

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 79703 / December 29, 2016**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-17755**

**In the Matter of**

**GENERAL CABLE  
CORPORATION,**

**Respondent.**

**ORDER INSTITUTING CEASE-AND-  
DESIST PROCEEDINGS PURSUANT TO  
SECTION 21C OF THE SECURITIES  
EXCHANGE ACT OF 1934, MAKING  
FINDINGS, AND IMPOSING A CEASE-  
AND-DESIST ORDER**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), against General Cable Corporation (“GCC” or “Respondent”).

**II.**

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, Respondent admits the jurisdiction over it and the subject matter of these proceedings, and consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (“Order”), as set forth below.

### III.

On the basis of this Order and Respondent's Offer, the Commission finds<sup>1</sup> that

#### Summary

1. This matter concerns violations of the anti-bribery, books-and-records, and internal accounting controls provisions of the Foreign Corrupt Practices Act of 1977 ("FCPA") by GCC, a global manufacturer of copper, aluminum, and fiber optic wire and cable products based in Highland Heights, Kentucky.

2. Between 2003 and 2015, GCC's subsidiaries made improper payments of approximately \$19 million to foreign government officials in Angola, Thailand, China, Indonesia, Bangladesh, and Egypt, generating illicit profits over \$51 million on sales to state-owned enterprises ("SOEs"). GCC made these payments directly to foreign government officials, or through third-party agents or distributors, in the form of sales commissions, rebates, discounts, and other fees, who passed on payments to foreign government officials in connection with SOE business. Some of these payments were made even though employees of GCC's subsidiaries informed executives and employees at GCC that they suspected that payments to third parties were being used for improper purposes, including potential bribery.

3. GCC failed to require or ensure, among other things, (a) anticorruption due diligence on the retention of third-party agents and distributors; (b) proof that services had been rendered by third parties before payment could be made to them; and (c) oversight of the payment process to ensure that payments were made pursuant to GCC's policies or contractual terms, or that payments were reasonable and legitimate. GCC failed to address these risks, which allowed the conduct to continue. And GCC's subsidiaries improperly recorded these payments as legitimate business expenses on their books and records and financial statements, which were consolidated into GCC's financial statements filed with the Commission.

#### Respondent

4. **GCC** is a publicly traded company headquartered in Highland Heights, Kentucky. GCC is a global manufacturer of copper, aluminum, and fiber optic wire and cable products. During the relevant period, GCC maintained operations in three segments, North America, Europe & Mediterranean ("E&M," now known as the Europe segment), and Rest of World ("ROW," split into the Latin America and Asia Pacific segments in 2014). GCC's common stock is registered with the Commission under Section 12(b) of the Exchange Act, and GCC files annual and quarterly reports under Section 13(a) of the Exchange Act and related rules. GCC's common stock trades on The New York Stock Exchange under the ticker symbol "BGC."

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<sup>1</sup> The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in these or any other proceedings.

## Relevant Entities

5. **General Cable Celcat, Energia e Telecomunicações, S.A. (“Celcat”)** is an indirect GCC subsidiary located in Portugal and acquired by GCC in June 1999. Celcat manufactures and sells GCC’s wire and cable products primarily in the E&M segment.

6. **General Cable Condel, Cabos de Energia e Telecomunicações, S.A. (“Condel”)** is an indirect GCC subsidiary located in Angola and acquired by GCC in June 1999. Condel’s direct parent company was Celcat. Condel manufactured and sold GCC products primarily to entities owned by the Angolan government. In October 2014, GCC announced a plan to exit its operations in the Africa and Asia Pacific regions, including Condel.

7. **Phelps Dodge International (Thailand) Limited (“PDTL”)** was an indirect GCC subsidiary acquired by GCC in October 2007. PDTL manufactured and sold GCC products in Southeast Asia and the Middle East. In August 2015, GCC sold PDTL as part of its plan to exit operations in the Africa and Asia Pacific regions.

8. **General Cable (Tianjin) Alloy Products Company Limited (“GC China”)** was an indirect GCC subsidiary acquired by GCC in December 2012, and manufactured and sold GCC products for its domestic market.

