.A., et al, Case No. 1:10-cr-20906 (S.D.Fla.) and US v. Alcatel-Lucent, S.A., Case No. 1:10-cr-20907 (S.D.Fla), Government's Response to ICE's Petition for Victim Status and Restitution filed May 23, 2011, Exhibit 1: SETTLEMENT AGREEMENT BETWEEN ALCATEL-LUCENT FRANCE, AND THE OFFICE OF THE ATTORNEY GENERAL OF THE REPUBLIC, ON BEHALF OF THE COSTA RICAN STATE RELATING TO THE CIVIL RECOVERY ACTION INCLUDED IN CRIMINAL CASE 04-6835-647-PEA). According to a statement on its website, Alcatel-Lucent noted that it had entered into an agreement with the Costa Rican authorities to pay \$10 million to settle civil claims in a corruption case in which it was alleged that the company had paid kickbacks to public officials, political parties and officials of the state-owned telecom company in return for a 2001 contract worth \$149 million to supply cellular telephone equipment. The statement notes the company's earlier settlement with the U.S. authorities and continuing investigation by France. (Source: "Alcatel-Lucent, September 2010: A responsible behaviour - Controversies" posted at the company's website at http://www.alcatel-lucent.com/csr/htm/en/pdf/Controversies_Costa_Rica.pdf). One of the alleged officials who received the kickbacks is former Costa Rican president Miguel Angel Rodriguez. (Source: Acusacion de la Fiscalia, posted at <http://www.nacion.com/Generales/Subsitios/Sucesos/2010/ICEALCATEL.aspx>) According to the U.S. Department of Justice, the case marks the first time in Costa Rica's history that a foreign corporation has agreed to pay the government damages for corruption. (Source: U.S. Department of Justice Press Release, "Alcatel-Lucent S.A. and Three Subsidiaries Agree to Pay \$92 Million to Resolve Foreign Corrupt Practices Act Investigation," December 27, 2010.)

Disposition of Criminal Case(s):

On April 28, 2011, former Costa Rican President Miguel Angel Rodriguez (1998-2002) was convicted and sentenced to five years' imprisonment for his role in the Alcatel bribery case. (Sources: Samuel Rubinfeld, "Former Costa Rican President Sentenced to Prison over Alcatel Bribery," Wall Street Journal Corruption Currents Blog, April 28, 2011; Indictment/La Acusacion de la Fiscalia posted at <http://www.nacion.com/Generales/Subsitios/Sucesos/2010/ICEALCATEL.aspx>).

Jurisdiction of Origin: Investigative Agency:

Unknown

Jurisdiction of Origin: Prosecuting Authority/Civil Attorney(s):

Office of the Attorney General and Prosecutor's Office (Costa Rica)

Jurisdiction of Origin: Courts Involved:

Unknown

Jurisdiction of Asset Recovery: Investigative Agency:

Unknown

Jurisdiction of Asset Recovery: Prosecuting Authority/Civil Attorney(s):

Unknown

Jurisdiction of Asset Recovery: Courts Involved:

Unknown

Documents:

10-crm-1481%20%20doj%20press%20release%20dec%202010%20settlement.pdf

Acusacion_Rodriguez.pdf

Alcatel_Transparency_Intl_Blog_Jan_2010.pdf


Alcatel_UK_Anti-Corruption_Forum_Feb_2010.pdf

Alcatel-Lucent_Company_Statement_September_2010.pdf

Alcatel_Rodriguez_Conviction_Wall_Street_Journal_Apr_28_2011.pdf

ICE DOJ Response_SDFLA_May_23_2011

Documents:

Attachment	Size
 ICE DOJ Response_SDFLA_May_23_2011.pdf	90.99 KB

Documents Links:

Other Sources:

La Acusacion de la Fiscalia, posted at <http://www.nacion.com/Generales/Subsitios/Sucesos/2010/ICEALCATEL.aspx>; U.S. Department of Justice Press Release, "Alcatel-Lucent S.A. and Three Subsidiaries Agree to Pay \$92 Million to Resolve Foreign Corrupt Practices Act Investigation," December 27, 2010, accessed at <http://www.justice.gov/opa/pr/2010/December/10-crm-1481.html>; "Alcatel-Lucent, September 2010: A responsible behaviour - Controversies" posted at the company's website at http://www.alcatel-lucent.com/csr/htm/en/pdf/Controversies_Costa_Rica.pdf; UK Anti-Corruption Forum, February 2010 Newsletter, posted at <http://www.anticorruptionforum.org.uk/acf/upload/newsletters/2010-02.pdf>; Transparency International Blog, Ahernandez, "Can bribes paid by private firms cause 'social damage'?" January 26, 2010 at <http://blog.transparency.org/2010/01/26/can-bribes-paid-by-private-firms...> US v. Alcatel-Lucent France S.A., et al, Case No. 1:10-cr-20906 (S.D.Fla.) and US v. Alcatel-Lucent, S.A., Case No. 1:10-cr-20907 (S.D.Fla), Government's Response to ICE's Petition for Victim Status and Restitution filed May 23, 2011, Exhibit 1: SETTLEMENT AGREEMENT BETWEEN ALCATEL-LUCENT FRANCE, AND THE OFFICE OF THE ATTORNEY GENERAL OF THE REPUBLIC, ON BEHALF OF THE COSTA RICAN STATE RELATING TO THE CIVIL RECOVERY ACTION INCLUDED IN CRIMINAL CASE 04-6835-647-PEA