

JUSTICE NEWS

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Tuesday, April 7, 2009

Latin Node Inc., Pleads Guilty to Foreign Corrupt Practices Act Violation and Agrees to Pay \$2 Million Criminal Fine

WASHINGTON – Latin Node Inc. (Latinode), a privately held Florida corporation, pleaded guilty today to violating the Foreign Corrupt Practices Act (FCPA) in connection with improper payments in Honduras and Yemen, Acting Assistant Attorney General Rita M. Glavin of the Criminal Division announced.

At a hearing before U.S. District Judge Paul Courtney Huck in the Southern District of Florida, Latinode pleaded guilty to a one-count information charging a criminal violation of the FCPA's anti-bribery provisions. As part of the plea agreement, Latinode agreed to pay a \$2 million fine during a three-year period.

According to court documents, Latinode provided wholesale telecommunications services using Internet protocol technology in a number of countries throughout the world, including Honduras and Yemen. In plea documents, Latinode admitted that from approximately March 2004 through June 2007, it paid or caused to be paid approximately \$1,099,889 in payments to third parties, knowing that some or all of those funds would be passed on as bribes to officials of Hondutel, the Honduran state-owned telecommunications company. Latinode admitted it made these payments in exchange for obtaining an interconnection agreement with Hondutel, as well as for reducing the rate per minute under the interconnection agreement. According to court documents, each of the payments was made from Latinode's Miami bank account, and each payment was approved by senior executives of Latinode. The payment recipients included, but were not limited to, a member of the evaluation committee responsible for awarding Hondutel interconnection agreements, the deputy general manager (who later became the general manager) of Hondutel and a senior attorney for Hondutel.

In addition, from approximately July 2005 to April 2006, court documents show that Latinode made 17 payments totaling approximately \$1,150,654 to a third-party consultant with the knowledge that some or all of the money would be passed on to Yemeni officials in exchange for favorable interconnection rates in Yemen. Each of those payments was made from Latinode's Miami bank account. According to court documents, company e-mails indicate that company executives believed potential payment recipients included Yemeni government officials. Court documents do not allege or refer to evidence showing that the son of the Yemeni president received any payments from Latin Node. No foreign government officials are the subjects of U.S. investigations of this matter.

The resolution of the criminal investigation of Latinode reflects, in large part, the actions of Latinode's corporate parent, eLandia International Inc. (eLandia), in disclosing potential FCPA violations to the Department after eLandia's acquisition of Latinode and post-closing discovery of the improper payments. eLandia's counsel voluntarily disclosed the unlawful conduct to the Department promptly upon discovering it; conducted an internal FCPA investigation; shared the factual results of that investigation with the Department; cooperated fully with the Department in its ongoing investigation; and took appropriate remedial action, including terminating senior Latinode management with involvement in or knowledge of the violations.

The case is being prosecuted by Trial Attorney Lori A. Weinstein of the Criminal Division's Fraud Section. The case was investigated by the FBI's Miami Field Office, and U.S. Immigration and Customs Enforcement, Miami Field Office.

Component(s):

Criminal Division

Press Release Number:

09-318

Updated September 15, 2014