

## **ABB Ltd. (Matter #15) / ABB Inc. (ABB Network Management)**

**Case ID:**

ST-5

**Case Cluster :**

ABB Ltd. (Matter #15)

**Jurisdiction of Settlement:**

United States

**Jurisdiction of Settlement / Enforcement Agency:**

Department of Justice

**Jurisdiction of Foreign Public Official(s) :**

Mexico, Iraq (UN Oil-for-Food)

**Year of Settlement:**

2010

**Month/Day of Settlement (or Notes):**

09/29

**Other Jurisdictions of Settlement:**

Unknown

**Settlement with Individual or Legal Person?:**

Legal Person

**Type of Settlement:**

Criminal

**Legal Form of Settlement:**

Guilty Plea

**Monetary Sanctions (Types):**

Criminal Fine

**Total Monetary Sanctions (US\$):**

\$17,100,000.00

**Criminal Fine/Penalty (US\$) :**

\$17,100,000

**Monetary Sanctions Returned / Ordered Returned (US\$):**

\$0

**UNCAC Articles(s) Implicated:**

Art.16

Art.26

**OECD Anti-Bribery Convention Articles Implicated:**

Art. 1, Art. 2

**Offenses - Alleged:**

Conspiracy to bribe foreign officials, Bribery of foreign officials

**Offenses - Settled:**

Conspiracy to bribe foreign officials, Bribery of foreign officials

**Public Procurement Contract / SOE Involved?:**

Yes

**Summary:**



According to the June 2011 United States Report to the OECD, in 2005 ABB Ltd. self-reported

to the US authorities that its Texan subsidiary ABB Inc. (which did business as ABB Network Management) may have made corrupt payment to public officials in Mexico to obtain contracts with the Comision Federal de Electricidad, a Mexican state-owned utility company. The bribe payments were allegedly funnelled through a Mexican company that ABB NM hired, as well as through a company controlled by its representatives. (Source: US Report to the Organisation for Economic Co-operation and Development, "Steps taken to implement and enforce the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions," Information as of May 31, 2011, ABB Ltd. Case Summary (#15) at 37-39.) According to the Plea Agreement, the Department of Justice recommended as part of the sentence, "Fine. Assuming ABB Inc. accepts responsibility as explained above, the parties will recommend the imposition of a fine in the amount of \$28,500,000 payable to the Clerk of the Court for the United States District Court for the Southern District of Texas." (Source: US v. ABB Inc., Case No. 4:10-cr-00664 (S.D. Tex.), Plea Agreement filed September 29, 2010, para 10.) According to the Judgement in the case, ABB Inc. was fined \$17,100,000. (Source: US v. ABB Inc., Case No. 4:10-cr-00664 (S.D. Tex.), Judgment in a Criminal Case, filed October 1, 2010.) According to the Deferred Prosecution Agreement in US v. ABB Ltd. (Parent company), "ABB Ltd agrees to pay a total monetary penalty in the amount of \$30,420,000, or the bottom of the applicable combined Sentencing Guidelines fine range for ABB Inc. and ABB Ltd - Jordan. ABB Ltd will pay \$28,500,000 on behalf of ABB Inc. in connection with ABB Inc.'s guilty plea and \$1,920,000 on behalf of ABB Ltd - Jordan." (US v. ABB Ltd., Case No. 4\_10-cr-00665 (S.D. Tex.), Deferred Prosecution Agreement filed September 29, 2010.) The US Department of Justice press release stated that ABB Ltd. resolved the cases involving its two subsidiaries by agreeing to pay \$19 million in fines. (Source: US Department of Justice Press Release, "ABB Ltd and Two Subsidiaries Resolve Foreign Corrupt Practices Act Investigation and Will Pay \$19 Million in Criminal Penalties," September 29, 2010.)

**Sources :**

US Report to the Organisation for Economic Co-operation and Development, "Steps taken to implement and enforce the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions," Information as of May 31, 2011, ABB Ltd. Case Summary (#15) at 37-39, accessed at <http://www.oecd.org/dataoecd/18/8/42103833.pdf>. US v. ABB Inc., Case No. 4:10-cr-00664 (S.D. Tex.), Plea Agreement and Statement of Facts filed September 29, 2010, accessed at <http://www.justice.gov/criminal/fraud/fcpa/cases/abb/09-29-10abbinc-plea.pdf>; US v. ABB Ltd., Case No. 4\_10-cr-00665 (S.D. Tex.), Deferred Prosecution Agreement filed September 29, 2010, accessed at [www.fcpa.shearman.com](http://www.fcpa.shearman.com); US Department of Justice Press Release, "ABB Ltd and Two Subsidiaries Resolve Foreign Corrupt Practices Act Investigation and Will Pay \$19 Million in Criminal Penalties," September 29, 2010.

**Documents:**

<b>Attachment</b>	<b>Size</b>
 ABB_Ltd_Deferred_Prosecution_Agreement_Sep_2010.pdf	1.98 MB
 ABB_US_Settlement_DOJ_PR_Sept_29_2010.pdf	75.67 KB