

## Diagnostic Products Corporation / DPC (Tianjin) Co. Ltd.

**Case ID:**

ST-144

**Case Cluster :**

Diagnostic Products Corporation

**Jurisdiction of Settlement:**

United States

**Jurisdiction of Settlement / Enforcement Agency:**

Department of Justice

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

China

**Year of Settlement:**

2005

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

05/20

**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\$):**

\$2,000,000.00

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

\$2,000,000

**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:**

Bribery of foreign officials

**Offenses - Settled:**

Bribery of foreign officials

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

Yes

**Summary:**

According to the US Department of Justice Report to Congress, Appendix C "Summaries of Foreign Corrupt Practices Act Enforcement Actions by the United States, January 1, 1998 -

September 30, 2010," Diagnostic Products Corporation, at 109-110: From late 1991 through December 2002, DPC (Tianjin) Co., Ltd., a subsidiary of Diagnostics Product Corporation paid approximately \$1.6 million in bribes in the form of illegal "commissions" to physicians and lab personnel employed at government-owned hospitals in China in exchange for agreements that the hospitals would obtain DPC Tianjin's products and services. In most cases, bribes were paid in cash. The "commissions," typically between 3 percent and 10 percent of sales, allowed DPC Tianjin to earn approximately \$2 million in profits from the sales. DPC Tianjin pleaded guilty to violating the FCPA and paid criminal fine of \$2 million; to resolve SEC charges, DPC agreed to the issuance of an order to cease-and-desist from future violations and to disgorge \$2,038,727 and \$749,895 in prejudgment interest to the SEC. Resulting Criminal Enforcement Actions: US v. DPC (Tianjin) Co., Ltd. (C.D. Cal., May 20, 2005); Resulting Civil/Administrative Enforcement Action: In the Matter of Diagnostic Products Corporation (May 20, 2005).

**Sources :**

US Department of Justice Report to Congress, Appendix C "Summaries of Foreign Corrupt Practices Act Enforcement Actions by the United States, January 1, 1998 - September 30, 2010," Diagnostic Products Corporation, at 109-110, accessed at [www.justice.gov/criminal/fraud/fcpa/docs/response3-appx-c.pdf](http://www.justice.gov/criminal/fraud/fcpa/docs/response3-appx-c.pdf). US v. DPC (Tianjin), Case No. 05-cr-482 (C.D. Cal.), Information filed on May 20, 2005, accessed at <http://www.justice.gov/criminal/fraud/fcpa/cases/dpc-tianjin/05-20-05dpc-tianjin-info.pdf>; Plea Agreement filed on May 20, 2005, accessed at <http://www.justice.gov/criminal/fraud/fcpa/cases/dpc-tianjin/05-19-05dpc-tianjin-plea-agree.pdf>; Judgment filed June 21, 2005, accessed at <http://www.justice.gov/criminal/fraud/fcpa/cases/dpc-tianjin/06-23-05dpc-tianjin-judge.pdf>