

Syncor International Corporation / Monty Fu

Case ID:

ST-352

Case Cluster :

Syncor International Corporation

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Securities and Exchange Commission

Jurisdiction of Foreign Public Official(s) :

Taiwan, China

Year of Settlement:

2007

Month/Day of Settlement (or Notes):

09/27

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):

Civil Penalty

Total Monetary Sanctions (US\$):

\$75,000.00

Civil Disgorgement of Profits (US\$) :

\$0

Civil Prejudgment Interest (US\$) :

\$0

Civil Fine / Penalty (US\$):

\$75,000

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:

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

Offenses - Settled:

No admission or denial of alleged offenses

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the 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," Syncor International Corporation, at 79-80, accessed at www.justice.gov/criminal/fraud/fcpa/docs/response3-appx-c.pdf: Misconduct in Taiwan, 1997-2002; Criminal and civil charges stemmed from (1) series of payments totalling at least \$344,110 in "commissions" by Syncor and its employees to physicians employed by hospitals owned by the legal authorities in Taiwan for the purpose of obtaining and retaining business from the hospitals and in connection with the purchase and sale of unit dosages of certain radiopharmaceuticals. Monty Fu, Syncor Taiwan's founder and board chairman authorized the payments and (2) at least \$113,007 in improper payments (1998-2002) authorized by Fu and made by Syncor Taiwan to physicians employed at hospitals owned by the legal authorities in Taiwan in exchange for their referrals of patients to medical imaging centers owned and operated by Syncor. Resulting civil enforcement actions: SEC v. Monty Fu (D.D.C., September 27, 2008), SEC v. Syncor International Corporation (D.D.C., December 10, 2002), In the Matter of Syncor International Corporation (December 10, 2002). The SEC Litigation Release acknowledged the investigative assistance by the Taiwan Taipei Prosecutors Office.

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," Syncor International Corporation at 79-80, accessed at www.justice.gov/criminal/fraud/fcpa/docs/response3-appx-c.pdf. US v. Monty Fu, Case No. 1:07-cv-01735 (D.D.C.), Complaint filed September 27, 2007, accessed at <http://www.sec.gov/litigation/complaints/2007/comp20310.pdf>; And SEC press release <http://www.sec.gov/litigation/litreleases/2007/lr20310.htm> 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, Syncor International Corporation Case Summary at 95-96, accessed at <http://www.oecd.org/dataoecd/18/8/42103833.pdf>.