UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 83593 / July 5, 2018

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 3948 / July 5, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18571

In the Matter of **CREDIT SUISSE GROUP AG,** **Respondent.**	**ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING A CEASE-AND-DESIST ORDER**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 ("Exchange Act"), against Credit Suisse Group AG ("Credit Suisse" or "Respondent").

II.

In anticipation of the institution of these proceedings, Credit Suisse has submitted an Offer of Settlement (the "Offer") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, Respondent admits the Commission's jurisdiction over it and the subject matter of these proceedings, and consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order ("Order"), as set forth below.

III.

On the basis of this Order and Credit Suisse's Offer, the Commission finds[1] that:

SUMMARY

1. This matter concerns violations of the anti-bribery and internal accounting controls provisions of the Foreign Corrupt Practices Act ("FCPA") by Credit Suisse. Between at least 2007 and 2013, Credit Suisse provided valuable employment to the relatives and friends of certain foreign government officials in the Asia-Pacific region ("APAC") as a personal benefit to the requesting officials in order to obtain or retain investment banking business or other benefits for the bank. Because many of Credit Suisse's clients were state-owned entities ("SOEs"), and because the individuals personally requesting employment or internships for their relatives and friends were either executives of these SOEs or were foreign government ministers with influence over the business decisions of SOEs, the requesting individuals were foreign government officials under the FCPA. Credit Suisse provided these jobs to certain of the referred candidates ("Referral Hires") with the intent to corruptly influence the foreign government officials making the requests to secure banking business from the SOEs. Credit Suisse's referral hiring practice resulted in multiple deals and substantial profits for Credit Suisse.

2. While Credit Suisse had written policies beginning in at least 2007 that prohibited the hiring of candidates referred by or related to officials from SOEs or government ministries in order to obtain or retain business, those policies were not meaningfully enforced. At least one senior Credit Suisse manager in APAC believed that restrictions on referral hiring -- including a proposed requirement that all Referral Hires be vetted through the established, merit-based campus recruiting program -- would "kill" their business. Steps were taken to make certain Referral Hires from SOEs appear to be normal, merit-based hires at Credit Suisse. The candidates would undergo interviews and submit their applications through Credit Suisse's human resources department ("Human Resources"). However, in some instances, certain senior bankers made decisions to recommend hiring referrals in advance of this process and based on the prospect of business from the referring SOE rather than the merit of the prospective employee. Since the company's prohibition on improper SOE Referral Hires was not implemented in practice, many client referrals were hired by Credit Suisse without the requirement of any review by the bank's Legal and Compliance Department ("LCD" or "legal and compliance") to ensure compliance with the bank's policies.

3. During the six-year period referenced above, Credit Suisse offered employment to more than 100 individuals referred by or who had some connection to APAC foreign government officials. This included more than 60 employees and interns referred by foreign government officials at more than 20 different Chinese SOEs. Credit Suisse HK and its affiliates obtained deals from referring officials' SOEs totaling tens of millions of dollars in revenue during this period. Credit Suisse also hired referrals from numerous government agencies. In exchange these

[1] The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

government officials assisted Credit Suisse in navigating complex regulatory landscapes in order to obtain or retain business. Senior Credit Suisse managers in APAC tracked the success of some of the bank's Referral Hires in generating business through the use of spreadsheets that linked particular referral hires to specific business deals for the firm. Certain senior personnel with Credit Suisse HK and in the U.S. were aware that referral hiring was taking place in the APAC region.

4. Credit Suisse's internal accounting controls were insufficiently devised or maintained to reasonably enforce or effectuate the policies against Referral Hires or bribery of foreign officials and were therefore inadequate to address the corruption risks the company had identified in connection with referral hiring. The written restrictions put in place by Credit Suisse to minimize compliance and FCPA risks were not sufficient to curb Credit Suisse's corrupt referral hiring practices.

Respondent

5. **Credit Suisse Group AG** is a corporation incorporated and domiciled in Switzerland. It is a multinational financial services holding company that provides a broad range of services, including investment banking. Credit Suisse's American Depository Shares are registered pursuant to Section 12(b) of the Exchange Act and traded on the New York Stock Exchange. Credit Suisse files periodic reports, including Forms 20-F, with the Commission.

Other Relevant Entity

6. **Credit Suisse (Hong Kong) Limited** ("Credit Suisse HK") is a Hong Kong incorporated company and wholly owned subsidiary of Credit Suisse. Credit Suisse offers securities products and financial advisory services in the APAC region. Credit Suisse's global investment banking business is headquartered in the United States and was conducted in the APAC region primarily by and through Credit Suisse HK and its employees. Credit Suisse HK is an "agent" of the issuer within the meaning of the Foreign Corrupt Practices Act.

