

VimpelCom Limited

Case ID:

ST-526

Case Cluster :

VimpelCom Limited

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Department of Justice

Jurisdiction of Foreign Public Official(s) :

Uzbekistan

Year of Settlement:

2016

Month/Day of Settlement (or Notes):

2/18

Other Jurisdictions of Settlement:

Netherlands

Settlement with Individual or Legal Person?:

Legal Person

Type of Settlement:

Criminal

Legal Form of Settlement:

Deferred Prosecution Agreement

Monetary Sanctions (Types):

Criminal Fine; Criminal Forfeiture

Total Monetary Sanctions (US\$):

\$230,326,398

Criminal Fine/Penalty (US\$) :

\$190,326,398.40

Criminal Fine / Penalty (Explanation):

Please see case summary for explanation.

Criminal Forfeiture / Confiscation (US\$):

\$40

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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. 7

Offenses - Alleged:

Conspiracy to bribe foreign officials

Offenses - Settled:

Conspiracy to bribe foreign officials

Public Procurement Contract / SOE Involved?:

No (License)

Summary:

According to the US Department of Justice, "Amsterdam-based VimpelCom Limited, the world's sixth largest telecommunications company and an issuer of publicly traded securities in the United States, and its wholly owned Uzbek subsidiary, Unitel LLC, entered into resolutions with the Department of Justice today in which they admitted to a conspiracy to make more than \$114 million in bribery payments to a government official in Uzbekistan between 2006 and 2012 to enable them to enter and continue operating in the Uzbek telecommunications market. [] According to the companies' admissions, VimpelCom and Unitel, through various executives and employees, paid bribes to an Uzbek government official, who was a close relative of a high ranking government official and had influence over the Uzbek governmental body that regulated the telecom industry. The companies structured and concealed the bribes through various payments to a shell company that certain VimpelCom and Unitel management knew was beneficially owned by the foreign official. The bribes were paid on multiple occasions between approximately 2006 and 2012 so that VimpelCom could enter the Uzbek market and Unitel could gain valuable telecom assets and continue operating in Uzbekistan. VimpelCom and Unitel contemplated additional bribes in 2013, but those bribes were not completed before VimpelCom opened an internal investigation. In addition, VimpelCom admitted that it falsified its books and records and attempted to conceal and disguise the bribery scheme by classifying payments as equity transactions, consulting and repudiation agreements and reseller transactions. VimpelCom also failed to implement and enforce adequate internal accounting controls, which allowed the bribe payments to occur without detection or remediation. Moreover, when the board of directors sought an FCPA legal opinion assessing corruption risks involved in the transactions, certain VimpelCom management withheld crucial information from outside counsel performing the review that restricted the scope of FCPA opinions, rendering them worthless. Rather than implement and enforce a strong anticorruption ethic, certain VimpelCom executives sought ways to give the company plausible deniability of illegality while knowingly proceeding with corrupt business transactions." (Source: US Department of Justice Press Release, "VimpelCom Limited and Unitel LLC Enter into Global Foreign Bribery Resolution of More Than \$795 Million? United States Seeks \$850 Million Forfeiture in Corrupt Proceeds of Bribery Scheme," February 18, 2016.) According to the Deferred Prosecution Agreement, the company agrees to pay \$460,326,398.40, \$40,000 of which will be paid as forfeiture; the amount was to be offset by sanctions paid to The Prosecution Service of the Netherlands, up to \$230,326,398.40. As to the forfeited funds, the company "acknowledges that at least \$40,000,000 was proceeds of transactions in violation of the anti-bribery provisions of the FCPA." (VimpelCom Deferred Prosecution Agreement, paras 8 and 9.)

Sources :

US v. VimpelCom and US v. Unitel, Case No. 16-cr-17 (SDNY), Information filed in both on February 18, 2016, Vimpelcom Deferred Prosecution Agreement and Statement of Facts filed February 22, 2016 and Unitel Plea Agreement filed February 22, 2016, at <https://www.justice.gov/criminal-fraud/fcpa/cases/vimpelcom>; US Department of Justice Press Release, "VimpelCom Limited and Unitel LLC Enter into Global Foreign Bribery Resolution of More Than \$795 Million? United States Seeks \$850 Million Forfeiture in Corrupt Proceeds of Bribery Scheme," February 18, 2016.

Documents:

Attachment	Size
 NCB_First Global Accts_Notice Verified Claim by Uzbekistan_01252016.pdf	181.91 KB
 Vimpelcom_CivilAssetForfeiture Complaint_Feb2016.pdf	2.32 MB