

Teva Pharmaceutical Paying \$519 Million to Settle FCPA Charges

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The Securities and Exchange Commission today announced that Teva Pharmaceutical Industries Limited has agreed to pay more than \$519 million to settle parallel civil and criminal charges that it violated the Foreign Corrupt Practices Act by paying bribes to foreign government officials in Russia, Ukraine, and Mexico.

The SEC's complaint alleges that Teva made more than \$214 million in illicit profits by making the influential payments to increase its market share and obtain regulatory and formulary approvals as well as favorable drug purchase and prescription decisions.

"As alleged in our complaint, Teva failed to devise and maintain proper internal accounting controls to prevent the company's payments of bribes to win business in certain regions around the globe," said Stephanie Avakian, Deputy Director of the SEC Enforcement Division.

Eric I. Bustillo, Director of the SEC's Miami Regional Office, added, "As we allege in our complaint, many of these bribes were concealed as legitimate payments to distributors. While distributors can help companies navigate complex regulatory environments and provide valuable industry relationships, they also can create significant corruption risks for companies."

Under the settlement, Teva must pay more than \$236 million in disgorgement and interest to the SEC plus a \$283 million penalty in a deferred prosecution agreement with the U.S. Department of Justice. Teva must retain an independent corporate monitor for at least three years.

The SEC's investigation was conducted by Jenny Trotman with assistance from Kathleen Strandell and Russell Koonin in the Miami Regional Office. The case was supervised by Thierry Olivier Desmet of the FCPA Unit. The SEC appreciates the assistance of the Department of Justice Criminal Division's Fraud Section, Federal Bureau of Investigation, and Financial Services Commission of the British Virgin Islands.