

Lucent Technologies, Inc.

Case ID:

ST-260

Case Cluster :

Lucent Technologies

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Securities and Exchange Commission

Jurisdiction of Foreign Public Official(s) :

China

Year of Settlement:

2007

Month/Day of Settlement (or Notes):

12/21

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\$):

\$1,500,000.00

Criminal Fine / Penalty (Explanation):

NA

Civil Disgorgement of Profits (US\$) :

\$0

Civil Prejudgment Interest (US\$) :

\$0

Civil Fine / Penalty (US\$):

\$1,500,000

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

\$0

UNCAC Articles(s) Implicated:

Art.16

Art.26

OECD Anti-Bribery Convention Articles Implicated:

Art. 1, Art. 2, Art. 8

Offenses - Alleged:

Internal controls violations, Falsification of books and records

Offenses - Settled:

No admission or denial of allegations

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to 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," Lucent Technologies, Inc. at 68-69, accessed at www.justice.gov/criminal/fraud/fcpa/docs/response3-appx-c.pdf: DOJ - \$1 million fine; SEC - \$1.5 million civil penalties; Misconduct in China, 2000-2003, company spent over \$1.3 million in travel and other things of value for senior level government officials, including heads of state-owned telecommunications companies in Beijing and leaders of provincial telecommunications subsidiaries. Resulting Criminal Enforcement Action: In Re Lucent Technologies inc. (December 21, 2007); Civil action: SEC v. Lucent Technologies Inc. (D.D.C., December 21, 2007). According to the Statement of Facts attached to the non-prosecution agreement by the US Department of Justice and Lucent, from at least 2000 to 2003, Lucent provided approximately 315 trips for Chinese government officials which were primarily for sightseeing, entertainment, and leisure in Boston, Las Vegas, the Grand Canyon and Hawaii; an April 2001 personal visit to San Francisco by a director of a regional, state-owned broadband provider and her guest; a January 2003 travel to Hong Kong and Thailand for a seven-day vacation by the deputy manager of a subsidiary of a large state-owned telecommunications service provider in China, his wife and daughter and other pre- and post-sales trips and paying for educational (MBA) costs, paid internship for a daughter of a Chinese government official working at the Chinese embassy in the U.S. (Source: Non-Prosecution Agreement, Appendix A: Statement of Facts, In Re Lucent Technologies, Inc. dated November 14, 2007, accessed at <http://www.justice.gov/criminal/fraud/fcpa/cases/lucent-tech/11-14-07lucent-agree.pdf>.)

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," Lucent Technologies, Inc. at 68-69, accessed at www.justice.gov/criminal/fraud/fcpa/docs/response3-appx-c.pdf; US Department of Justice Press Release, "Lucent Technologies Inc. Agrees to Pay \$1 Million Fine to Resolve FCPA Allegations," December 21, 2007, accessed at http://www.justice.gov/opa/pr/2007/December/07_crm_1028.html (accessed September 15, 2011); In Re Lucent Technologies, Inc., Department of Justice Non-Prosecution Agreement and Appendix A: Statement of Facts (dated November 14, 2007), accessed at <http://www.justice.gov/criminal/fraud/fcpa/cases/lucent-tech/11-14-07lucent-agree.pdf>; SEC v. Lucent Technologies, Case No. 1:07-cv-02301-RBW (D.D.C.), Complaint filed December 21, 2007, accessed at <http://fcpa.shearman.com/files/2df/2df2c9377360116808a51bd869d91227.pdf?i=d127b5a5143e9fa5206> Securities and Exchange Commission Litigation Release No. 20414 / December 21, 2007, accessed at <http://fcpa.shearman.com/files/22b/22bad0eccb9eefdb54f168bafc03db0d.pdf?i=359c3469ccf281e16e80>