

In the Matter of Joohyun Bahn, a/k/a Dennis Bahn (2018)

Nature of the Business.

Joohyun Bahn, a citizen of South Korea and a permanent resident of the U.S., was a commercial real estate broker at Colliers International Group Inc. Colliers, a Canadian corporation, maintained a class of securities listed on the NASDAQ stock exchange and registered pursuant to Exchange Act Section 12(b).

Influence to be Obtained.

According to the SEC, from 2013 to 2015, Bahn engaged in a scheme to make an improper payment to influence an official at a foreign sovereign wealth fund of an unnamed country in the Middle East (“the Fund”) to buy property Bahn had been hired to sell. The property was a commercial office building in Vietnam known as Landmark 72. Specifically, the SEC alleged that Bahn was contacted by an unnamed accomplice, who represented to Bahn that he had connections to the government officials with the authority to make the Fund acquire Landmark 72. The SEC alleged that Bahn’s accomplice claimed that a foreign official at the Fund required a payment of approximately \$1 million USD, some of which would be paid before the transaction, with the rest following the sale. Bahn and his accomplice allegedly used the code word “roses” to denote the amount requested, in thousands of dollars.

To facilitate the scheme, the SEC alleged that Bahn created two versions of the brokerage services agreement, in which the price to the property owners and Bahn’s brokerage firm differed by \$100 million USD. Bahn also allegedly borrowed money from an acquaintance to fund the improper payment through Bahn’s accomplice to the foreign official, who agreed to finance the deal after Bahn was able to secure \$500,000 from the property owner to Collier by misrepresenting the purpose of the payment.

According to the SEC, on April 16, 2014, Bahn caused a payment to be made to an entity controlled by the accomplice, with the intent that it would be forwarded to the official to secure the property purchase. However, the accomplice allegedly kept the payment himself and never was in contact with government officials or the Fund. Bahn also falsely represented that the sale of Landmark 72 had closed, which, in turn, caused Colliers to recognize the revenue in contradiction to its accounting practices. The Fund has officially maintained its lack of interest in purchasing Landmark 72 and delivered a cease-and-desist letter to Bahn.

Enforcement.

On September 6, 2018, the SEC issued a cease-and-desist order against Bahn for violations of the FCPA’s anti-bribery and books-and-records provisions. Pursuant to the order, Bahn must pay \$225,000 in disgorgement, although this amount can be reduced by any payments Bahn might make as part of any restitution or forfeiture order in the criminal case against him.

Separately, on January 5, 2018, Bahn pleaded guilty to criminal charges brought against him by the DOJ.

Key Facts

Citation. *In the Matter of Joohyun Bahn*, Admin. Proc. File No. 3-18728 (Sept. 6, 2018).

Date Filed. September 6, 2018.

Country. Korea; Middle East.

Date of Conduct. 2013 – 2015.

Amount of the Value. \$500,000.

Amount of Business Related to the Payment. Not stated.

Intermediary. Unnamed accomplice.

Foreign Official. Unnamed foreign official related to sovereign wealth fund of an unnamed Middle Eastern country.

FCPA Statutory Provision. Anti-Bribery; Books-and-Records.

Other Statutory Provision. None.

Disposition. Cease-and-Desist Order.

Defendant Jurisdictional Basis. Agent of Issuer.

Defendant’s Citizenship. South Korea.

Total Sanction. Pending.

Compliance Monitor/Reporting Requirements. None.

Related Enforcement Actions. *United States v. Bahn et al.*, No. 1:16-cr-00831 (S.D.N.Y. 2016); *United States v. Woo*, No. 1:17-mj-00139 (S.D.N.Y. 2017).

Total Combined Sanction. Pending.