

Qualcomm Incorporated

Case ID:

ST-491

Case Cluster :

Qualcomm Incorporated

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Securities and Exchange Commission

Jurisdiction of Foreign Public Official(s) :

China

Year of Settlement:

2016

Month/Day of Settlement (or Notes):

3/1

Other Jurisdictions of Settlement:

Unknown

Settlement with Individual or Legal Person?:

Legal Person

Type of Settlement:

Civil

Legal Form of Settlement:

Cease and Desist Order

Monetary Sanctions (Types):

Civil Penalty

Total Monetary Sanctions (US\$):

\$7,500,000

Civil Disgorgement of Profits (US\$) :

\$0

Civil Prejudgment Interest (US\$) :

\$0

Civil Fine / Penalty (US\$):

\$7,500,000

Other Civil Monetary Sanctions (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:

Bribery of Foreign Officials; 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 Securities and Exchange Commission Press Release related to the US telecommunications company, "Qualcomm Incorporated has agreed to pay \$7.5 million to settle charges that it violated the Foreign Corrupt Practices Act (FCPA) by hiring relatives of Chinese government officials deciding whether to select the company's mobile technology products amid increasing competition in the international telecommunications market. An SEC investigation found that Qualcomm also provided gifts, travel, and entertainment to try to influence officials at government-owned telecom companies in China. With insufficient internal controls to detect improper payments, Qualcomm misrepresented in its books and records that the things of value provided to foreign officials were legitimate business expenses. [] The SEC's order finds that Qualcomm violated the anti-bribery, internal controls, and books-and-records provisions of the Securities Exchange Act of 1934. Without admitting or denying the findings, Qualcomm agreed to pay the \$7.5 million penalty and self-report to the SEC for the next two years with annual reports and certifications of its FCPA compliance. " (Source: US SEC Press Release, "SEC: Qualcomm Hired Relatives of Chinese Officials to Obtain Business," March 1, 2016, at <http://www.sec.gov/news/pressrelease/2016-36.html>)

Sources :

US SEC Press Release, "SEC: Qualcomm Hired Relatives of Chinese Officials to Obtain Business," March 1, 2016, at <http://www.sec.gov/news/pressrelease/2016-36.html>