FACTS

Credit Suisse's Written Policies Prohibited the Hiring of Government Referrals in Exchange for Business

7. As early as 2007, Credit Suisse recognized the FCPA risks in hiring the relatives of foreign government officials. Credit Suisse's Global Anti-Bribery Policy (the "Global Policy") specified that "[o]ffers of employment, including internships, to Government Officials, their family members, or associates," could be considered to be "things of value" under the FCPA, and were prohibited if offered "to obtain or retain business, or otherwise secure an improper advantage." The Global Policy was also reflected in regional policies applicable in APAC that recognized the bribery risks inherent in referral hiring and specified additional restrictions on the practice.

8. In 2011, the Global Policy was updated to specify that *ad hoc* training activities and internships for relatives of government officials that were clients both fell within the scope of prohibited employment practices. The updated Global Policy stated that such referrals could only

qualify for positions in existing campus or lateral hiring programs with open application processes and that no special treatment could be provided for those referrals in the recruiting process.

Senior Credit Suisse Managers in APAC Knew About Prohibitions Regarding Government Hires

9. Credit Suisse HK senior managers were aware that hiring referrals from SOEs and government ministries to obtain or retain business was restricted under Credit Suisse's written compliance policies and could violate the FCPA. For example, in an April 2009 e-mail, a Credit Suisse Banker wrote that "[g]iven the importance of these two referrals, I'm thinking whether we should add them to the regular intern program. Can we make two more spaces?" A Credit Suisse employee responded that "[g]iven the LCD resistance on the hiring of gov't related interns, we should clarify how the individuals are related to these entities. We can then decide the best course of action."

10. Additionally, in a May 2009 e-mail LCD informed APAC senior managers that Credit Suisse was unable to provide summer internships to two SOE client referrals because: "[a]fter consultation with the Bank's Anti Corruption Team in New York, LCD in [*sic*] have deemed both requests to be potential violations of the Foreign Corrupt Practices Act and as such are too risky a venture for the Bank to pursue." The LCD representative went on to describe why the two proposed hires could violate the FCPA, and concluded: "I am sorry for this news, however given the increased attention the regulators are now dedicating to this area and the fact that all of our key competitors have either disbanded their similar programmes, or are in the final stages of doing so, [LCD] in deeming the provision of these types of work experience or internships to FCPA subject parties to be too great a risk to enter into are simply adhering to what is now the industry practice."

11. Also, in April 2010 LCD officials informed a Human Resources officer of a problem with hiring a client referral from an Indonesian SOE, noting "[a]s such, there is a blanket ban on offering these internships to anyone with direct government or SOE relations."

Credit Suisse HK Personnel Developed a Referral Hiring Practice to Hire SOE Referrals Without Proper Scrutiny

12. From at least 2007 through 2013, multiple senior Credit Suisse managers in APAC engaged in a practice of hiring, promoting and retaining government-connected Referral Hires as part of a *quid pro quo* by which Credit Suisse managers sought to improperly influence foreign officials to assist Credit Suisse in winning lucrative investment banking mandates.

13. Rather than enforce Credit Suisse's anti-corruption policies, senior Credit Suisse managers repeatedly took steps to onboard Referral Hires from SOEs and government ministries independently from the scrutiny of the company's established, merit-based campus recruiting program. A 2009 e-mail from a Credit Suisse HK Human Resources executive to two Credit Suisse HK senior managers on "Client interns" stated: "One of LCD's recommendations will be to hire the client interns through the formal Summer Programme for Analyst & Associates (managed by campus recruiting). We think this is not a great idea... we think it would be better if we could

hire these interns independently (as in the past) for this summer. We can agree with LCD a new way to approach this for next year." This practice persisted for the ensuing years.

14. APAC Credit Suisse senior managers at times agreed in principle to hire a referred candidate before conducting interviews or vetting of any kind, based on business advantages the government official who referred the candidate could provide. Senior Credit Suisse managers in APAC engaged in sham practices intended to give the appearance of a regular hiring process being followed. Senior Credit Suisse managers in APAC instructed subordinates to conduct interviews of referral candidates and automatically score the candidate highly, regardless of his/her actual performance.

15. In seeking approval to hire or promote a referred candidate, rather than highlighting the skills or experience of the candidate, Senior Credit Suisse managers in APAC referenced particular business or mandates that had been or could be gained as a result of the Referral Hire. For example:

- One SOE executive emailed a senior Credit Suisse banker to refer a candidate who had a "very good and close relationship" with senior management at the SOE, and wrote that hiring the Referral Hire would "bring [Credit Suisse] the big surprise in the near future if you could coordinate with CS Asian team to arrange a position in CS team in Beijing."

