

## Tanner Management Corporation / Herbert K. Tannenbaum

**Case ID:**

ST-354

**Case Cluster :**

Tanner Management Corporation

**Jurisdiction of Settlement:**

United States

**Jurisdiction of Settlement / Enforcement Agency:**

Department of Justice

**Jurisdiction of Foreign Public Official(s) :**

None (Sting Operation)

**Year of Settlement:**

1998

**Month/Day of Settlement (or Notes):**

08/05

**Other Jurisdictions of Settlement:**

None

**Settlement with Individual or Legal Person?:**

Individual

**Type of Settlement:**

Criminal

**Legal Form of Settlement:**

Guilty Plea

**Monetary Sanctions (Types):**

Criminal Fine

**Total Monetary Sanctions (US\$):**

\$15,000.00

**Criminal Fine/Penalty (US\$) :**

\$15,000

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

\$0

**UNCAC Articles(s) Implicated:**

Art.16

Art.23

**OECD Anti-Bribery Convention Articles Implicated:**

Art. 1, Art. 2, Art. 7

**Offenses - Alleged:**

Conspiracy to bribe foreign officials

**Offenses - Settled:**

Conspiracy to bribe foreign officials

**Public Procurement Contract / SOE Involved?:**

No (Sting Operation)

**Summary:**

According to the June 2011 US Report to the OECD, "On March 24, 1998, Herbert Tannenbaum was arrested pursuant to a criminal complaint filed in the Southern District of

New York, which charged him with conspiracy to violate the anti-bribery provisions of the FCPA. A one-count information, charging Tannenbaum with conspiracy to violate the FCPA, was subsequently filed on July 23, 1998. According to court documents, Tannenbaum, as President of Tanner Management Corporation, offered to make secret payments totaling 15% of the contract value to an undercover agent posing as a procurement officer of the Government of Argentina in order to induce the agent to purchase garbage incinerators. According to the plea agreement, the offered bribe totaled between \$120,000 and \$200,000. As part of the conspiracy and in an attempt to disguise the secret payment, Tannenbaum incorporated a fictitious entity named Cybernet USA and opened a bank account in the same name. Tannenbaum pleaded guilty on August 5, 1998, and, pursuant to a plea agreement with the United States, was sentenced to a prison term of 1 year and 1 day, to be followed by 3 years of supervised release." (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, Tanner Management Corporation Case Summary at 135-36.) According to the Judgment in his case, Mr. Tannenbaum was ordered to pay \$15,000 in criminal fine. (Source: US v. Tannenbaum, Case No. 1:98-cr-784-TPG (S.D.N.Y.), Judgment in a criminal case dated March 19, 1999.) The US Department of Justice Press Release stated that, "According to the information, Tannenbaum helped incorporate and open a bank account in the name of Cybernet USA, a fictitious entity, to disguise the payment to the undercover agent. During the investigation, the Argentine Ministry of Justice cooperated with the Department." (Source: US Department of Justice Press Release, "Long Island Man Pleads Guilty to Violating Foreign Corrupt Practices Act," August 5, 1998.)

**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, Tanner Management Corporation Case Summary at 135-36, accessed at <http://www.oecd.org/dataoecd/18/8/42103833.pdf>. US v. Tannenbaum, Case No. 1:98-cr-784-TPG (S.D.N.Y.), Information of July 23, 1998, accessed at <http://www.justice.gov/criminal/fraud/fcpa/cases/tannenbaum/07-23-98tannenbaum-info.pdf>; Plea Agreement signed August 5, 1998, accessed at <http://www.justice.gov/criminal/fraud/fcpa/cases/tannenbaum/06-23-98tannenbaum-plea-agree.pdf>; Judgment in a criminal case dated March 19, 1999, accessed at <http://www.justice.gov/criminal/fraud/fcpa/cases/tannenbaum/03-19-99tannenbaum-judgment.pdf>; US Department of Justice Press Release, "Long Island Man Pleads Guilty to Violating Foreign Corrupt Practices Act," August 5, 1998, accessed at <http://www.justice.gov/criminal/fraud/fcpa/cases/tannenbaum/08-05-98tannenbaum-pressrelease.pdf>