

In re Polycom, Inc. (2018)

Nature of the Business.

Polycom, Inc., a Delaware corporation headquartered in California, sells communications products and services.

Influence to be Obtained.

According to the DOJ, Polycom's subsidiaries in China committed violations of the FCPA's anti-bribery and books-and-records provisions.

Enforcement.

On December 26, 2018, the DOJ issued a declination letter, explaining that it had declined to prosecute Polycom for these alleged violations under the FCPA Corporate Enforcement Policy. The declination letter from DOJ indicates that Polycom identified the misconduct, which it voluntarily disclosed. It also conducted a "thorough investigation;" fully cooperated, including providing the DOJ with all relevant facts and access to employees, as well as translating documents; and agreed to continue cooperating. Finally, the DOJ explained that Polycom fully remediated, enhancing its compliance program, improving its internal accounting controls, and terminating or disciplining employees and partners involved in the alleged misconduct.

As part of the declination, Polycom agreed to disgorge \$30,978,000 in profits – \$10.1 million of which will be paid to each of the DOJ and the US Postal Inspection Service Consumer Fraud Fund, and \$10.67 million of which will be paid to the SEC.

On the same day, the SEC settled its enforcement action against Polycom for violations of the FCPA's books-and-records and internal controls provisions. In addition to the disgorgement and prejudgment interest, Polycom agreed to pay a \$3.8 million civil penalty.

Key Facts

Citation. *In re Polycom, Inc.*, Letter to Caz Hashemi from Sandra Moser, Acting Chief Fraud Section, DOJ (Dec. 26, 2018).

Date Filed. December 26, 2018.

Country. China.

Date of Conduct. Not stated.

Amount of the Value. Not stated.

Amount of Business Related to the Payment. Not stated.

Intermediary. Subsidiary.

Foreign Official. Unnamed government officials in China.

FCPA Statutory Provision. Not stated.

Other Statutory Provision. None.

Disposition. Declination with Disgorgement.

Defendant Jurisdictional Basis. Domestic Concern.

Defendant's Citizenship. United States.

Total Sanction. \$10,152,537.

Compliance Monitor/Reporting Requirements. None.

Related Enforcement Actions. *In the Matter of Polycom, Inc.*

Total Combined Sanction. \$36,611,410.