

Diebold Inc.

Case ID:

ST-432

Case Cluster :

Diebold Inc.

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Department of Justice

Jurisdiction of Foreign Public Official(s) :

China, Indonesia, Russia

Year of Settlement:

2013

Month/Day of Settlement (or Notes):

10/22

Other Jurisdictions of Settlement:

Unknown

Settlement with Individual or Legal Person?:

Legal Person

Type of Settlement:

Criminal

Legal Form of Settlement:

Deferred Prosecution Agreement

Monetary Sanctions (Types):

Criminal Penalty

Total Monetary Sanctions (US\$):

\$25,920,000.00

Criminal Fine/Penalty (US\$) :

\$25,920,000.00

Criminal Forfeiture / Confiscation (US\$):

\$0

Criminal Restitution / Reparation (US\$):

\$0

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

\$0

Monetary Sanctions Returned / Ordered Returned (Explanation):

NA

UNCAC Articles(s) Implicated:

Art.16

OECD Anti-Bribery Convention Articles Implicated:

Art. 1, Art. 2, Art. 8

Offenses - Alleged:

Conspiracy to Bribe Foreign Officials; Conspiracy Falsification of Books and Records

Offenses - Settled:

Conspiracy to Bribe Foreign Officials; Conspiracy Falsification of Books and Records

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the US Department of Justice, "Diebold Inc. (Diebold), the Ohio-based provider of integrated self-service delivery and security systems, including automated teller machines (ATMs), has agreed to pay a \$25.2 million penalty to resolve allegations that it violated the Foreign Corrupt Practices Act (FCPA) by bribing government officials in China and Indonesia and falsifying records in Russia in order to obtain and retain contracts to provide ATMs to state-owned and private banks in those countries. [] The department today filed in U.S. District Court for the Northern District of Ohio a criminal information and a deferred prosecution agreement. The two-count information charges Diebold with conspiring to violate the FCPA's anti-bribery and books and records provisions and violating the FCPA's books and records provisions. [] According to court documents, Diebold paid bribes and falsified documents in connection with the sale of ATMs to bank customers in China, Indonesia, and Russia. With respect to China and Indonesia, the court documents allege that from 2005 to 2010, in order to secure and retain business with bank customers, including state-owned and -controlled banks, Diebold repeatedly provided things of value, including payments, gifts, and non-business travel for employees of the banks, totaling approximately \$1.75 million. Diebold attempted to disguise the payments and benefits through various means, including by making payments through third parties designated by the banks and by inaccurately recording leisure trips for bank employees as "training." The court documents also allege that from 2005 to 2009, Diebold created and entered into false contracts with a distributor in Russia for services that the distributor was not performing. The distributor, in turn, used the money that Diebold paid to it, in part, to pay bribes to employees of Diebold's privately-owned bank customers in Russia in order to obtain and retain ATM-related contracts with those customers." (Source: US DOJ Press Release, "Diebold Incorporated Resolves Foreign Corrupt Practices Act Investigation and Agrees to Pay \$25.2 Million Criminal Penalty," October 22, 2013.)

Sources :

US v. Diebold Inc., Case No. 13-cr-464 (ND Ohio), Information and Deferred Prosecution Agreement both filed October 22, 2013; DOJ Press Release, "Diebold Incorporated Resolves Foreign Corrupt Practices Act Investigation and Agrees to Pay \$25.2 Million Criminal Penalty," October 22, 2013, at <https://www.justice.gov/criminal-fraud/case/united-states-v-diebold-inc-court-docket-number-13-cr-000464-so>