- The senior Credit Suisse banker later told a colleague about an impending deal that the SOE was pursuing and explained that the referring SOE official "was focused on having us make a relationship hire and said it was very important for us to win future business with [the SOE]."

- Another banker wrote of another government-connected Referral Hire: "Need a favor from you. [The Referral Hire] will get us a US$1bn bond deal from [a prospective client]. His family requested to change his status to permanent with CS. Given of [*sic*] the level of importance of this deal, we will decide to renew his contact [*sic*] for another 24 months instead of permanent."

16. Many candidates were offered full-time salaried positions and paid internships that were eligible for bonuses, housing allotments, and other benefits, and some were hired without any approval or vetting from the LCD or any other compliance body.

Credit Suisse HK Control Failures

17. Credit Suisse's compliance policies governing the bank's referral hiring practices highlighted the corruption risks associated with referral hiring, and dictated that Credit Suisse HK could employ government-connected Referral Hires under only very limited circumstances. From at least 2007, the Global Policy prohibited offering a job or internship to any foreign official or relative of a foreign official to obtain or retain business or otherwise for improper purposes.

18. In light of the corruption risks identified in its own compliance policies, Credit Suisse placed written requirements around the onboarding of Referral Hires. Despite these written

requirements, senior Credit Suisse managers in APAC repeatedly made Referral Hires in order to obtain banking business and other advantages from senior officials at SOEs and government agencies.

19. Certain Credit Suisse managers in the U.S. were aware of Credit Suisse HK's hiring of client referrals, some of whom treated the job as a mere "boondoggle." For certain Referral Hires, Credit Suisse senior managers in the U.S. approved the hire and took him or her on in the United States. This led to complaints from Credit Suisse U.S. bankers due to the frequency of the requests and the poor quality of the Referral Hires. For example, one senior U.S. Credit Suisse banker wrote: ". . . to be honest, we have had really bad experiences with many of the individuals from Asia . . . [a particular Credit Suisse HK senior manager] generates most of them and there is enough frustration in the system over this at this point that I wanted to check in with you for a sanity check on whether we should always break the mold for his requests or not . . . ."

20. In making Referral Hires, Credit Suisse repeatedly deviated from its established, merit-based hiring requirements which assessed job candidates based purely on qualifications and expected job performance. Credit Suisse failed to take adequate steps to mitigate known risks of bribery and corruption in its APAC operations. Credit Suisse HK failed to meaningfully implement or enforce Credit Suisse's policies until 2013.

Credit Suisse Hired SOE Referral Hires To Assist in Winning or Retaining Business

21. Between 2007 and 2013, Credit Suisse hired multiple relatives and friends of officials with foreign government entities and senior officials at foreign SOEs to obtain or retain business for Credit Suisse.

22. Credit Suisse maintained spreadsheets that listed "referral hires" or "relationship hires." These spreadsheets included information identifying the referring client or relationship when the relationship was with a government regulator. Some of these spreadsheets identified the "[c]ontribution" of the referral hire, including in at least three instances, deals specifically attributable to the relevant relationship. In an email to colleagues, a Credit Suisse employee explained: "Relationship hires have to translate to $" or "the relationship is worthless to our organization." This email was forwarded to a senior Credit Suisse banking official in the U.S. In a different email, a senior Credit Suisse banker stated that a referral hire "will get us a US$1bn bond deal. . . . His family requested to change his status to permanent with CS. Given [] the level of importance of this deal, we will decide to renew his contract for another 24 months instead of permanent."

23. Credit Suisse's Referral Hires often lacked technical skills, were less qualified, and had significantly less banking and other relevant experience than candidates hired through Credit Suisse's other employment channels. Credit Suisse Referral Hires included the following:

- In 2008, Credit Suisse HK hired the nephew of a senior Chinese government official, despite the fact that the nephew lacked investment banking qualifications and a Credit Suisse HK manager acknowledged that "most likely he will not be good." The hire was made at the request of a government official with a Chinese SOE from which Credit Suisse was seeking to win business. The same Credit

Suisse HK manager reasoned that "[t]here is a relationship hire in every industry" and stated that this particular individual should be hired in order to "open doors on SOE fronts which we are in lack of and our marketing effort has been handicapped, including [the referrer's SOE]." After repeated efforts to "leverage" the Referral Hire to obtain business from various Chinese SOEs, Credit Suisse HK successfully won a mandate generating approximately $475,170 in revenue for the bank.

- From 2010 to 2011, Credit Suisse HK employed the relative of a government official with a Chinese state-owned oil company. A Credit Suisse HK employee explained: "the girl is [the] relative of someone staying at core decision making circle of [the SOE] . . . . this girl is particularly important for . . . us to be blessed by the [SOE]." After the hire the SOE awarded Credit Suisse HK multiple mandates that yielded over $12 million in net profits for the bank.

