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United States v. Juan Pablo Vasquez (S.D. Fla. 2010)
United States v. Jorge Granados and Manuel Caceres (S.D. Fla. 2010)
United States v. Manuel Salvoch (S.D. Fla. 2010)

Nature of the Business.

Reduced rates under an exclusive long-distance services contract between Empresa Hondureña de Telecomunicaciones ("Hondutel"), the state-owned telecommunications authority in Honduras, and Latin Node Inc. ("LatiNode"), a Florida corporation that provided international telecommunications services using voice over internet protocol technology.

LatiNode was a privately held U.S. corporation until eLandia International, Inc. acquired it in 2007. From 1999 to 2007, Jorge Granados was the founder, CEO, and chairman of the board. Manuel Caceres was the company's vice president of business development from September 2004 to 2007. Juan Pablo Vasquez was a senior commercial executive and CCO from November 2000 to 2007. Manuel Salvoch was the Chief Financial Officer from March 2005 to 2007.

Influence to be Obtained.

From April 2006 through October 2007, Vasquez, Granados, Caceres and Salvoch allegedly conspired to pay over $500,000 in bribes on behalf of LatiNode to officials of Hondutel in exchange for maintaining an interconnection agreement with Hondutel as well as receiving reduced rates and other economic benefits. The interconnection agreement permitted Latin Node to use Hondutel's telecommunication lines to provide long distance service between the United States and Honduras. According to the court documents, Caceres's principal role was to negotiate the payment of bribes with Hondutel officials in exchange for these benefits; Granados's principal role was to authorize and direct the bribe payments; and Vasquez's and Salvoch's principal roles were to facilitate the payment of bribes to Hondutel officials. The payments were allegedly concealed by passing through Latin Node subsidiaries in Guatemala and Honduran accounts controlled by Honduran government officials.

In contemplation of LatiNode's anticipated 2007 acquisition by eLandia, the defendants allegedly discussed the need to create sham consulting agreements to disguise the bribes and instructed Hondutel and LatiNode employees to take actions to disguise or hide the payments.

In September 2007, eLandia disclosed that, after it acquired LatiNode, it discovered improper payments in the course of reviewing LatiNode's internal controls and procedures. eLandia conducted an internal investigation, terminated the improperly obtained agreements, and voluntarily disclosed the unlawful conduct to the DOJ and the SEC. eLandia has written off its investment and sued Granados and LatiNode's parent company for misrepresentation.

Enforcement.

On December 14, 2010, a federal grand jury returned a 19-count indictment against Granados and Caceres. The charges include conspiracy, money laundering, and numerous violations of the FCPA. On December 17, 2010, the DOJ filed a criminal information against Salvoch and Vasquez, alleging that they conspired to violate the FCPA. Granados and Caceres were arrested on December 20, 2010 in Miami and made initial appearances in U.S. District Court for the Southern District of Florida on that date.

The four LatiNode executives, Juan Pablo Vasquez, Manuel Salvoch, Jorge Granados, and Manuel Caceres, pled guilty to conspiracy to violate the FCPA on January 21, 2011, January 12, 2011, May 19, 2011, and May 18, 2011 respectively. On September 8, 2011, Granados was sentenced to 46 months in prison. Caceres was sentenced on April 19, 2012 to 23 months in prison. On April 25, 2012, Vasquez was sentenced to three years' probation and a $7,500 fine. On June 5, 2012, Salvoch was sentenced to 10 months in prison and three

Key Facts

Citation. *U.S. v. Vasquez,* No. 1:10-cr-20894 (S.D. Fla. 2010); *United States v. Granados, et al.,* No. 1:10-cr-20881 (S.D. Fla. 2010); *United States v. Salvoch,* No. 1:10-cr-20893 (S.D. Fla. 2010).

Date Filed. December 14, 2010 (Granados; Caceres); January 12, 2011 (Salvoch); January 21, 2011 (Vasquez).

Date Unsealed. December 20, 2010 (Granados; Caceres).

Country. Honduras.

Date of Conduct. 2006 – 2007.

Amount of the Value. $545,039.

Amount of Business Related to the Payment. Approximately $0.07-$0.11 per minute in long-distance time sold.

Intermediary. Third-party consultant Servicios IP, S.A., a Guatemalan company created at the direction of LatiNode, allegedly entered into sham agreements to facilitate payments to officials in Honduras; LN Comunicaciones, a Guatemalan subsidiary of LatiNode, allegedly served as an intermediary for the transfer of bribe payments.

Foreign Official. Officials at Hondutel, the Honduran state-owned telecommunications company.

FCPA Statutory Provision.

- **Vasquez**. Conspiracy (Anti-Bribery).
- **Granados**. Conspiracy.
- **Caceres**. Conspiracy.
- **Salvoch**. Conspiracy (Anti-Bribery).

Other Statutory Provision. None

Disposition.

- **Vasquez**. Plea Agreement.
- **Granados**. Plea Agreement.
- **Caceres**. Plea Agreement.
- **Salvoch**. Plea Agreement.

Defendant Jurisdictional Basis.

- **Vasquez**. Domestic Concern.

years' supervised release.

Previously, on March 23, 2009, the DOJ filed related charges against LatiNode. On April 3, 2009, LatiNode pleaded guilty to one count of violating the anti-bribery provisions of the FCPA and agreed to pay a $2,000,000 fine.

- **Granados**. Domestic Concern.
- **Caceres**. Domestic Concern.
- **Salvoch**. Domestic Concern.

Defendant's Citizenship.

- **Vasquez**. United States.
- **Granados**. United States.
- **Caceres**. Honduras.[1]
- **Salvoch**. United States.

Total Sanction.

- **Vasquez**. 3-Years Imprisonment.
- **Granados**. 46-Months Imprisonment.
- **Caceres**. 23-Months Imprisonment.
- **Salvoch**. 10-Months Imprisonment.

Related Enforcement Actions. *United States v. Latin Node, Inc.*

[1] Manuel Caceres was a lawful permanent resident of the United States.