

Veraz Networks, Inc.

Case ID:

ST-373

Case Cluster :

Veraz Networks, Inc.

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Securities and Exchange Commission

Jurisdiction of Foreign Public Official(s) :

China, Vietnam

Year of Settlement:

2010

Month/Day of Settlement (or Notes):

06/29

Other Jurisdictions of Settlement:

Unknown

Settlement with Individual or Legal Person?:

Legal Person

Type of Settlement:

Civil

Legal Form of Settlement:

Consent to Permanent Injunction

Monetary Sanctions (Types):

Civil Penalty

Total Monetary Sanctions (US\$):

\$300,000.00

Civil Disgorgement of Profits (US\$) :

\$0

Civil Prejudgment Interest (US\$) :

\$0

Civil Fine / Penalty (US\$):

\$300,000

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

\$0

Monetary Sanctions Returned / Ordered Returned (Explanation):

\$0

UNCAC Articles(s) Implicated:

Art.16

Art.26

OECD Anti-Bribery Convention Articles Implicated:

Art. 1, Art. 2, Art. 8

Offenses - Alleged:

Falsification of Books and Records, Internal Controls Violations

Offenses - Settled:

No admission or denial of alleged offenses

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the June 2011 United States Report to the OECD, "On June 29, 2010, the SEC filed a settled civil complaint against Veraz Networks, Inc. ("Veraz"), a San Jose, California-based telecommunications company. The SEC alleged that Veraz violated the books and records and internal controls provisions of the FCPA in connection with improper payments to foreign officials in China and Vietnam. These payments took place after the company went public in 2007. Specifically, the SEC alleged that Veraz engaged a consultant in China who in 2007 and 2008 gave gifts and offered improper payments together valued at approximately \$40,000 to officials at a government controlled telecommunications company in China in an attempt to win business for Veraz. A Veraz supervisor who approved the gifts described them in an internal Veraz email as the "gift scheme." Similarly, the SEC alleged that in 2007 and 2008, a Veraz employee made improper payments to the CEO of a government controlled telecommunications company in Vietnam in order to win business for Veraz." (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, Veraz Networks Inc. Case Summary at 48-49.)

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, Veraz Networks Inc. Case Summary at 48-49, accessed at <http://www.oecd.org/dataoecd/18/8/42103833.pdf>. US Securities and Exchange Commission, Litigation Release No. 21581 / June 29, 2010, Securities and Exchange Commission v. Veraz Networks, Inc., Case No. CV-10-2849 (PVT) (N.D. Cal. filed June 29, 2010), "SEC Charges California Telecommunications Company with FCPA Violations," accessed at <http://www.sec.gov/litigation/litreleases/2010/lr21581.htm>; Complaint filed June 29, 2010, accessed at <http://www.sec.gov/litigation/complaints/2010/comp21581.pdf>