9. **General Cable Egypt S.A.E. (“GC Egypt”)** was an indirect subsidiary of GCC acquired by GCC in September 2010, and manufactured and sold GCC’s products in the E&M segment. GCC sold GC Egypt in May 2016 as part of its plan to exit operations in the Africa and Asia Pacific regions.

## Facts

10. At all relevant times, GCC had a code of ethics (“Code of Ethics”) that prohibited its employees from offering or giving any person any payment which may be illegal or unethical. The Code of Ethics specifically prohibited any consideration given to a public official, unless authorized by law, and made specific reference to the applicability of the FCPA to GCC and its employees. It also prohibited excessive payments to third parties when the value of the consideration offered or given exceeds the reasonable value of the services performed in return. Specifically, the Code of Ethics warned that an excessive payment to an individual arranging contracts with government officials could be illegal or unethical as it might suggest that some of the payment is being channeled to government officials, or is somehow being used for improper purposes. Finally, the Code of Ethics required all transactions to be executed only with management authority, general or specific, in compliance with federal securities laws that required GCC to maintain books, records, and accounts that accurately and fairly reflect transactions, and a system of internal accounting controls designed to provide reasonable assurances that GCC’s financial statements will be accurate and complete.

11. Although GCC’s Code of Ethics applied globally to its subsidiaries and employees, GCC did not provide adequate guidance or training on policies and procedures to ensure compliance with the FCPA. As a result, a number of GCC’s foreign subsidiaries lacked internal accounting controls for doing business with third-party entities on sales to government customers. Further, despite signing compliance questionnaires representing that they knew and understood the

Code of Ethics, some of GCC's employees generally were not aware that the FCPA, as a U.S. law, applied to their operations, and failed to perform anticorruption due diligence on third-party entities, obtain written contracts with third-party entities requiring their compliance with the FCPA, and report to management transactions that raised corruption issues.

### **Improper Payments in Angola**

12. GCC subsidiaries Celcat (in Portugal) and Condel (in Angola) in GCC's E&M (Europe & Mediterranean) segment sold wire and cable products to SOEs in Angola. A majority of Celcat's and Condel's sales in Angola were to these SOEs. Celcat was the direct parent company of Condel, which was managed by a Country Manager in Angola as its most senior employee.

13. Since at least as early as 2008, GCC's E&M segment maintained a policy governing the payment of commissions or fees to third-party entities on sales contracts. This policy required the approval of E&M's management for commissions to third-party entities greater than 5% of the value of the sales contracts. The policy also prohibited commissions over 10% of the value of the sales contracts.

14. From 2003 to 2013, Celcat and Condel made 81 improper payments through commissions totaling over \$9 million either directly to employees of SOEs in Angola, or to a third-party agent, resulting in more than \$34 million in profits on Celcat or Condel's sales to SOEs in Angola, as follows:

- From May 2003 to May 2009, 38 improper payments of \$459,369 were directly made to at least five employees of Angolan SOEs on sales of approximately \$6.1 million. The payments ranged from 1.7 to 2% of the related sales value.
- In 2008, three commission payments of \$150,156 were made to an agent of a SOE in Angola with knowledge that the payments would be passed on, in part, to officials of the SOE. The commission was 15% of the related sales value of \$967,644. The agent shared the commission with two officials of the SOE.
- From May 2009 to December 2013, 40 commission payments totaling \$8.7 million were made to a third-party agent ("the Agent") in Angola on sales of \$80 million with knowledge that the Agent would pass a portion of the payments to Angolan SOEs. These payments were directed by Condel's Country Manager and approved by Celcat's executives. Also, in August 2013 Condel directed the Agent to purchase a sport-utility vehicle valued at \$135,239 and register it in the name of an employee of an Angolan SOE.

15. In 2004 and 2005, though ultimately not paid due to a dispute with the SOE, Celcat initially agreed to make an improper payment of \$52,784 (or 1%) to an employee of an SOE on sales of approximately \$5.5 million to the SOE.

16. The commissions identified above were approved by senior management at Celcat or Condel, but the true nature of the payments were concealed from GCC's executive management.

