

Faro Technologies, Inc.

Case ID:

ST-151

Case Cluster :

Faro Technologies, Inc.

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Department of Justice

Jurisdiction of Foreign Public Official(s) :

China

Year of Settlement:

2008

Month/Day of Settlement (or Notes):

06/05

Other Jurisdictions of Settlement:

Unknown

Settlement with Individual or Legal Person?:

Legal Person

Type of Settlement:

Criminal

Legal Form of Settlement:

Non-Prosecution Agreement

Monetary Sanctions (Types):

Criminal Fine

Total Monetary Sanctions (US\$):

\$1,100,000.00

Criminal Fine/Penalty (US\$) :

\$1,100,000

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

\$0

UNCAC Articles(s) Implicated:

Art.16

Art.23

Art.26

OECD Anti-Bribery Convention Articles Implicated:

Art. 1, Art. 2, Art. 7, Art. 8

Offenses - Alleged:

Bribery of foreign officials, Falsification of books and records

Offenses - Settled:

Bribery of foreign official

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to DOJ Report to Congress, "Appendix C: Summaries of Foreign Corrupt Practices

Act Enforcement Actions by the United States, January 1, 1998 - September 30, 2010," Faro Technologies, at 35-37: Time period of misconduct in China was 2003-2006. Faro Technologies is a Florida-based company that develops and markets portable computerized measurement devices and software. SEC complaint stated that Oscar H. Meza, the company's Vice-President for Asia-Pacific Sales and Director of Asia-Pacific Sales for Faro. According to the Statement of Facts, Faro began direct sales of its products in China through its subsidiary, Faro China, based in Shanghai. On several occasions, Meza authorized other Faro employees to make corrupt payments directly to employees of state-owned or controlled entities in China to secure business for Faro. Meza authorized total of \$444,492 in corrupt payments which allowed Faro to secure contracts worth approximately \$4.5 - \$4.9 million in sales and \$1.4 million in net profits. Use of intermediary and shell company to funnel/disguise bribe payments. DOJ: Criminal fine of \$1.1 million (Faro); Civil: Disgorgement of \$1.85 million (Faro); Civil Penalty of \$30K (Meza), and Disgorgement and Prejudgment interest of \$26,707 (Meza). Related Criminal Enforcement Actions: In Re Faro Technologies Inc. (June 5, 2008); Civil Administrative / Enforcement Actions: SEC v. Oscar H. Meza (D.D.C., August 28, 2009), In the Matter of Faro Technologies, Inc. (June 5, 2008).

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," Faro Technologies, Inc. at 35-36, accessed at <http://www.justice.gov/criminal/fraud/fcpa/docs/response3-appx-c.pdf>; US Department of Justice Press Release, "Faro Technologies Inc. Agrees to Pay \$1.1 Million Penalty and Enter Non-Prosecution Agreement for FCPA Violations," accessed at <http://www.justice.gov/opa/pr/2008/June/08-crm-505.html> (accessed September 15, 2011).