

ITXC Corporation / Steven J. Ott and Roger Michael Young

Case ID:

ST-235

Case Cluster :

ITXC Corporation

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Securities and Exchange Commission

Jurisdiction of Foreign Public Official(s) :

Nigeria, Rwanda, Senegal, Mali

Year of Settlement:

2008

Month/Day of Settlement (or Notes):

05/06

Other Jurisdictions of Settlement:

Unknown

Settlement with Individual or Legal Person?:

Individual

Type of Settlement:

Civil

Legal Form of Settlement:

Consent to Permanent Injunction

Monetary Sanctions (Types):

None

Total Monetary Sanctions (US\$):

\$0.00

Civil Disgorgement of Profits (US\$) :

\$0

Civil Prejudgment Interest (US\$) :

\$0

Civil Fine / Penalty (US\$):

\$0

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 Violations, Aiding and Abetting Falsification of Books and Records, Aiding and Abetting Internal Controls Violations

Offenses - Settled:

No admission or denial of allegations

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the June 2011 United States Report to the OECD, "Three former executives of ITXC Corporation, a global telecommunications company based in Princeton, NJ, have pleaded guilty to conspiring to violate the FCPA and the Travel Act in connection with a scheme to bribe government telecommunications officials in four African countries. ITXC was a publicly traded company that provided telecommunication services, primarily Voice Over Internet Protocol (VOIP) services, to carriers across the globe. In pleading, the defendants admitted that between September 1999 and October 2004, they conspired with each other and other former ITXC employees and officers to make corrupt payments totaling approximately \$450,000 to employees of foreign state-owned and foreign-owned telecommunications carriers in Nigeria, Rwanda, Senegal, and Mali to obtain and retain contracts for ITXC. For example, in Nigeria, ITXC entered into a service agreement with and agreed to pay a consulting company headed by an official of NITEL, the state-owned Nigerian telecommunications authority, in exchange for assistance in obtaining agreements with other service providers in the country. Between November 2002 and May 2004, ITXC wire transferred approximately \$166,541.31 to the Nigerian bank account of the foreign official's company." (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, ITXC Corporation Case Summary at 100-101.)

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, ITXC Corporation Case Summary at 100-102, accessed at <http://www.oecd.org/dataoecd/18/8/42103833.pdf>. US Securities and Exchange Commission Litigation Release No. 20556 / May 6, 2008, Securities and Exchange Commission v. Steven J. Ott and Roger Michael Young, Civil Action No. 06-4195 (GEB) (D.N.J.), Securities and Exchange Commission v. Yaw Osei Amoako Civil Action No. 05-4284 (GEB) (D.N.J.), "Former Executives Of ITXC Corp. Settle Foreign Bribery Charges," accessed at <http://www.sec.gov/litigation/litreleases/2008/lr20556.htm>