In particular, Condel's Country Manager conceived of and orchestrated the scheme to make improper payments to employees of the SOEs in Angola.

17. GCC's employees and agents communicated about the scheme via e-mail, among other means of communication. For example, on October 22, 2002, a Condel senior executive wrote an e-mail to a Celcat employee stating: "I agreed with [an Angolan SOE employee] on a commission of 2% on orders placed, which at this stage will be through General Cable Condel; I propose to work through objectives, on an identical basis with [the SOE]."

18. Similarly, on September 12, 2005, a Condel employee wrote an e-mail to a Celcat employee stating: "Everyone knew that [an Angolan government official] was being paid (if not there would be no need for the bills that come from there); when the contract was signed, this was what was agreed had to be paid."

19. Beginning in May 2009, Celcat and Condel concealed the payments to the Angolan officials through the Agent. Condel's Country Manager facilitated Condel's engagement of the Agent to provide purported services under a written agreement, which was approved by Celcat's CEO and CFO. The agreement did not specify any terms and conditions except that Condel would pay the Agent "a commission of 1% of the amount of each invoice . . . [that] may be revised on a case-by-case basis." The agreement did not contain language prohibiting the Agent from paying bribes or other illicit payments. And Celcat and Condel used the Agent as a conduit to direct corrupt payments to Angolan officials.

20. Under Condel's relationship with the Agent, Celcat and Condel's annual sales to the SOEs in Angola increased substantially, from approximately \$6.7 million in 2009 to \$23.6 million in 2012. During this period, Condel's Country Manager exclusively controlled the relationship with the Agent, including calculating the commissions that Condel would pay to the Agent on SOE sales, and took steps to conceal the improper payments from GCC's executive management. From 2009 to 2013, in violation of GCC's policies, Condel paid commissions to the Agent from 5 to 24% of the sales value, with an average commission rate of 16%. Records of these commissions did not describe any services performed by the Agent; the commissions were calculated separately from sales invoices to the SOEs; and Condel's Country Manager directed the commission payments to the Agent's personal bank account. Celcat and Condel's management violated GCC's policies and did not seek approval of the commissions to the Agent from E&M's management.

### **GCC's Investigation of the Agent**

21. In September 2012, GCC's Internal Audit department ("Internal Audit") performed an on-site audit of financial and operational processes and controls at Condel. In December 2012, Internal Audit submitted a report to GCC's executive management that identified several red flags concerning Condel's relationship with the Agent: (a) the agreement with the Agent did not include an anti-bribery clause for compliance with the FCPA; (b) the agreement with the Agent established a 1% commission, but actual commissions paid to the Agent in 2012 ranged from 8.5 to 18.5%, although E&M's policy prohibited commissions over 10%; and (c) Condel's management was not aware that contracts with agents should include language requiring compliance with the FCPA.

22. Despite red flags that GCC's relationship with the Agent may violate anti-bribery laws and its policies, GCC's executive management failed to implement any additional internal accounting controls in response to the report until August 2013. As a result, from December 2012 to August 2013, Condel continued to make commission payments to the Agent over \$1.5 million in violation of GCC's policies.

23. In August 2013, eight months after the Internal Audit report was issued, an E&M Compliance Manager conducted an onsite review of Condel to address internal controls matters and follow up on Internal Audit's December 2012 report. The Compliance Manager identified additional red flags about Condel's relationship with the Agent, including: (a) the average commissions paid in 2012 was 18% when the agreement with the Agent specified 1%; (b) Condel's Country Manager, who exclusively managed the relationship with the Agent, directed payments to the Agent's personal bank account; (c) no proof of services performed were provided by the Agent; and (d) the customers related to the Agent were Angolan SOEs.

24. The Compliance Manager submitted a memorandum detailing the red flags to E&M's management, including a GCC executive officer. The Compliance Manager also informed E&M's management that Condel's management may be paying bribes to the Agent or government officials on sales to SOEs.

25. Within days, GCC's executive management commenced an internal investigation of Condel's relationship with the Agent for potential bribery of SOE officials. In October 2013, GCC's executive management instructed Celcat and Condel's management to cease payment of past due commissions to the Agent pending further investigation and without authorization by GCC's executive management.

