

White Collar Update: Teva to Pay \$519 Million in FCPA Resolution, a Pharmaceutical Industry Record

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In late December 2016, Teva Pharmaceutical Industries Ltd. (“Teva”), the world’s largest generic pharmaceutical manufacturer, entered into a deferred prosecution agreement (“DPA”), and its wholly owned Russian subsidiary Teva LLC (“Teva Russia”) agreed to plead guilty in the United States District Court for the Southern District of Florida to conspiracy to violate the Foreign Corrupt Practices Act (“FCPA”) for a scheme to bribe government officials in Russia, Ukraine, and Mexico.

Teva, an Israeli company, agreed to pay approximately \$519 million to U.S. authorities, including \$283 million in criminal penalties to the U.S. Department of Justice (“DOJ”) and \$236 million in disgorgement to the U.S. Securities and Exchange Commission (“SEC”) — the largest ever FCPA resolution for a pharmaceutical company.

The settlement is also the first ever FCPA settlement with an Israeli company, as well as the fourth this year involving conduct in Russia and the third involving conduct in Mexico.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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