

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. **10-20893**
18 U.S.C. § 371

CR - HUCK

MAGISTRATE JUDGE
O'SULLIVAN

UNITED STATES OF AMERICA

vs.

MANUEL SALVOCH,

Defendant.

FILED by _____ D.C.
DEC 17 2010
STEVEN M. LARIMORE
CLERK U. S. DIST. CT.
S. D. of FLA. - MIAMI

INFORMATION

The United States Department of Justice, Criminal Division, Fraud Section, charges that:

At all times material to this Information, unless otherwise specified:

General Allegations

1. The Foreign Corrupt Practices Act of 1977, as amended, 15 U.S.C. §§ 78dd-1, *et seq.* ("FCPA"), prohibited certain classes of persons and entities from corruptly making payments to foreign government officials to assist in obtaining or retaining business. Specifically, the FCPA prohibited any domestic concern, as well as any officer, director, employee and agent of a domestic concern, from willfully making use of any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, or authorization of the payment of money or anything of value to a foreign official, or to any person, while knowing that all or a portion of such money or thing of value would be offered,

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CJr

given, or promised, directly or indirectly, to a foreign official, to influence the foreign official in his or her official capacity, induce the foreign official to do or omit to do an act in violation of his or her lawful duty, or to secure any improper advantage in order to assist in obtaining or retaining business for or with, or directing business to, any person.

Entities and Individuals

2. Latin Node, Inc. (“LatiNode”), headquartered in Miami, Florida, was incorporated in Florida in or around 1999, and thus was a “domestic concern” as that term is used in the FCPA, 15 U.S.C. § 78dd-2(h)(1)(B). LatiNode was a privately held company that provided wholesale telecommunications services using internet protocol technology in a number of countries throughout the world, including Honduras. LatiNode provided these services both directly and through its subsidiaries.

3. LN Comunicaciones, a Guatemalan company headquartered in Guatemala City, Guatemala, was a wholly owned subsidiary of LatiNode that maintained an international call center for LatiNode customers and carried out LatiNode business in Honduras, Guatemala, El Salvador, Nicaragua, and various locations in the Caribbean. LN Comunicaciones maintained its own bank account in Guatemala City, Guatemala, but that account was fully funded by LatiNode from its Miami-Dade County, Florida, bank account.

4. Servicios IP, S.A. (“Servicios IP”) was a Guatemalan company nominally owned by two LN Comunicaciones employees that was created at the direction of LatiNode and LN Comunicaciones in or around 2005.

5. Defendant **MANUEL SALVOCH** was the Chief Financial Officer (“CFO”) of LatiNode from in or around March 2005 to in or around 2007. Throughout that time period, **SALVOCH** was responsible for, among other things, approving payments and wire transfers by LatiNode. **SALVOCH** was a citizen of the United States. **SALVOCH** was a “domestic concern” and an officer, director, employee and agent of a domestic concern, as these terms are defined in the FCPA, 15 U.S.C. § 78dd-2(h)(1).

6. Jorge Granados was the founder, Chief Executive Officer (“CEO”), and Chairman of the Board of LatiNode from in or around 1999 to in or around 2007. Throughout that time period, Granados had authority to set company policy, contract with telecommunications companies, hire and fire employees, set sales prices, and approve sales practices in foreign countries. Granados was a citizen of the United States.

7. Manuel Caceres was a senior executive of LatiNode, holding such titles as Vice President Business Development, from in or around September 2004 to in or around 2007. Throughout that time period, Caceres was responsible for, among other things, developing LatiNode’s business in Honduras. Caceres was a citizen of Honduras but resided in and was a lawful permanent resident of the United States.

8. Juan Pablo Vasquez was a senior commercial executive for LatiNode, holding such titles as Vice President of Sales, Vice President Wholesale Division, and Chief Commercial Officer (“CCO”), from in or around November 2000 to in or around 2007. Throughout that time period, Vasquez was responsible for, among other things, LatiNode’s commercial and sales relationships with long distance carriers. Vasquez was a citizen of the United States.

9. Co-conspirator A was a senior executive of LatiNode, holding such titles as Vice President Network Operations and Quality Assurance, and managed LN Comunicaciones in Guatemala from in or around early 2000 to in or around 2007. As part of his responsibilities throughout this time period, Co-conspirator A would authorize transactions from the bank accounts of LN Comunicaciones and Servicios IP.