### **GCC Approves Additional Commissions to the Agent During the Investigation**

26. In November 2013, E&M's management consulted GCC's executive management on how to proceed with proposing new business to the Angolan SOEs in light of the investigation of the Agent. E&M's management anticipated that the prohibition of commission payments to the Agent would result in a potential loss of approximately \$10 million in sales to the Angolan SOEs and in approximately \$5 million in termination costs. To avoid further loss of sales, E&M's management asked GCC's executive management whether Condel could continue to use the Agent in dealing with the SOEs, or whether Condel should use another agent or deal directly with the SOEs.

27. GCC's executive management instructed that (1) Condel should terminate the Agent and transition to a new agent, but (2) to allow time to transition to the new agent, Condel could work with the existing Agent on a case-by-case basis, until the new agent is in place, for new business with the SOEs, but with "appropriate" and "proper" commission payments to the Agent. At all relevant times, E&M's policy prohibited commissions above 10%. GCC's executive management requested E&M's management to follow up on these instructions and to lay out the process for dealing with the Agent while they transition to a new agent.

28. Shortly thereafter, in November 2013 an E&M manager approved sales contracts with the Angolan SOEs that called for commissions to the Agent from 7.5% to 18.5%. Further, in

December 2013, the E&M manager approved the payment of past due commissions of \$342,613 to the Agent from 6 to 18% of the related sales contracts. These commissions violated GCC's Code of Ethics, E&M's policy on excessive payments to third-parties, and GCC executive management's instructions.

### **GCC's Improper Payments in Thailand, Indonesia, and Bangladesh**

#### Improper Payments on Domestic Sales to Thai SOEs

29. From January 2008 to January 2013, GCC's subsidiary, PDTL, paid more than \$5.4 million in improper payments to a Thailand company ("Thai Company"), resulting in profits of \$13 million on PDTL's sales to SOEs of the Thai government as follows:

- From January 2008 to December 2011, in connection with at least 26 sales contracts between PDTL and Thai SOEs, PDTL paid \$3.9 million in "success fees" to the Thai Company that were improperly booked by PDTL as prepaid commissions or discounts. The payments were internally referred to as success fees to reflect PDTL's reward to the Thai Company for securing business with SOEs.
- From April 2012 to January 2013, in connection with 12 sales contracts between PDTL and a Thai SOE, PDTL made \$1.5 million in payments to the Thai Company, with the understanding that the Thai Company would use the money, in part, to pass on to Thai SOE officials. These payments were internally referred to as "rebates" and improperly booked by PDTL as "Cash Discounts" and "Discount-Customer Rebates."

30. PDTL's payments to the Thai Company were approved by PDTL's senior management and primarily managed by a Domestic Sales Director, who believed that the Thai Company was paying bribes to Thai SOE officials from the success fees paid by PDTL. The Domestic Sales Director told a PDTL executive ("PDTL Executive") in or around 2010 or 2011 about the potential bribery, but PDTL's management did not take any corrective action in response.

31. In or about 2011, the PDTL Executive met with a GCC regional executive officer and expressed concerns that payments to the Thai Company by PDTL were being used for potential bribery. Despite this conversation, the payments did not stop and there was no investigation of PDTL's relationship with the Thai Company.

32. On December 13, 2011, the PDTL Executive received an e-mail chain that included the following statement regarding the findings of a tax review in Thailand: "potential applicability of the US Foreign Corrupt Practices Act ("FCPA") for commissions paid to Thai governmental authorities." An e-mail later in the string, from a GCC employee with responsibility for corporate taxes, stated: "[s]ince this is a legal matter rather than tax, no need to do anything further for me. I will leave it up to you as to whether you want to look into any further." GCC took no further corrective action based on this information. The corrupt payments made through the Thai Company in Thailand and elsewhere continued and GCC failed to enhance its deficient internal accounting controls.

