

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

FILED
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JAN 15 1993

UNITED STATES OF AMERICA, :
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 Plaintiff :
 :
 v. :
 :
 AMERICAN TOTALISATOR COMPANY, :
 INC., :
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 Defendant :
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Civil No. 593-161

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JAN 21 1993

BY
CONSENT AND UNDERTAKING

AT BALTIMORE
CLERK U.S. DISTRICT COURT
DISTRICT OF MARYLAND
DEPUTY

(1) The defendant, American Totalisator Company, Inc., without admitting or denying the allegations of the Complaint, solely for the purpose of this proceeding and for no other purpose whatsoever:

- (i) admits the jurisdiction of this Court over the subject matter of this action;
- (ii) admits the service upon it of the Summons and Complaint in this action;
- (iii) waives the filing of an Answer;
- (iv) waives the making of any Findings of Fact and Conclusions of Law under Rule 52 of the Federal Rules of Civil Procedure;
- (v) enters an appearance in this action; and
- (vi) hereby consents to the entry of the attached Final Judgment of Permanent Injunction without further notice.

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(2) The defendant, American Totalisator Company, Inc., hereby waives any right it may have to appeal from the entry of the Final Judgment of Permanent Injunction in the form attached hereto as Exhibit 1.

(3) The defendant, American Totalisator Company, Inc., will cooperate completely with the Department of Justice in a criminal investigation arising from the circumstances described in the Complaint filed herein.

(4) The defendant, American Totalisator Company, Inc., enters into this Consent and Undertaking voluntarily. A copy of the letter from the Department of Justice, dated December 29, 1992, indicating that the Department has declined criminal prosecution of General Instrument Corporation, American Totalisator Company, Inc., and its affiliated corporations, is hereby annexed as Exhibit 2.

(5) The defendant, American Totalisator Company, Inc., further consents and agrees that this Consent and Undertaking shall be incorporated by reference in the Final Judgment of Permanent Injunction, in the form attached hereto as Exhibit 1 to be entered by the Court in this action, and further agrees that the Court shall retain jurisdiction in this matter for all purposes.

AMERICAN TOTALISATOR COMPANY, INC.

Dated:

7 January 1993

By:

W. J. Hoffmann
President

Witness:

[Signature]

Wesley E. Hoffmann

STATE OF MARYLAND

TO WIT:
CITY/COUNTY OF Baltimore

I HEREBY CERTIFY, that on this 7th day of January, 1993, before me, the subscriber, a Notary Public of the State aforesaid, personally appeared Wesley D. Hoffman, who acknowledged himself to be the President of American Totalisator Company, Inc., a corporation, and that he as such President, being authorized to so do, executed the foregoing instrument for the purposes therein contained, by signing in my presence, the name of the corporation by himself as such President.

IN WITNESS WHEREOF, I hereunto set my hand and office seal.

Kathryn L. Koth
Notary Public

My Commission Expires: 12/29/93

Dated: 1/6/93

Richard E. Dunne, III
Richard E. Dunne, III

HOGAN & HARTSON
111 South Calvert Street
Suite 1600
Baltimore, Maryland 21202
(410) 659-2700

Attorney for Defendant
American Totalisator Company, Inc.

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

UNITED STATES OF AMERICA, :
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 v. : Civil No. 593-161
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 AMERICAN TOTALISATOR COMPANY, :
 INC., :
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FINAL JUDGMENT OF PERMANENT INJUNCTION

Plaintiff United States of America having duly commenced this action by filing its Complaint for Permanent Injunction, and defendant American Totalisator Company, Inc., having appeared and admitted to the jurisdiction of this Court over it and over the subject matter of this action; having waived the making of any findings of fact or conclusions of law; before the taking of any testimony and without trial, argument, or adjudication of any issue of fact or law herein; without admitting or denying the allegations of the Complaint; having consented to the entry of this Final Judgment of Permanent Injunction; and having entered into certain undertakings contained in the Consent and Undertaking annexed hereto and incorporated herein, it is hereby

ORDERED, ADJUDGED, AND DECREED that American Totalisator Company, Inc., its officers, agents, servants, employees, successors, assigns, attorneys in fact, affiliates and subsidiaries, and those persons in active concert or participation with them, and each of them, are hereby permanently restrained and enjoined from violating Sections 104(a)(1), (2), and (3) of the Foreign Corrupt Practices Act of 1977, as amended, 15 U.S.C. §§ 78dd-2(a)(1), (2), and (3), directly or indirectly, by using the mails, or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift, promise to give, or authorization of the giving of anything of value to:

(1) any foreign official for purposes of --

(A)(i) influencing any act or decision of such foreign official in his official capacity, or (ii) inducing such foreign official to do or omit to do any act in violation of the lawful duty of such official, or

