

SEC Charges Telefônica Brasil S.A. with Violating Books and Records and Internal Accounting Controls Provisions of the FCPA

ADMINISTRATIVE PROCEEDING

File No. 3-19162

May 9, 2019 - The Securities and Exchange Commission today charged Telefônica Brasil S.A., a Brazilian telecommunications company, for violating the books and records and the internal accounting controls provisions of the Foreign Corrupt Practices Act (FCPA).

According to the SEC's order, Telefônica failed to devise and maintain sufficient internal accounting controls over a hospitality program that the company hosted in connection with the 2014 World Cup and 2013 Confederations Cup. The SEC alleged that Telefônica provided tickets and hospitality to government officials who were directly involved with, or in a position to influence, legislative actions, regulatory approvals, and business dealings involving the company. In total, Telefônica allegedly provided World Cup tickets and related hospitality to approximately 93 government officials, and Confederations Cup tickets and related hospitality to approximately 34 government officials.

According to the SEC's order, the payments for the tickets were not accurately reflected in Telefônica's books and records, and the company failed to devise and maintain a sufficient system of internal accounting controls. This conduct arose in an environment in which the company allegedly failed to adequately enforce its corporate anti-bribery and anticorruption policies.

The SEC's order finds that Telefônica violated the books and records and the internal accounting controls provisions of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Securities Exchange Act of 1934. Without admitting or denying the findings, Telefônica agreed to a cease-and-desist order and to pay a \$4,125,000 civil money penalty. In determining to accept the offer, the SEC considered Telefônica's cooperation and remedial acts.

The SEC's investigation was conducted by Jon B. Jordan, with assistance from M. Shahriar Masud, and was supervised by Thierry Olivier Desmet of the SEC's FCPA Unit. The SEC appreciates the assistance of the Department of Justice's Fraud Section and the Federal Bureau of Investigation.

Related Materials

- [Order - Telefônica Brasil S.A.](#)

Modified: May 13, 2019