- Beginning in 2010, Credit Suisse HK employed an individual closely connected to a key government minister. The Referral Hire worked at Credit Suisse HK in various roles from June 2010 until December 2012. Credit Suisse HK was awarded lucrative roles in a securities offering for two Chinese SOEs as a consequence of this hire, and received net profits for its work of more than $4 million.

- In 2011, the company hired the son of a senior commerce minister in China. A Credit Suisse HK senior manager strongly advocated hiring the son, stating that the company's relationship with the government ministry was "very important" because all "red chip" deals [involving companies based in mainland China but incorporated elsewhere and listed on the Hong Kong Stock Exchange] "need to get approved there." The bank proceeded to employ the son for over a year, and during his employment one of the senior managers used her "chit" with the minister to assist the bank in securing the necessary approval from the ministry for a deal on which Credit Suisse eventually received net profits of approximately $6 million.

24. The following are specific instances of Credit Suisse Referral Hires resulting in lucrative investment banking mandates for the firm.

Referral Hire from Energy-Related SOE to Obtain Investment Banking Mandates

25. In or around March 2010, Credit Suisse pitched for a mandate involving a Chinese energy-related company ("Company A"). Referral Hire A was the daughter of a high-ranking official ("Official A") at a Chinese energy-related SOE ("SOE A") that was the controlling shareholder of Company A.

26. On or around March 9, 2010, a Credit Suisse Vice President sent an email to a Credit Suisse HK senior investment banking manager in Hong Kong ("Employee A"), attaching Referral Hire A's resume and asking whether Employee A could "check with [Foreign Official A] as to whether we can move things to the next step at the same time?" After stating "not too many interviews," and explaining that Referral Hire A was "a princess [who was] not used to too many rounds of interview," Employee A proposed "giv[ing] her the offer letter asap," at which point

Employee A would "push her mum [Official A]." In order to make Referral Hire A's application appear more presentable, Credit Suisse HK bankers drafted a resume for her requiring them to be a bit "creative" in filling in the details.

27. Four days after receiving the request to hire Referral Hire A, on or about March 13, 2010, Employee A emailed the Credit Suisse Vice President, using a shorthand term that referred to Company A in the subject line, writing, "I am seeing [Official A] to push. [Official A] will get us in the deal." Two days later, Employee A sent another email, again using a shorthand reference to Company A in the subject line, writing, "I am meeting [Official A] . . . tomorrow. Where is [Referral Hire A's] contract?" A Credit Suisse employee responded that the offer letter was being prepared, and a Credit Suisse HK Human Resources manager ("Employee B") subsequently confirmed Referral Hire A would receive a first year analyst salary and a housing allowance, respectively approximately $70,000 and $30,000 annually. In or around April 2010, Credit Suisse booked the mandate for Company A, realizing a $950,000 fee.

28. On or about July 1, 2010, Referral Hire A began working at Credit Suisse, without being vetted or approved by LCD. During her probationary period, Referral Hire A exhibited unprofessional behavior. In connection with a July 2010 training, Credit Suisse employees complained that she failed to attend a mandatory boot camp, brought her mother to training events, and left early. One Credit Suisse employee wrote that she received the worst grade in the class on an assessment, commenting that "from the looks of her assessment she didn't even try (she filled in a pattern of 5As in a row, 5 Bs in a row, etc. on the answer key)." Less than a month later, in or around early August 2010, Referral Hire A and another intern made "the same exact error which nobody makes" on a homework assignment, and it was "apparent that they shared an Excel file and cheated on the homework." On or about August 5, 2010, after a Credit Suisse employee reported that Referral Hire A "has been leaving at 4 pm right after every lecture every day this week while the rest of the class is working until at least 9pm, 10 pm" and that she "has yet to show up to training today," Employee B commented, "[Referral Hire A] is the most famous intern ever." Notwithstanding these performance issues during the probationary period, in or around early October 2010, Referral Hire A's employment was fully approved, and both Employee A and another employee vouched for her performance.

29. In April 2011, Credit Suisse obtained a mandate from SOE A for a convertible bond offering, generating approximately $1,248,111 in revenue for Credit Suisse upon the closing of the deal. On or about April 12, 2011, a Credit Suisse HK senior investment banking manager ("Employee C") forwarded to Employee A an email stating: "We've just closed books on the [SOE A] $150m CB. Order book is above $900m." Employee A responded, "[Referral Hire A] is a star" who "also will help us to get [a] USD2bn [initial public offering ("IPO")]," adding that they should "say we will promote her to associate 1 if she delivers." On or about April 18, 2011, shortly before Credit Suisse hosted a dinner in Paris for "[Foreign Official A] and her delegation" (including Referral Hire A), Employee A emailed a colleague that Referral Hire A was Foreign Official A's daughter and that they "will promote her to associate soon as she will bring some sizeable IPO mandates to CS."

