

## JUSTICE NEWS

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## **Former CEO of U.S. Telecommunications Company Pleads Guilty to Foreign Bribery Conspiracy**

WASHINGTON – Jorge Granados, the former chief executive officer of Miami-based telecommunications company Latin Node Inc. (LatiNode), pleaded guilty today to conspiring to pay bribes to government officials in Honduras, announced Assistant Attorney General Lanny A. Breuer of the Criminal Division. To date, four former senior executives of LatiNode have pleaded guilty to conspiring to pay bribes to the Honduran officials.

Granados, 54, pleaded guilty before U.S. District Judge Joan A. Lenard in U.S. District Court in Miami to conspiracy to violate the anti-bribery provisions of the Foreign Corrupt Practices Act (FCPA).

“Jorge Granados today admitted to authorizing illegal bribe payments to Honduran officials, and now he must pay for his crime,” said Assistant Attorney General Lanny A. Breuer of the Criminal Division. “Foreign bribery undermines competition in the marketplace, and weakens democratic institutions. CEOs and other corporate executives should know that now, more than ever, violating the Foreign Corrupt Practices Act will lead to criminal prosecution.”

“Today’s plea reflects the FBI’s commitment to aggressively pursue individuals and businesses that engage in corruption around the globe,” said Special Agent in Charge John V. Gillies of the FBI’s Miami Field Office. “Those who elect to pay illegal bribes to further their business interests in the United States or abroad should know that they are not beyond the reach of the FBI. We will work with our law enforcement partners and prosecutors to bring these corrupt individuals to justice.”

“Business executives should beware that paying bribes in foreign countries leads to prosecution in the United States,” said U.S. Immigration and Customs Enforcement (ICE) Director John Morton. “Our Foreign Corruption Investigative group will continue to provide resources and support to our international partners in an effort to fight corrupt business practices.

According to court documents, LatiNode provided wholesale telecommunications services using Internet protocol technology to countries throughout the world, including Honduras. In December 2005, LatiNode learned that it was the sole winner of an “interconnection agreement” with Empresa Hondureña de Telecomunicaciones (Hondutel), the wholly state-owned telecommunications authority in Honduras. The agreement permitted LatiNode to use Hondutel’s telecommunications lines in order to establish a network between Honduras and the United States, and to provide long distance services between the two countries.

According to court documents, Granados and other LatiNode executives, including Manuel Salvoch, the chief financial officer; Manuel Caceres, the vice president for business development; and Juan Pablo Vasquez, the chief commercial

officer agreed to a secret deal to pay bribes to Hondutel officials, including the general manager, a senior attorney for Hondutel and a minister of the Honduran government who became a representative on the Hondutel Board of Directors. According to court documents, between September 2006 and June 2007, LatiNode executives paid more than \$500,000 in bribes to the Honduran officials, concealing many of the payments by laundering the money through LatiNode subsidiaries in Guatemala and to accounts in Honduras controlled by the Honduran government officials. Granados admitted that he authorized bribe payments.

At sentencing, scheduled for Aug. 22, 2011, Granados faces up to five years in prison and a fine of the greater of \$250,000, or twice the value gained or lost.

On April 7, 2009, LatiNode pleaded guilty to a one-count information charging the company with a criminal violation of the FCPA. As part of the plea agreement, LatiNode agreed to pay a \$2 million fine. The resolution of the criminal investigation of LatiNode reflected, in large part, the actions of eLandia International Inc. in disclosing potential FCPA violations to the department after eLandia's acquisition of LatiNode in 2007 and discovery of the improper payments. Granados and Caceres were charged in a Dec. 14, 2010, indictment with violations of the FCPA and international money laundering. On Dec. 17, 2010, criminal informations were filed against Salvoch and Vasquez, charging them with conspiracy to violate the FCPA. Salvoch, Vasquez and Caceres pleaded guilty to conspiracy to violate the FCPA on Jan. 12, 2011, Jan. 21, 2011, and May 18, 2011, respectively. The three defendants face prison sentences of up to five years.

The case is being prosecuted by Acting Senior Deputy for Litigation Jeffrey H. Knox and Trial Attorney Amanda Aikman of the Criminal Division's Fraud Section. Significant assistance was provided by Trial Attorney James M. Koukios. The case was investigated by the FBI's Miami Field Office and ICE Homeland Security Investigation's Foreign Corruption Investigations Group in Miami.

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