

Justice News

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Former Executive Pleads Guilty to Conspiring to Bribe Panamanian Officials

A former regional director of SAP International Inc. pleaded guilty today to conspiracy to violate the Foreign Corrupt Practices Act (FCPA) by participating in a scheme to bribe Panamanian officials to secure the award of government technology contracts for SAP.

Assistant Attorney General Leslie R. Caldwell of the Justice Department's Criminal Division, U.S. Attorney Melinda Haag of the Northern District of California, Special Agent in Charge George L. Piro of the FBI's Miami Division and Acting Special Agent in Charge Thomas McMahon of the Internal Revenue Service-Criminal Investigation (IRS-CI) made the announcement.

Vicente Eduardo Garcia, 65, of Miami, pleaded guilty to a one-count information charging him with conspiracy to violate the anti-bribery provisions of the FCPA. Sentencing before Senior U.S. District Court Judge Charles R. Breyer of the Northern District of California is scheduled for Dec. 16, 2015.

According to plea documents, in late 2009, SAP sought a multi-million dollar contract to provide a Panamanian state agency with a technology upgrade package. In connection with his guilty plea, Garcia admitted that, to secure the contract, he conspired with others, including advisors and consultants to SAP, to pay bribes to two Panamanian government officials, as well as to the agent of a third government official (with the understanding that at least a portion of the money would be transmitted to the third official). According to Garcia's admissions, the conspirators used sham contracts and false invoices to disguise the true nature of the bribes. Garcia further admitted that he believed paying such bribes was necessary to secure both the initial contract and additional Panamanian government contracts.

Ultimately, SAP's Panamanian channel partner secured the technology upgrade contract for \$14.5 million, which included \$2.1 million in SAP software licenses. Soon thereafter, the Panamanian government awarded SAP's channel partner additional contracts that included the provision of SAP products.

The investigation is being conducted by FBI and the IRS-CI. The Criminal Division's Office of International Affairs and the Securities and Exchange Commission's Division of Enforcement, which separately announced civil charges against Garcia, provided assistance. The case is being prosecuted by Trial Attorney Aisling O'Shea of the Criminal Division's Fraud Section and Assistant U.S. Attorney Adam A. Reeves of the Northern District of California.

Additional information about the Justice Department's FCPA enforcement efforts can be found at www.justice.gov/criminal/fraud/fcpa.

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