



Department of Justice

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Former Alcatel Executive Pleads Guilty to Participation in Payment of \$2.5 Million in Bribes to Senior Costa Rican Officials to Obtain a Mobile Telephone Contract

WASHINGTON – A former Alcatel CIT executive pleaded guilty to participating in the payment of more than \$2.5 million in bribes to senior Costa Rican government officials in order to obtain a mobile telephone contract from Costa Rica's state-owned telecommunications authority, in violation of the Foreign Corrupt Practices Act (FCPA), the Department of Justice announced today.

Christian Sapsizian, a French citizen, entered the plea earlier today in U.S. District Court in Miami, before the Honorable Patricia Seitz. Sapsizian pleaded guilty to two counts, conspiracy and violating the FCPA, from a superseding indictment returned on March 20, 2007. The remaining counts will be dismissed at the time of sentencing, scheduled for December 20, 2007. As part of his plea, Sapsizian has agreed to cooperate with law enforcement authorities in their ongoing investigation.

Until Nov., 30, 2006, Alcatel was a French telecommunications company whose American Depositary Receipts (ADRs) were traded on the New York Stock Exchange. Sapsizian was employed by Alcatel or one of its subsidiaries for more than 20 years. At the time the corrupt payments were made, Sapsizian was the company's deputy vice president responsible for Costa Rica.

Sapsizian admitted that from February 2000 through September 2004, he conspired with co-defendant Edgar Valverde Acosta, a Costa Rican citizen who was Alcatel's senior country Officer in Costa Rica, and others to pay more than \$2.5 million in bribes to senior Costa Rican officials in order to obtain a mobile telephone contract on behalf of Alcatel. The payments, funneled through one of Alcatel's Costa Rican consulting firms, were made to a director of Instituto Costarricense de Electricidad (ICE), the state-owned telecommunications authority in Costa Rica, which was responsible for awarding all telecommunications contracts. Sapsizian further admitted that the ICE director was an advisor to a senior government official and the payments were shared with the senior government official.

According to Sapsizian, the payments were intended to cause the ICE director and the senior government official to exercise their influence to initiate a bid process which favored Alcatel's technology and to vote to award Alcatel a mobile telephone contract. Alcatel was in fact awarded a \$149 million mobile telephone contract in August 2001.

Sapsizian faces a maximum sentence of 10 years in prison, a \$250,000 fine, and \$330,000 in forfeiture.

The case is being prosecuted by Deputy Chief Mark F. Mendelsohn and Trial Attorneys Charles Duross and Mary K. Dimke of the Criminal Division's Fraud Section. The Criminal Division's Office of International Affairs provided substantial assistance in gathering evidence abroad and facilitating international cooperation. The matter continues to be investigated by the Federal Bureau of Investigation. Significant assistance was provided by the Southeast Regional Branch of the U.S. Securities and Exchange Commission, the Office of the Attorney General in Costa Rica, and the Fiscalía de Delitos Economicos, Corrupcion y Tributarios in Costa Rica.

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