30. On or about June 17, 2011, a Credit Suisse managing director emailed Employee B that the managing director was "at a complete loss as to what to write for" Referral Hire A's

evaluation, asking, "[h]as anything been written on her file previously that we could copy and paste?" The two then proposed feedback for Referral Hire A: "Pls come to the office more often — we would like to see more of your smiling face," and, "Come to the office, answer your phone, don't be rude..." On or about June 22, 2011, a Credit Suisse employee emailed Employee B, attaching "manager summaries for everyone but [Referral Hire A]," along with the message, "I'm wondering if we can explain that she's a special situation and there's no need to give feedback." Despite this, on or about June 30, 2011, Credit Suisse awarded Referral Hire A a bonus of approximately $58,000.

31. During Referral Hire A's employment with Credit Suisse, Referral Hire A's mother accompanied her to Credit Suisse trainings in New York, traveled with her on Credit Suisse business trips, approved a list of client deals for her to work on, and requested that she be promoted by Credit Suisse. For example, in or around May 2012, Employee A and a another Credit Suisse HK senior investment banking manager ("Employee D") had a meeting with Foreign Official A, during which Foreign Official A approved a list of Credit Suisse clients with whom Referral Hire A could work, including SOE A.

32. On July 5, 2012, Referral Hire A was promoted to the rank of Associate. Approximately one week later, Employee A reported to another banker that Foreign Official A stated that Foreign Official A would execute a "block [trade]" with Credit Suisse. Employee A added a request to "[p]ls keep this confidential for now."

33. In addition, Credit Suisse employees took steps to attribute credit for certain deals to Referral Hire A, even where she did not contribute any work to those projects. For instance, on or about July 25, 2012, Employee A drafted an email that Employee A directed Referral Hire A to send back to Employee A and other Credit Suisse managers to make it appear as though Referral Hire A had worked to win a mandate from SOE A for the privatization of another Chinese energy-related SOE. After the email was sent, Employee A forwarded it to various Credit Suisse employees, giving them the false impression that Referral Hire A had herself worked to secure the deal and drafted the email. Later, Employee A emailed other Credit Suisse employees to alert them to another email from Referral Hire A regarding an SOE A block trade. Employee A advised them to respond to Referral Hire A that, "[W]e know you made this deal possible for us." Shortly thereafter, on or about August 6, 2012, Credit Suisse received the mandate to act as joint bookrunner with the other international investment bank on the SOE A equity block trade and convertible bond offering promised by Foreign Official A in July. This transaction generated approximately $2,680,733 in revenue for Credit Suisse.

34. On or about August 16, 2012, Employee A emailed Employee C and Employee D with the message, "Btw — [Foreign Official A] mentioned about [Referral Hire A]'s promotion to VP again." On or about August 17, 2012, Employee A emailed Employee C and Employee D, directing them to "send an email to [Referral Hire A] on [SOE A] . . . [t]hank[ing] her and her mum for the deal." On or about August 27, 2012, Employee A inquired about when Referral Hire A could be promoted to "Associate 2," and Employee B agreed, on or about September 1, 2012, to "move [her] class year."

35. The circumstances of Referral Hire A's employment eventually gave rise to questions from legal and compliance. A Credit Suisse HK senior manager responded that it was her "oversight not to bring to the attention of the in-house legal counsel at the time of the transaction in 2012." In April, 2013, a member of Credit Suisse's LCD e-mailed a series of questions relating to Referral Hire A's employment, including "her background, level of experience and qualifications," "[a]ny record of any external third party/ personal referee referring, recommending or endorsing her for the position," "[w]ho in Credit Suisse interviewed her," "[w]ho in Credit Suisse approved her hire," and "[w]hat ... her annual performance ratings" were. Nevertheless, Referral Hire A remained at Credit Suisse until May 31, 2015. During her tenure at Credit Suisse, Referral Hire A received multiple promotions, and Credit Suisse "fast tracked" her promotions by changing her class year. In total, Credit Suisse paid Referral Hire A over $1 million in total compensation.

Referral Hire from Government Ministry to Obtain Favorable Treatment

36. In 2009, Credit Suisse offered employment to Referral Hire B, the daughter of an influential official with a powerful Chinese government ministry ("Official B"). Credit Suisse employees decided to recommend hiring Referral Hire B after Employee D forwarded the individual's resume to colleagues and recommended that Credit Suisse HK "take an exceptional decision to enroll [Referral Hire B] into our first year analyst program this year." In his recommendation Employee D emphasized that Official B was "very powerful" and "extremely influential in all the banking restructurings/IPOs." Employee D specified a mandate sought by Credit Suisse HK and stated that Official B would be "very influential" in awarding it. Employee D made these recommendations prior to any interview or other vetting of Referral Hiring B.

