

Siemens AG / Bernd Regendantz

Case ID:

ST-323

Case Cluster :

Siemens AG

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Securities and Exchange Commission

Jurisdiction of Foreign Public Official(s) :

Argentina

Year of Settlement:

2011

Month/Day of Settlement (or Notes):

12/13

Other Jurisdictions of Settlement:

Germany

Settlement with Individual or Legal Person?:

Individual

Type of Settlement:

Civil

Legal Form of Settlement:

Consent to Permanent Injunction

Monetary Sanctions (Types):

Civil Penalty

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, Aiding and Abetting Siemens' Bribery of Foreign Officials;
Falsification of Books and Records; Aiding and Abetting Siemens' Failure to Maintain Internal
Controls; Aiding and Abetting Siemens' Failure to Maintain Books and Records

Offenses - Settled:

No admission or denial of alleged offenses

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the US Securities and Exchange Litigation Release, "From approximately 1996 until early 2007, senior executives at Siemens and its regional company in Argentina, Siemens S.A. ("Siemens Argentina"), paid bribes to senior Argentine government officials -- including two Presidents, and Cabinet Ministers in two Presidential administrations. The bribes were initially paid to secure a \$1 billion government contract (the "DNI Contract") to produce national identity cards, or Documentos Nacionales de Identidad, for every Argentine citizen. Later, after a change in Argentine political administrations resulted in the DNI Contract being suspended and then canceled, Siemens paid additional bribes in a failed effort to bring the DNI Contract back into force. Still later, after the company instituted an arbitration proceeding to recover its costs and expected profits from the canceled DNI Contract, Siemens paid additional bribes to suppress evidence that the DNI Contract had originally been obtained through corruption. Over the course of the bribery scheme, over \$100 million in bribes were paid, approximately \$31.3 million of which were made after March 12, 2001, when Siemens became a U.S. issuer subject to U.S. securities laws. As a result of the bribe payments it made, Siemens received an arbitration award in 2007 against the government of Argentina of over \$217 million plus interest for the DNI Contract. In August 2009, after settling bribery charges with the U.S. and Germany, Siemens waived the arbitration award. During the relevant 2001 to 2007 time period, defendants Uriel Sharef, Ulrich Bock, Carlos Sergi, Stephan Signer, Herbert Steffen, Andres Truppel, and Bernd Regendantz each had a role in authorizing, negotiating, facilitating, or concealing bribe payments in connection with the DNI Contract. Siemens employed a group of consultants, designated the Project Group and led by defendant Sergi, to serve as payment intermediaries between the company and the Argentine government officials." Without admitting or denying the SEC's allegations, defendant Bernd Regendantz has consented to the entry of a final judgment that permanently enjoins him from future violations and orders him to pay a civil penalty of \$40,000, deemed satisfied by Regendantz' payment of a \$30,000 administrative fine ordered by the Public Prosecutor General in Munich, Germany. (Source: Securities and Exchange Commission Litigation Release No. 22190 / December 13, 2011, "Securities and Exchange Commission v. Uriel Sharef, Ulrich Bock, Carlos Sergi, Stephan Signer, Herbert Steffen, Andres Truppel and Bernd Regendantz, Civil Action No. 11 civ 9073 (Judge Scheidlin/Pitman) (S.D.N.Y.) / SEC Charges Seven Former Siemens Executives with Bribing Leaders in Argentina.")

Sources :

US Securities and Exchange Commission v. Sharef, et al, Case No. 1:11-cv-9073 (S.D.N.Y.), Complaint filed December 13, 2011, accessed at <http://www.sec.gov/litigation/complaints/2011/comp22190.pdf>; Securities and Exchange Commission Litigation Release No. 22190 / December 13, 2011, "Securities and Exchange Commission v. Uriel Sharef, Ulrich Bock, Carlos Sergi, Stephan Signer, Herbert Steffen, Andres Truppel and Bernd Regendantz, Civil Action No. 11 civ 9073 (Judge Scheidlin/Pitman) (S.D.N.Y.) / SEC Charges Seven Former Siemens Executives with Bribing Leaders in Argentina," accessed at <http://www.sec.gov/litigation/litreleases/2011/lr22190.htm>