

Press Release

SEC Announces Two Non-Prosecution Agreements in FCPA Cases

FOR IMMEDIATE RELEASE

2016-109

Washington D.C., June 7, 2016 — The Securities and Exchange Commission today announced non-prosecution agreements (NPAs) with two unrelated companies that will forfeit ill-gotten gains connected to bribes paid to Chinese officials by foreign subsidiaries.

Massachusetts-based internet services provider Akamai Technologies has agreed to pay \$652,452 in disgorgement plus \$19,433 in interest. According to the NPA, Akamai's foreign subsidiary arranged \$40,000 in payments to induce government-owned entities to purchase more services than they actually needed. Employees at the foreign subsidiary violated the company's written policies by providing improper gift cards, meals, and entertainment to officials at these state-owned entities to build business relationships.

Rhode Island-based residential and commercial building products manufacturer Nortek Inc. has agreed to pay \$291,403 in disgorgement plus \$30,655 in interest. According to the NPA, approximately \$290,000 in improper payments and gifts were made to Chinese officials by Nortek's subsidiary in order to receive preferential treatment, relaxed regulatory oversight, or reduced customs duties, taxes, and fees. These included cash payments, gift cards, meals, travel, accommodations, and entertainment.

Both companies self-reported the misconduct promptly, and they cooperated extensively with the ensuing SEC investigations. The non-prosecution agreements stipulate that the companies are not charged with violations of the Foreign Corrupt Practices Act (FCPA) and do not pay additional monetary penalties.

"When companies self-report and lay all their cards on the table, non-prosecution agreements are an effective way to get the money back and save the government substantial time and resources while crediting extensive cooperation," said Andrew Ceresney, Director of the SEC Enforcement Division.

Kara Brockmeyer, Chief of the SEC Enforcement Division's FCPA Unit, added, "Akamai and Nortek each promptly tightened their internal controls after discovering the bribes and took swift remedial measures to eliminate the problems. They handled it the right way and got expeditious resolutions as a result."

Among the companies' actions outlined in the NPAs:

- Reported the situation to the SEC on their own initiative in the early stages of internal investigations.
- Shared detailed findings of the internal investigations and provided timely updates to enforcement staff when new information was uncovered.
- Provided summaries of witness interviews and voluntarily made witnesses available for interviews, including those in China.

- Voluntarily translated documents from Chinese into English.
- Terminated employees responsible for the misconduct.
- Strengthened their anti-corruption policies and conducted extensive mandatory training with employees around the world with a focus on bolstering internal audit procedures and testing protocols.

The SEC's investigations were conducted by Peter Bryan Moores, Asita Obeyesekere, Mark Albers, and Trevor Donelan. The cases were supervised by Paul G. Block. The SEC appreciates the assistance of the Fraud Section of the U.S. Department of Justice.

###

Related Materials

- [NPA - Akamai](#)
- [NPA - Nortek](#)