37. In November 2009, after receiving a short summary of the interview feedback for Referral Hire B, Employee A authorized a Credit Suisse recruiting specialist to offer Referral Hire B an 18-month contract for a full-time paid position eligible for bonuses and a relocation allowance. Shortly thereafter, a Credit Suisse HK senior manager informed Official B about her daughter's offer. Referral Hire B began working at Credit Suisse in March 2010, without having received any screening or approval from LCD or any other compliance body.

38. During Referral Hire B's tenure at Credit Suisse, Credit Suisse staffed Referral Hire B on deals where it was believed her mother could be useful. Credit Suisse HK senior managers and other Credit Suisse employees sought to use Referral Hire B's connections to her mother to secure business for Credit Suisse, and provided Referral Hire B with promotions and high performance ratings in connection with these efforts.

39. In April 2011, shortly before Credit Suisse secured a lucrative IPO mandate from a Chinese financial SOE ("SOE B"), a Credit Suisse HK senior manager e-mailed Referral Hire B to "[g]et your mum a full set of the docs which we gave to [the chairperson of the financial SOE] when she is back!" In May 2011, a Credit Suisse HK senior manager sent an e-mail to Credit Suisse employees encouraging them to "make sure [Referral Hire B] gets involved in all the meetings" related to the potential deal with SOE B due to her relationships which "will be very important to position us on the overall progress." Subsequently, in May 2011, Credit Suisse

secured the mandate from SOE B, generating approximately $8,961,177 in revenue for Credit Suisse.

40. Later in May 2011, a Credit Suisse HK senior manager sent an e-mail to various Credit Suisse employees, noting that "[Referral Hire B] was instrumental in helping us to secure [the mandate from SOE B]" and directing them to "invite [Referral Hire B] (e-mails) on all communications" as she was feeling "left out" and a Credit Suisse HK senior manager "[w]ant[ed] to keep [Referral Hire B] happy :)." Less than a month later, Referral Hire B's performance rating was upgraded from A to AA.

41. In August 2011, a Credit Suisse HK senior manager e-mailed colleagues with a subject heading including the words, "Don't forward-Confidential" writing that the SOE promised to "give CS the JGC [joint global coordinator] and JBR [joint bookrunner] role in the IPO, based on Referral Hire B's family's contribution" to the SOE B.

42. Referral Hire B routinely requested and was granted special accommodations. When she requested to take a training course in New York, she was permitted to do so, even though Credit Suisse managers believed a comparable Hong Kong course would be more appropriate. Referral Hire B performed poorly at the New York training, completing only 4 out of 16 training modules, scoring a 64% on her exam, and receiving an "Average" grade, placing her in the bottom 14% of her class. Despite this, Referral Hire B was given repeated job promotions by Credit Suisse.

43. Notwithstanding Referral Hire B's relationship to a foreign official, Credit Suisse employees did not disclose her background to LCD. In May 2011, over a year after Referral Hire B began her employment, a senior Credit Suisse banker inquired with whom Referral Hire B was affiliated, as the banker "[d]idn't see that in our RH [Referral Hire] file/list." Employee B replied that Referral Hire B's mother was the "current #1 or 2" of the Chinese government ministry. In response, the Credit Suisse banker asked if they could "share this with LCD," to which Employee B responded, "I would prefer not to unless there is a clear conflict" and added that he doubted Referral Hire B was qualified for the position, noting that he had "doubts about her abilities beyond getting a meeting and completing a ppt slide for a pitchbook" and that "if you have met her you might not even believe that!" He also acknowledged that it would be improper to ask Referral Hire B's mother to take actions on the company's behalf, noting, "[I]f we must [disclose Referral Hire B's relationship to LCD], think it is fair to share this as long as we don't ask her Mom to do or sign anything?" Nevertheless, Referral Hire B remained employed at Credit Suisse until 2016.

Referral Hire to Obtain Investment Banking Mandates for Credit Suisse

44. In October 2007, after receiving a resume for Referral Hire C, Employee D emailed three colleagues: "This is the candidate referred by [Official C, a high-ranking official at SOE C]." On or about November 27, 2007, Employee D emailed a senior Credit Suisse manager about Referral Hire C and another referral hire candidate, writing: "We're seriously approached by two important clients or business partners for jobs," noting that one of the candidates was "referred by [Official C, a high-ranking official at SOE C]." After proposing that they offer each candidate "a 3 month intern opportunity," Employee D added, "Btw, we're expecting two mandates (one equity

and one m&a) from SOE C later this year and it's an important account for us longer term." On or around December 17, 2007, Credit Suisse gave Referral Hire C a three-month employment contract.

