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RISK & COMPLIANCE JOURNAL

# Whistleblower Is Awarded Over \$3.5 Million in Juniper Bribery Case

The California-based networking and cybersecurity solutions company settled SEC allegations in 2019



The SEC credited a whistleblower for providing information that led the regulator to expand an existing investigation into a new geographic area.

PHOTO: ANDREW KELLY/REUTERS

By [Mengqi Sun](#)

Aug. 10, 2021 5:14 pm ET

The U.S. Securities and Exchange Commission awarded more than \$3.5 million to a whistleblower whose tip helped the regulator expand an existing investigation that led to civil bribery charges against networking and cybersecurity solutions company [Juniper Networks Inc.](#)

The regulator, which announced the award Tuesday, didn't name the company and didn't identify the tipster, in keeping with its policy. But lawyers representing the whistleblower said the award was connected to the 2019 cease-and-desist order involving Sunnyvale, Calif.-based Juniper over allegations that the company violated the Foreign Corrupt Practices Act through its subsidiaries in Russia and China.

The tipster, who isn't a Juniper employee and is a foreign national, notified the SEC in late 2012 that Juniper was engaged in a large "channel partner discounting" bribery scheme in Russia, according to the whistleblower's lawyers, Christopher Connors of Connors Law Group LLC and Andy Rickman of Rickman Law Group LLP. The individual also assisted in

the company's internal investigation and was later interviewed by a team from the SEC and the U.S. Justice Department, the lawyers said in a statement.

The SEC credited the whistleblower for providing new information that led the regulator to expand an existing investigation into a new geographic area and for providing supplemental information and assistance, according to an SEC statement Tuesday announcing the award.



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Juniper agreed to pay more than \$11.7 million as part of a 2019 settlement with the SEC. The company didn't admit to or deny the findings. The FCPA, a U.S. antibribery law, prohibits the use of bribes to foreign officials to win or keep business.

"In connection with the settlement, the SEC highlighted Juniper's extensive cooperation with its investigation and its strengthened Integrity & Compliance Program," a Juniper representative said Tuesday. "During the pendency of the investigation, Juniper took a number of steps to substantially strengthen and invest in our compliance program."

In 2018, Juniper, which manufactures and sells networking equipment products and services, said the U.S. Justice Department had closed a parallel investigation into the matter.

The SEC in 2019 alleged that, between 2008 and 2013, some sales employees of Juniper's Russian subsidiary secretly agreed with third-party distributors to fund leisure trips for customers, including government officials, through the use of off-book accounts. The SEC said the alleged misconduct continued even after the company's senior management learned about it, and that the company's remedial efforts were ineffective.

The SEC also said that some sales staff of Juniper's Chinese subsidiary falsified trip and meeting agendas for customer events that understated the true amount of entertainment involved on the trips from 2009 through 2013. Juniper's legal department approved

numerous trips without adequate review and after the event had taken place, contrary to the company's policies, according to the SEC order.

Under the SEC program, whistleblowers are entitled to between 10% and 30% of monetary penalties when their tips result in a successful enforcement action and when the penalties total more than \$1 million.

The whistleblower received the maximum award of 30%, under a **new rule** adopted by the SEC last year that automatically applies the maximum for awards that are estimated to be \$5 million or less, assuming that there were no negative factors, such as an unreasonable delay in reporting, according to a document reviewed by The Wall Street Journal.

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The whistleblower's attorneys said there has been a recent trend of U.S. regulators holding technology companies accountable for their sales partners' misconduct and rewarding whistleblowers who help expose it.

"In our opinion, this sort of sales partner bribery scheme still is pervasive throughout the technology industry in Asia, Eastern Europe, Africa and the Middle East," they said in a statement Tuesday. "And we expect that other well-known technology giants will be held accountable in the not-so-distant future for the corrupt practices of their local sales partners."

The SEC on Tuesday also announced a separate award of more than \$2.4 million to another whistleblower. The regulator also didn't name the company and didn't identify the tipster in that case. The agency said the individual alerted the agency to previously unknown conduct and helped with the investigation.

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