(B) inducing such foreign official to use his influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality,

in order to assist the defendant, American Totalisator Company, Inc., its officers, directors, agents, servants, employees,

successors, assigns, attorneys in fact, affiliates and subsidiaries, and those persons in active concert or participation with them, in obtaining or retaining business for or with, or directing business to, any person; or

(2) any foreign political party or official thereof or any candidate for foreign political office for purposes of --

(A)(i) influencing any act or decision of such party, official, or candidate in its or his official capacity, or (ii) inducing such party, official, or candidate to do or omit to do an act in violation of the lawful duty of such party, official, or candidate, or

(B) inducing such party, official, or candidate to use its or his influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality,

in order to assist the defendant, American Totalisator Company, Inc., its officers, directors, agents, servants, employees, successors, assigns, attorneys in fact, affiliates and subsidiaries, and those persons in active concert or participation with them, in obtaining or retaining business for or with, or directing business to, any person; or

(3) any person, while knowing that all or a portion of such money or thing of value will be offered, given, or promised, directly or indirectly, to any foreign official, to any foreign political party or official thereof, or to any candidate for foreign political office, for purposes of --

(A)(i) influencing any act or decision of such foreign official, political party, party official, or candidate in his or its official capacity, or
(ii) inducing such foreign official, political party, party official, or candidate to do or omit to do any act in violation of the lawful duty of such foreign official, political party, party official, or candidate, or

(B) inducing such foreign official, political party, party official, or candidate to use his or its influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality,

in order to assist the defendant, American Totalisator Company, Inc., its officers, directors, agents, servants, employees, successors, assigns, attorneys in fact, affiliates and subsidiaries, and those persons in active concert or participation with them, in obtaining or retaining business for or with, or directing business to, any person.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court retain jurisdiction of this matter for all purposes.



UNITED STATES DISTRICT JUDGE

DATED:

January 21st 1993

2619D



U. S. Department of Justice

Criminal Division

Washington, D.C. 20530

DEC 29 1992

BY FACSIMILE

Richard E. Dunne, III, Esquire
Hogan & Hartson
111 South Calvert Street
Baltimore, Maryland 21202

Dear Mr. Dunne:

Re: General Instrument Corporation/
American Totalisator Company, Inc.

The Fraud Section of the Criminal Division of the Department of Justice has completed its investigation of your client, General Instrument Corporation ("GI"), and its wholly owned subsidiary, American Totalisator Company, Incorporated ("ATC"), regarding allegations that illicit payments were made to officials of the Greek government and judiciary by ATC's agent, O. Nicholas Katsanis, in connection with ATC's contract with the Horse Races Administration of Greece for the sale of a totalisator system and spare parts for the Phaleron racetrack in Athens, Greece.

In your letters of December 17, 1992, and December 28, 1992, you stated that ATC would consent to the entry of an Order of Permanent Injunction in the event that, at the conclusion of the Fraud Section's investigation, the Section determined that a criminal prosecution of ATC or GI was not warranted, but that the Section deemed it appropriate for ATC to consent to such an Order. On the basis of the Fraud Section's investigation, we will decline criminal prosecution of GI, ATC, and its affiliated corporations provided, however, that ATC consent to the entry of an Order of Permanent Injunction barring future violations of the Foreign Corrupt Practices Act. Our declination of criminal prosecution of GI, ATC, and its affiliated corporations specifically does not include a declination of criminal prosecution of any past or present employee of the entities.

EXHIBIT 2

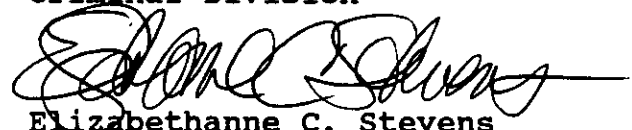
The Complaint for Permanent Injunction, the Consent and Undertaking, and the Final Judgment of Permanent Injunction will be filed in the United States District Court for the District of Maryland. The injunction will permanently restrain and enjoin ATC, its officers, agents, servants, employees, successors, assigns, attorneys in fact, affiliates and subsidiaries, and those persons in active concert or participation with them, from violating Sections 104(a)(1), (2), and (3) of the Foreign Corrupt Practices Act of 1977, as amended, 15 U.S.C. §§ 78dd-2(a)(1), (2), and (3).

Please telephone the undersigned at (202) 514-0831, so that we can make arrangements for the execution and filing of the appropriate documents.

Sincerely,

Gerald B. McDowell
Chief, Fraud Section
Criminal Division

By:



Elizabethanne C. Stevens
Trial Attorney