

Latin Node Inc. / Manuel Caceres

Case ID:

ST-254

Case Cluster :

Latin Node Inc.

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Department of Justice

Jurisdiction of Settlement / Foreign Public Official(s) :

Honduras, Yemen

Year of Settlement:

2012

Month/Day of Settlement (or Notes):

04/24

Other Jurisdictions of Settlement:

Unknown

Settlement with Individual or Legal Person?:

Individual

Type of Settlement:

Criminal

Legal Form of Settlement:

Guilty Plea

Monetary Sanctions (Types):

None

Total Monetary Sanctions (US\$):

\$0.00

Criminal Fine/Penalty (US\$) :

\$0

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

Offenses - Alleged:

Conspiracy to bribe foreign officials, Conspiracy to commit international money laundering, Bribery of foreign officials, International money laundering

Offenses - Settled:

Conspiracy to bribe foreign officials

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the Judgment in Mr. Caceres' case, on April 24, 2012 he was sentenced to a prison term of twenty-three months; other than a \$100 court assessment fee, no monetary sanctions were ordered in his case. (Source: US v. Caceres, Case No. 1:10-cr-20881 (S.D. Fla.), Judgment in a Criminal Case, April 24, 2012.) According to the June 2011 United States Report to the OECD, "On March 23, 2009, Latin Node Inc. (LatiNode) was charged with one count of violating the anti-bribery provisions of the FCPA in connection with improper payment in Honduras and Yemen. According to court documents, LatiNode was a privately held Florida corporation that provided wholesale telecommunications services using Internet protocol technology in a number of countries throughout the world, including Honduras and Yemen. On December 14, 2010, LatiNode's former CEO and Vice President for Business Development, Jorge Granados and Manuel Caceres, were indicted by a Grand Jury in the Southern District of Florida on 19 counts of conspiracy, violations of the FCPA, and money laundering. Subsequently, on December 17, 2010, Manuel Salvoch, LatiNode's former CFO, and Juan Pablo V. Vasquez, a former senior commercial executive at LatiNode, were each charged with one count of conspiracy to violate the anti-bribery provisions of the FCPA." According to the Report, in Honduras, "between September 2006 and June 2007, these executives paid or caused to be paid more than \$500,000 in bribes to the Honduran officials. In all, according to court documents filed in the case against LatiNode, between March 2004 and June 2007, the company paid or caused to be paid approximately \$1,099,889 in payments to third parties, knowing that some or all of those funds would be passed on as bribes to officials of Hondutel. In addition to the payments for the interconnection agreement, LatiNode admitted that these payments were also, in part, intended to secure reduced call termination rates for the company's traffic. Each of these illicit payments originated from LatiNode's Miami bank account, and many of the payments were concealed by laundering the money through LatiNode subsidiaries in Guatemala and through accounts in Honduras controlled by Honduran government officials." In Yemen, according to the same Report, "LatiNode admitted that from approximately July 2005 through April 2006, the company made 17 payments totaling approximately \$1,150,654 to a third-party consultant with the knowledge that some or all of the money would be passed on to Yemeni officials in exchange for favorable interconnection rates in Yemen. Each of these payments was also made from LatiNode's Miami bank account. Company e-mails indicated that company executives believed that potential recipients of these payments included Yemeni government officials." (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, Latin Node, Inc. Case Summary at 29-30.)

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, Latin Node, Inc. Case Summary at 29-30, accessed at <http://www.oecd.org/dataoecd/18/8/42103833.pdf>.
US v. Granados, et al, Case No. 1:10-cr-20881 (S.D. Fla.), Indictment filed on December 21, 2010, accessed at <http://www.justice.gov/criminal/fraud/fcpa/cases/granados-jorge/12-21-10granados-indict.pdf>; Plea Agreement filed May 20, 2011 and Judgment in a Criminal Case filed April 25, 2012, all accessed via PACER. (Copy of Judgment can also be accessed at <http://www.justice.gov/criminal/fraud/fcpa/cases/cacercesj/2012-04-25-cacercesj-judgment.pdf>)