



Department of Justice

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SYNCOR TAIWAN, INC. PLEADS GUILTY TO VIOLATING
THE FOREIGN CORRUPT PRACTICES ACT

WASHINGTON, D.C.-Michael Chertoff, Assistant Attorney General for the Department of Justice, Criminal Division, and Debra W. Yang, U.S. Attorney for the Central District of California, announced today the guilty plea of Syncor Taiwan, Inc. to a one-count information charging the company with violating the Foreign Corrupt Practices Act of 1977 ["FCPA"]. United States District Court Judge Stephen Wilson accepted the plea and imposed a criminal fine of \$2 million, the maximum criminal fine for a corporation under the FCPA.

The company admitted making improper payments to physicians employed by hospitals owned by the legal authorities in Taiwan. The "commissions" were paid between Jan. 1, 1997 and Nov. 6, 2002, for the purpose of obtaining and retaining business from those hospitals and in connection with the purchase and sale of unit dosages of certain radiopharmaceuticals. The payments aggregated at least \$344,110 during the period. They were authorized by the company's board chairman, while in the Central District of California, and paid in cash in Taiwan via hand-delivered, sealed envelopes.

In addition, Syncor Taiwan made payments to physicians employed by hospitals owned by the legal authorities in Taiwan in exchange for their referrals of patients to medial imaging centers owned and operated by the defendant. These improper payments, also made pursuant to the authorization of the chairman of the board of Syncor Taiwan, totaled at least \$113,007 during the period from Jan. 1, 1998 through Nov. 6, 2002.

Syncor Taiwan is a wholly-owned, indirect subsidiary of Syncor International Corporation, a radiopharmaceutical company based in Woodland Hills, Calif. Syncor International is the subject of two FCPA enforcement proceedings filed earlier today in Washington by the U.S. Securities and Exchange Commission. In connection with one of these proceedings, Syncor International has consented to the entry of a judgment requiring it to pay a \$500,000 civil penalty, the largest penalty ever obtained by the SEC in an FCPA case.

The Department's criminal investigation is ongoing.

The case was prosecuted by Fraud Section Special Counsel for International Litigation Philip Urofsky and Trial Attorney Michael Atkinson.

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