10. Empresa Hondureña de Telecomunicaciones (“Hondutel”) was the wholly state-owned telecommunications authority in Honduras, established under Honduran law and headquartered in Tegucigalpa, Honduras. Hondutel was responsible for providing telecommunications services in Honduras, and its operations were overseen by another Honduran government entity, Comisión Nacional de Telecomunicaciones. Hondutel was an “agency” and “instrumentality” of the Honduran government, and its officers, employees and directors were “foreign officials,” as these terms are defined in the FCPA, 15 U.S.C. § 78dd-2(h)(2)(A).

11. Official 1 was a senior executive of Hondutel from in or around February 2006 to in or around December 2007. Official 1 had broad decision-making authority and influence over telecommunications contracts with private service providers and their accompanying rates.

12. Official 2 was an attorney in the Hondutel legal department who worked directly for Official 1.

13. Official 3 was a Minister in the Honduran Government and was a member of Hondutel’s Board of Directors.

The Interconnection Agreement with Hondutel

14. Beginning in or around 2003, the Honduran Legislature passed legislation that permitted Hondutel to enter into contracts with private telecommunications companies.

15. From at least as early as November 2003 through in or around December 2005, LatiNode sought to win an interconnection agreement with Hondutel, which would permit LatiNode to use Hondutel's telecommunications lines. LatiNode sought to establish a network between Honduras and the United States to provide long distance services between the two countries. LatiNode sought to provide a service in which callers could "originate" calls in the United States that would "terminate"— meaning be received—in Honduras, and vice versa. LatiNode executives saw the interconnection agreement with Hondutel as a key component to developing LatiNode's telecommunications business in Honduras.

16. On or about December 5, 2005, LatiNode learned that it was the sole winner of the interconnection agreement with Hondutel. Under the agreement, LatiNode was required to pay Hondutel the following rates for calls terminating to Honduras ("Termination Rates"): \$0.21 per minute for fixed calls and \$0.23 for mobile calls. The agreement also required LatiNode to prepare "Monthly Accounts," which were to include, among other things, the number of minutes used by LatiNode and the applicable Termination Rate.

17. Almost immediately after winning the interconnection agreement with Hondutel, LatiNode executives realized that LatiNode needed to obtain a reduction in the Termination Rates in order to be more competitive in the Honduran telecommunications market. LatiNode

executives also learned that Official 1 was considering whether to rescind Hondutel's interconnection agreement with LatiNode.

COUNT 1
Conspiracy
(18 U.S.C. § 371)

1. Paragraphs 1 through 17 of the General Allegations are re-alleged and incorporated by reference as though set forth herein.

2. From in or around April 2006, and continuing through in or around October 2007, the exact dates being unknown, at Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant,

MANUEL SALVOCH,

did willfully, that is, with the intent to further the objects of the conspiracy, and knowingly conspire, confederate and agree with Jorge Granados, Manuel Caceres, Juan Pablo Vasquez and other persons, known and unknown, to commit offenses against the United States, that is, to willfully make use of the mails and means and instrumentalities of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, and authorization of the payment of any money, offer, gift, promise to give, and authorization of the giving of anything of value, to a foreign official, and to a person, while knowing that all or a portion of such money and thing of value would be and had been offered, given, and promised, to a foreign official, for purposes of: (i) influencing acts and decisions of such foreign official in his or her official capacity; (ii) inducing such foreign official to do and omit to do acts in violation of the lawful duty of such official; (iii) securing an improper advantage; and (iv) inducing such foreign official to use his or

her influence with a foreign government and agencies and instrumentalities thereof to affect and influence acts and decisions of such government and agencies and instrumentalities, in order to assist defendant **MANUEL SALVOCH**, Jorge Granados, Manuel Caceres, Juan Pablo Vasquez, Co-conspirator A, and others, known and unknown, in obtaining and retaining business for and with, and directing business to, LatiNode, in violation of Title 15, United States Code, Section 78dd-2(a).

PURPOSE OF THE CONSPIRACY

3. A purpose of the conspiracy was to obtain from Hondutel business advantages for LatiNode including, but not limited to, preferred telecommunications rates, retaining the interconnection agreement, and continued operation in Honduras despite late payments to Hondutel, by paying bribes to Honduran government officials, including to officers and employees of the Government of Honduras and of Hondutel, a telecommunications company that was an agency and instrumentality of the Government of Honduras.

MANNER AND MEANS OF THE CONSPIRACY

The manner and means by which defendant **MANUEL SALVOCH** and his co-conspirators sought to accomplish the objects and purposes of the conspiracy included, among other things, the following:

4. Defendant **MANUEL SALVOCH**, together with others, would and did discuss the competitive need to obtain lower Termination Rates paid by LatiNode under the interconnection agreement with Hondutel.

