

CLIENT ALERT

FCPA Enforcement Update – DOJ Arrests Four Individuals for Bribery Activities in Vietnam

September 10, 2008

Recent FCPA arrests demonstrate continued emphasis on prosecuting individuals. The Department of Justice announced last week the arrest and indictment of four individuals on charges that they and their company, Nexus Technologies, Inc., paid at least \$150,000 in bribes to Vietnamese officials to obtain contracts to supply the Vietnamese government with technology and equipment, including underwater mapping equipment, bomb containment equipment, helicopter parts, chemical detectors, satellite communication parts, and air tracking systems. Nexus Technologies was also indicted and has not entered a plea or deferred prosecution agreement. The company, which is incorporated in Delaware and has offices in Philadelphia, New Jersey, and Ho Chi Minh City, Vietnam, is in the business of procuring equipment and consulting services for various sectors, including the petroleum, power generation, civil aviation, and maritime industries. The individual defendants were identified as Joseph Lukas, An Nguyen, Kim Nguyen, and Nam Nguyen, all of whom are U.S. citizens.

The charges consist of one count of conspiracy to bribe Vietnamese public officials in violation of the FCPA and four substantive counts of violating the FCPA. Each individual defendant, if convicted, could face five years in prison per count, and hundreds of thousands of dollars in fines, while Nexus Technologies could be fined \$2 million for each count. The Department of Commerce's Office of Export Enforcement is also investigating the matter for possible export control violations.

These indictments, which apparently are the first related to bribery in Vietnam, are the most recent example of relatively modest payments leading to significant consequences for both a company and its employees.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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