

Faro Technologies, Inc. / Oscar H. Meza

Case ID:

ST-153

Case Cluster :

Faro Technologies, Inc.

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Securities and Exchange Commission

Jurisdiction of Foreign Public Official(s) :

China

Year of Settlement:

2009

Month/Day of Settlement (or Notes):

08/28

Other Jurisdictions of Settlement:

Unknown

Settlement with Individual or Legal Person?:

Individual

Type of Settlement:

Civil

Legal Form of Settlement:

Consent to Final Judgment

Monetary Sanctions (Types):

Disgorgement of Profits, Prejudgment Interest, Civil Penalty

Total Monetary Sanctions (US\$):

\$56,707.00

Civil Disgorgement of Profits (US\$) :

\$26,707

Civil Prejudgment Interest (US\$) :

\$0

Civil Fine / Penalty (US\$):

\$30,000

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

\$0

UNCAC Articles(s) Implicated:

Art.16

OECD Anti-Bribery Convention Articles Implicated:

Art, 1, Art. 8

Offenses - Alleged:

Bribery of foreign officials, False accounting, False statements to accountants, Aiding and abetting Faro's bribery of foreign officials, Aiding and abetting Faro's internal controls violations, Aiding and abetting Faro's falsification of books and records

Offenses - Settled:

No admission or denial of allegations

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the US Securities and Exchange Commission Litigation Release, "On August 28, 2009, the Securities and Exchange Commission filed a settled enforcement action in the United States District Court for the District of Columbia against Oscar H. Meza, formerly the Director of Asia-Pacific Sales for Faro Technologies, Inc. ("Faro"), a software development and manufacturing company. The Commission's complaint alleges that Meza authorized bribery payments to employees of Chinese state-owned companies in order to obtain contracts, and that in order to conceal the bribes Meza instructed that account entries be altered. The Commission charged Meza with violations of the anti-bribery, books and records and internal control provisions of the Foreign Corrupt Practices Act ("FCPA"), and with aiding and abetting Faro's violations of the anti-bribery, books and records and internal control provisions of the FCPA. The Commission's complaint alleges that beginning in 2004, Meza authorized a former employee of Faro's subsidiary, Faro Shanghai Co., Ltd. ("Faro-China"), to make the improper payments. The complaint alleges that Meza's actions resulted in Faro-China's payment of \$444,492 in bribes during the period 2004 through 2006, generating approximately \$4.5 million in sales and approximately \$1.4 million in net profit. Without admitting or denying the allegations in the complaint, Meza has consented to the entry of a final judgment permanently enjoining him from violating Sections 30A and 13(b)(5) of the Securities Exchange Act of 1934 ("Exchange Act") and Exchange Act Rule 13b2-1, and from aiding and abetting violations of Sections 30A, 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act. The final judgment also orders that Meza pay a \$30,000 civil penalty, as well as \$26,707 in disgorgement and prejudgment interest." (Source: US Securities and Exchange Commission Litigation Release No. 21190 / August 28, 2009, SECURITIES AND EXCHANGE COMMISSION v. OSCAR H. MEZA, Civil Action No. 1:09-CV-01648 (D.D.C.) (Filed August 28, 2009), "SEC SUES FORMER SALES EXECUTIVE FOR FOREIGN BRIBERY.") Please note that the Litigation Release did not provide a breakdown of the figure for disgorgement and prejudgment interest; the amount was therefore recorded under disgorgement.

Sources :

US Securities and Exchange Commission Litigation Release No. 21190 / August 28, 2009, SECURITIES AND EXCHANGE COMMISSION v. OSCAR H. MEZA, Civil Action No. 1:09-CV-01648 (D.D.C.) (Filed August 28, 2009), "SEC SUES FORMER SALES EXECUTIVE FOR FOREIGN BRIBERY," accessed at <http://www.sec.gov/litigation/litreleases/2009/lr21190.htm>, and Complaint accessed at <http://www.sec.gov/litigation/complaints/2009/comp21190.pdf>