45. On or about March 4, 2008, multiple Credit Suisse senior managers had dinner with Official C, during which an upcoming IPO by SOE C was discussed. After dinner, Official C spoke to at least one of the Credit Suisse senior managers about permanent employment at Credit Suisse for Referral Hire C. The following day, that Credit Suisse senior manager notified a colleague that Official C would send an email about Referral Hire C to a Credit Suisse employee, and added: "We're pitching for the [SOE C] IPO, a multi billion dollar IPO. . . ." In another email, Employee D requested support for Referral Hire C's hire, noting "we're pushed by [Official C]," and reiterating that Credit Suisse was pitching for the SOE C IPO. Less than two weeks later, or about March 17, 2008, Credit Suisse provided Referral Hire C a full-time position in Hong Kong with a salary of approximately $90,000. In May 2008, Credit Suisse received the mandate from a subsidiary of SOE C to act as bookrunner on its IPO, generating approximately $21,090,349 in revenue for Credit Suisse upon the closing of the deal in 2009. Credit Suisse was also awarded a mandate to act as financial advisor on a SOE C-related merger and acquisition in May 2008, earning approximately $225,000.

46. During Referral Hire C's four-year employment at Credit Suisse, senior managers repeatedly emphasized to their colleagues the importance of including Referral Hire C in all matters related to SOE C, referring to ways Referral Hire C could be "leveraged" or included on transactions for which Referral Hire C lacked relevant banking experience and expertise.

47. In or around November 2008, several senior managers decided to eliminate the positions of several highly-rated, regular analysts in order to keep client referral hires linked to banking mandates expected in the next year. Employee D wrote that with respect to Referral Hire C and two other candidates, "we'll see real relationship revenue coming in the next 12 months if we show good will to them at this critical moment." In or around March 2009, Credit Suisse was awarded a mandate by SOE C that brought in $1,179,906.

48. On or about May 17, 2010, Employee D emailed three senior colleagues that "[Official C was] ready for [a SOE C affiliate] to do the block [trade] next month, aiming to raise [funds] via an asset injection. . . . He will ask [the SOE C affiliate] to arrange a bidding process, similar to the [SOE C property development company] block we did before. However, given the parent will be in the deal, he won't be too sensitive on the bid price. Let's get ourselves prepared and keep [i]t very confidential at this stage. . . . Please make sure that [Referral Hire C] is invited to the working team."

49. Credit Suisse HK senior managers exaggerated Referral Hire C's contributions to the firm. On or about May 18, 2009, Employee D emailed Referral Hire C: "We just did the block [trade] for [a subsidiary of SOE C]. You'll be nominated in the deal team pls give [Official C] a call to congratulate him and thank him for the mandate." Referral Hire C later replied, "[A]s I know, almost all banks want to have this deal, including [three competitor banks of Credit Suisse]...But [a subsidiary of SOE C] decided to give CS si[n]ce [Official C] made lots of efforts on this."

50. The next day, on or about May 19, 2009, Credit Suisse acted as a bookrunner on a secondary offering for the subsidiary company associated with SOE C valued at over 500 million dollars, earning fees of approximately $6,787,128. On or about June 30, 2009, Referral Hire C received a bonus of approximately $40,000.

51. On or about June 15, 2010, a Credit Suisse banker emailed various senior banking employees to provide an update on the pending and future deals. The banker wrote that a senior official of [SOE C] "recently obtained greenlight from [Official C] regarding asset injection." Employee D then directed an employee to "leverage [Referral Hire C] on all [SOE C] deal flows."

52. On or about July 27, 2010, Credit Suisse learned that a SOE C affiliate had awarded mandates related to a bond deal worth several hundred million dollars to two Credit Suisse competitors. On or about July 28, 2010, Employee D referenced the deal and wrote: "It was [Referral Hire C] who made the last minute breakthrough and got us a role around 6pm last night." This deal earned Credit Suisse $222,899. Referral Hire C's bonus for 2010 was over $320,000.

53. Or about May 16, 2011, Employee A emailed others that two managing directors wanted to cover SOE C more proactively. Employee A noted steps a select group of Credit Suisse managers had acted to increase Referral Hire C's compensation (without informing their colleagues), writing "we matched [Referral Hire C]'s bump-up and guarantee. [Referral Hire C's] major contribution to the firm will be on this account. How can we push [Referral Hire C] harder to pursue this account?" Employee C then replied privately to Employee A that the other senior managers "don't know about what we did with [Referral Hire C]. Only [Employee D], you and me plus H.R." During Referral Hire C's employment with Credit Suisse, Referral Hire C was paid approximately $1.5 million in total compensation. During that same period, Credit Suisse was mandated on five SOE C deals, earning over $29 million dollars.