5. Defendant **MANUEL SALVOCH**, together with others, would and did discuss making bribe payments to such Honduran foreign officials in order to obtain such lower rates.

6. Defendant **MANUEL SALVOCH**, together with others, would and did offer to pay, promise to pay, and authorize the payment of bribes, directly and indirectly, to and for the benefit of Official 1, Official 2 and Official 3, in exchange for these Officials' agreements to secure lower rates and other benefits for LatiNode under the interconnection agreement with Hondutel.

7. Defendant **MANUEL SALVOCH**, together with others, would and did receive forwarded instructions from Official 1, Official 2 and Official 3 as to the manner and means by which the bribe payments were to be paid—for example, the names and locations of the bank accounts to which the bribe payments should be transferred.

8. Defendant **MANUEL SALVOCH**, together with others, would and did wire and cause to be wired certain bribe payments from LatiNode's bank accounts in Miami-Dade County, Florida, to the bank accounts designated by Official 1, Official 2 and Official 3.

9. Defendant **MANUEL SALVOCH**, together with others, would and did make certain bribe payments and cause certain bribe payments to be made from LatiNode's foreign subsidiaries to Official 1, Official 2 and Official 3 in the manner designated by Official 1, Official 2 and Official 3.

OVERT ACTS

In furtherance of the conspiracy and to achieve the objects thereof, at least one of the conspirators committed, or caused to be committed, in the Southern District of Florida, and elsewhere, at least one of the following overt acts, among others:

1. In or about August 2006, Manuel Caceres and Jorge Granados determined that they would make bribe payments to Hondutel officials, including Official 1, at a rate of \$0.01 per minute of telephone traffic that LatiNode generated through the Hondutel interconnection agreement. Caceres and Granados communicated the terms of this agreement to Juan Pablo Vasquez and defendant **MANUEL SALVOCH**.

2. On or about September 5, 2006, Manuel Caceres forwarded to Juan Pablo Vasquez an email from Official 2 containing bank account information. In the forwarding email, Caceres explained to Vasquez, in Spanish and in sum and substance, that Official 2 was Hondutel's corporate lawyer and Official 1's "straw man," that there was a favorable atmosphere at Hondutel to giving LatiNode a reduction in the Termination Rates, and that "it is important to send \$60,000 for June and July."

3. On or about September 11, 2006, Juan Pablo Vasquez forwarded to defendant **MANUEL SALVOCH**, and copied to Jorge Granados and Manuel Caceres, the email described in Overt Act 2. Vasquez wrote to **SALVOCH**, in Spanish and in sum and substance, that "we must make this payment," and that the payment would result in a decrease in LatiNode's rates to \$0.13 and \$0.14. Vasquez further wrote that, based on his calculations, the payment due was \$36,705 for June and \$24,404 for July, totaling \$61,109.

4. On or about September 13, 2006, Manuel Caceres sent an email to Co-conspirator A, copied to Juan Pablo Vasquez and defendant **MANUEL SALVOCH**, in which he explained, in Spanish and in sum and substance, that he was providing “the instructions for the transfer of the commission to [Official 1],” and forwarding information for a Bank Atlantida account in the name of “Grupo de Inversiones Chicas.”

On or about September 14, 2006, Manuel Caceres and Co-conspirator A caused the following wire transfers to be made:

Overt Act	Amount of Transfer	Transferred From	Transferred To
5	\$61,149	LN Comunicaciones	Servicios IP
6	\$61,109	Servicios IP	Grupo de Inversiones Chicas

7. On or about November 16, 2006, Jorge Granados sent an email to himself, copied to numerous LatiNode employees, including Manuel Caceres, Juan Pablo Vasquez, defendant **MANUEL SALVOCH** and Co-conspirator A, in which he announced, in Spanish and in sum and substance, that, “As of today, a new termination price in Honduras has been negotiated with Hondutel’s management. [] The rate for cell and fixed phones is valid at \$0.12.”

8. On or about January 2, 2007, Jorge Granados, Manuel Caceres and defendant **MANUEL SALVOCH** caused a wire transfer of \$30,000 to be made from LatiNode’s Citibank account in Miami-Dade County, Florida, to a Wachovia Bank NA of Florida account in Florida, for the benefit of Official 3.

