

VimpelCom to Pay \$795 Million in Global Settlement for FCPA Violations

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Washington D.C., Feb. 18, 2016 — The Securities and Exchange Commission today announced a global settlement along with the U.S. Department of Justice and Dutch regulators that requires telecommunications provider VimpelCom Ltd. to pay more than \$795 million to resolve its violations of the Foreign Corrupt Practices Act (FCPA) to win business in Uzbekistan.

The SEC alleges that VimpelCom offered and paid bribes to an Uzbek government official related to the President of Uzbekistan as the company entered the Uzbek telecommunications market and sought government-issued licenses, frequencies, channels, and number blocks. At least \$114 million in bribe payments were funneled through an entity affiliated with the Uzbek official, and approximately a half-million dollars in bribes were disguised as charitable donations made to charities directly affiliated with the Uzbek official.

“VimpelCom made massive revenues in Uzbekistan by paying over \$100 million to an official with significant influence over top leaders of the Uzbek government,” said Andrew J. Ceresney, Director of the SEC Enforcement Division. “These old-fashioned bribes, hidden through sham contracts and charitable contributions, left the company’s books and records riddled with inaccuracies.”

The settlement requires VimpelCom to pay \$167.5 million to the SEC, \$230.1 million to the U.S. Department of Justice, and \$397.5 million to Dutch regulators. The company must retain an independent corporate monitor for at least three years.

“International cooperation among regulators is critical to holding companies responsible for all facets of a bribery scheme. This closely coordinated settlement is a product of the extraordinary efforts of the SEC, Department of Justice, and law enforcement partners around the globe to jointly pursue those who break the law to win business,” said Kara N. Brockmeyer, Chief of the SEC Enforcement Division’s FCPA Unit.

The SEC’s complaint was filed in U.S. District Court for the Southern District of New York. VimpelCom consented to the entry of a court order ordering the company to pay disgorgement and retain an independent monitor, and permanently enjoining the company from future violations of Sections 30A, 13(b)(2)(A), and 13(b)(2)(B) of the Securities Exchange Act of 1934.

The SEC’s continuing investigation is being conducted by the FCPA Unit under the supervision of its Deputy Chief Charles Cain. The SEC appreciates the significant assistance of the Department of Justice’s Criminal Division, Fraud and Asset Forfeiture Money Laundering Sections as well as the following agencies: Internal Revenue Service, Department of Homeland Security, Public Prosecution Service of the Netherlands (Openbaar Ministrie), National Authority for Investigation and Prosecution of Economic and Environmental Crime in Norway (ØKOKRIM), Swedish Prosecution Authority, Office of the Attorney General in Switzerland, and Corruption Prevention and Combating Bureau in Latvia. Other valuable assistance was provided by the British Virgin Islands Financial Services Commission, Caymans Islands Monetary Authority, Bermuda Monetary Authority, and Central Bank of Ireland, Estonia Financial Supervisory Authority (Finantsinspektion), Comisión Nacional del Mercado de

Valores (Spain), Latvian Financial and Capital Market Commission, UAE Securities and Commodities Authority, Banking Commission of the Marshall Islands, and Gibraltar Financial Services Commission.

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Related Materials

- [SEC complaint](#)