Hiring and Advancement of Referral Hire to Secure Client Relationship with SOE

54. During or around June 2010, Credit Suisse hired Referral Hire D as a referral hire from a large energy-related SOE ("SOE D") in order to obtain business from SOE D. Referral Hire D's employment was arranged by Credit Suisse during the summer of 2010, with Employee C, and Referral Hire D was to start as an Associate with a promotion to Vice President that same year.

55. Referral Hire D started work at Credit Suisse on or about November 8, 2010. Three days later, Credit Suisse was awarded a mandate to act "as a joint bookrunner in [a SOE D affiliate]'s IPO" on or about November 11, 2010. Several weeks later, Credit Suisse booked approximately $986,439 in revenue as the deal closed.

56. In a November 16, 2010 email related to the SOE D deal, Employee A relayed that when Employee A had asked a high-ranking executive of SOE D to "push for our incentive," the high-ranking executive "reminded [Employee A] that we need to pay [SOE D's] relationship hire — [Referral Hire D], the Associate well at the year end bonus." One day earlier, Employee A had told Employee B that Referral Hire D was not up for a promotion to Vice President. After the discussion with the high-ranking executive at SOE D, Employee A advocated for Referral Hire D's promotion, which became official less than two

months after Referral Hire D began working at Credit Suisse. Referral Hire D was promoted and consequently became eligible for a bonus. In an earlier email exchange between Employee B and Credit Suisse employees in London and New York concerning the promotion for Referral Hire D, a London employee noted that the promotion request was "abnormal."

57. In a Credit Suisse internal spreadsheet that listed specific deals attributable to relationship hires, "[SOE D]" was listed as Referral Hire D's "[c]ontribution" to the company. Referral Hire D was terminated approximately one year after starting at Credit Suisse.

LEGAL STANDARDS AND VIOLATIONS

58. As a result of the conduct described above, Credit Suisse violated Section 30A of the Exchange Act which prohibits any issuer with a class of securities registered pursuant to Section 12 of the Exchange Act, or any officer, director, employee, or agent acting on behalf of such issuer, in order to obtain or retain business, from corruptly giving or authorizing the giving of, anything of value to any foreign official for the purposes of influencing the official or inducing the official to act in violation of his or her lawful duties, or to secure any improper advantage, or to induce a foreign official to use his influence with a foreign governmental instrumentality to influence any act or decision of such government or instrumentality.

59. As a result of the conduct described above Credit Suisse violated Section 13(b)(2)(B) of the Exchange Act, which requires issuers that have a class of securities registered pursuant to Section 12 of the Exchange Act and issuers with reporting obligations pursuant to Section 15(d) of the Exchange Act to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary (I) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (II) to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

Commission Consideration of Credit Suisse's Remedial Efforts

60. The Commission has considered the remedial efforts undertaken by Credit Suisse to enhance its internal accounting controls as well as its global implementation in 2015 of procedures intended to ensure that all job candidates are assessed based purely on merit, qualifications and expected job performance.

Non-Prosecution Agreement

61. Credit Suisse HK has entered into a non-prosecution agreement with the Department of Justice that acknowledges responsibility for criminal conduct relating to certain findings in the Order.

Non-Imposition of a Civil Penalty

62. Respondent acknowledges that the Commission is not imposing a civil penalty based upon the imposition of a $47 million criminal fine as part of Credit Suisse's settlement with the United States Department of Justice.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent's Offer.

Accordingly, it is hereby ORDERED that**:**

A. Pursuant to Section 21C of the Exchange Act, Respondent cease and desist from committing or causing any violations and any future violations of Sections 13(b)(2)(B) and 30A of the Exchange Act [15 U.S.C. §§ 78m(b)(2)(A), 78m(b)(2)(B), and 78dd-1].

B. Respondent shall, within 10 days of the entry of this Order, pay disgorgement of $24,989,843 and prejudgment interest of $4,833,961, for a total payment of $29,823,804 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600. Payment must be made in one of the following ways:

(1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
(2) Respondent may make direct payment from a bank account via Pay.gov through the SEC Web site at http://www.sec.gov/about/offices/ofm.htm; or
(3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Credit Suisse as the Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Paul G. Block, Assistant Regional Director, FCPA Unit, Enforcement Division, Boston Regional Office, U.S. Securities and Exchange Commission, 33 Arch Street, Suite 2300, Boston, Massachusetts 02110.

By the Commission.

Brent J. Fields
Secretary