On or about the following dates, Jorge Granados, Manuel Caceres and defendant **MANUEL SALVOCH** caused the following wire transfers to be made from LatiNode’s

Citibank account in Miami-Dade County, Florida:

Overt Act	Date	Amount of Transfer	Recipient Bank
9	January 4, 2007	\$30,000	BGA Honduras, to account in the name of SONE S.A. de C.V.
10	January 4, 2007	\$15,000	BGA Honduras, to account in the name of Official 2

11. On or about April 11, 2007, Manuel Caceres sent an email to Jorge Granados and Juan Pablo Vasquez in which he wrote, in Spanish and in sum and substance, that Official 1 and Official 3 would sign consulting agreements in which neither official would appear as a representative and explained that Official 3 had control over the Board of Directors, Official 1 managed Hondutel, and both were friends with the President of Honduras.

12. On or about August 7, 2007, Manuel Caceres sent an email to several LatiNode employees, including Jorge Granados and defendant **MANUEL SALVOCH**, in which he explained, in Spanish and in sum and substance, the formula to be used in sending invoices to

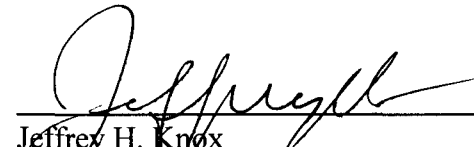
Hondutel: "Actual Minutes X verbally agreed rate = discounted Minutes X rate per the contract.

The last part of the equation is what should be sent to Hondutel."


All in violation of Title 18, United States Code, Section 371.

DENIS J. McINERNEY, CHIEF
FRAUD SECTION, CRIMINAL DIVISION
U.S. DEPARTMENT OF JUSTICE

By:



Jeffrey H. Knox
Senior Litigation Counsel



Amanda Aikman
Trial Attorney

UNITED STATES OF AMERICA

CASE NO. _____

vs.

CERTIFICATE OF TRIAL ATTORNEY*

MANUEL SALVOCH,

Defendant.

Superseding Case Information:

Court Division: (Select One)

X Miami ___ Key West
___ FTL ___ WPB ___ FTP

New Defendant(s) Yes ___ No ___
Number of New Defendants ___
Total number of counts ___

I do hereby certify that:

1. I have carefully considered the allegations of the indictment, the number of defendants, the number of probable witnesses and the legal complexities of the Indictment/Information attached hereto.

2. I am aware that the information supplied on this statement will be relied upon by the Judges of this Court in setting their calendars and scheduling criminal trials under the mandate of the Speedy Trial Act, Title 28 U.S.C. Section 3161.

3. Interpreter: (Yes or No) Yes
List language and/or dialect Spanish

4. This case will take 0 days for the parties to try.

5. Please check appropriate category and type of offense listed below:

	(Check only one)		(Check only one)
I	0 to 5 days <u>X</u>	Petty	___
II	6 to 10 days ___	Minor	___
III	11 to 20 days ___	Misdem.	___
IV	21 to 60 days ___	Felony	<u>X</u>
V	61 days and over ___		

6. Has this case been previously filed in this District Court? (Yes or No) No

If yes: Judge: _____ Case No. _____
(Attach copy of dispositive order)

Has a complaint been filed in this matter? (Yes or No) No

If yes: Magistrate Case No. _____
Related Miscellaneous numbers: 10-20881-CR-I ENARD (UNDER SEAL)
Defendant(s) in federal custody as of _____
Defendant(s) in state custody as of _____
Rule 20 from the _____ District of _____

Is this a potential death penalty case? (Yes or No) No

7. Does this case originate from a matter pending in the Northern Region of the U.S. Attorney's Office prior to October 14, 2003? ___ Yes X No

8. Does this case originate from a matter pending in the Central Region of the U.S. Attorney's Office prior to September 1, 2007? ___ Yes X No


AMANDA AIKMAN
DOJ TRIAL ATTORNEY
Court No. A5501569

*Penalty Sheet(s) attached

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

PENALTY SHEET

Defendant's Name: Manuel Salvoch **Case No:** _____

Count #: 1

_____ Conspiracy to Commit Violation of Foreign Corrupt Practices Act

_____ 18 U.S.C. § 371

***Max Penalty:** 5 years' imprisonment

Count #:

***Max Penalty:** _____

Count #:

***Max Penalty:** _____

Count #:

***Max Penalty:** _____

***Refers only to possible term of incarceration, does not include possible fines, restitution, special assessments, parole terms, or forfeitures that may be applicable.**