33. In or about December 2011, the PDTL Executive instructed the Domestic Sales Director to change the payments, previously referred to as “success fees,” to a “rebates” program for sales to SOEs. The PDTL Executive directed this change because he suspected that the payments to the Thai Company were being passed on as bribes to Thai SOE officials. These rebates, however, in effect continued the success fee arrangement with the Thai Company as the rebates were not related to PDTL’s sales to the Thai Company, but rather to PDTL’s sales to the Thai SOEs. PDTL, believing that a portion of these rebates would be passed on to SOE officials, continued to improperly book these rebates as discounts. PDTL ultimately ceased the rebates program in early 2013, when another PDTL employee complained to the PDTL Executive that PDTL’s commissions and fees to third-party agents were not transparent.

#### Improper Payments on Export Sales to an Indonesian SOE

34. From May 2011 to January 2014, PDTL made improper payments of \$2.2 million to two purported freight forwarders on sales to an Indonesian SOE that resulted in \$2 million in profits. PDTL’s records lacked evidence of services provided by the freight forwarders, which had ties to Indonesian government officials. The fees to the freight forwarders ranged from 8.9 to 70.5% of the related sales to the Indonesian SOE.

35. PDTL’s employees and agents communicated via e-mail about payments to the freight forwarders that would be passed on to Indonesian government officials. For example, on March 11, 2010, a PDTL employee wrote an e-mail describing the services of a principal of the two freight forwarders in Indonesia, stating “[l]ike I mention it before, my agent doesn’t ask for any money upfront. He can afford to pay his way in and out of [the Indonesia SOE].”

36. PDTL’s relationship with these freight forwarders was exclusively controlled by a PDTL Manager, who ignored PDTL’s policy in selecting freight forwarders, and failed to document the purpose of the fees or explain why they exceeded PDTL’s customary rates for third-party payments.

37. In February 2014, after an investigation into the PDTL Manager’s relationship with the freight forwarders, PDTL terminated the PDTL Manager for refusing to cooperate with the investigation and for “fraudulent” and “dishonest and corrupt actions.”

#### Improper Payment on Export Sale to a Bangladeshi SOE

38. In September 2013, PDTL made an improper commission payment of \$43,700 to a third-party agent on a sale of products to a Bangladeshi SOE that resulted in profits of \$85,759. The agent had requested PDTL, in an e-mail to senior PDTL executives, for a commission of 10% (or \$147,761) of the sale to be “shared by decision makers [at the SOE and] concerned higher ups” in the Bangladeshi government. Although PDTL rejected the agent’s request for a 10% commission on the sale as excessive, the PDTL Executive nonetheless approved a 5% commission to the agent without addressing whether the agent would send any portion of the commission to a Bangladeshi government official.

### **GCC's Improper Payments in China**

39. From December 2012 to September 2015, GC China made improper payments of more than \$500,000 to third-party distributors or agents, typically in the form of special discounts, technical service fees, design institute fees, or rebates, in connection with sales to SOE customers on nineteen projects, resulting in profits of \$1.8 million. Portions of these payments, among other things of value such as merchandise, were given or intended to be given by the distributors or agents to SOE employees.

40. These payments were authorized by GC China's senior sales leadership, and sometimes specifically authorized by senior GC China executives from December 2012 to September 2015. For example, on or about August 14, 2013, a GC China employee sought approval from a GC China senior manager to provide additional money to a distributor in the form of a discount for a sale to a China SOE customer. The GC China employee e-mailed the manager and justified the improper payment, stating that "a few key players at [the SOE customer] are our internal contacts and charge a certain amount of fees. If we are looking to have long term cooperation with them, charges for this is rather inevitable."

41. On or about February 26, 2014, an internal GC China document outlined the reasons GC China provided special discounts to a distributor in association with sales to a SOE customer, and stated: "[o]n July 17, 2013, processed the consulting fee of 20,000 [yuan] for [a SOE customer employee] with 10,900 [yuan] remaining."

### **GCC's Improper Payments in Egypt**

42. From September 2010 to May 2015, GC Egypt employees gave or offered to give more than \$80,000 in improper payments, including cash, gifts, or tips to employees of certain customers or suppliers, some of which were Egyptian SOEs, resulting in approximately \$114,000 in profits. Some of these payments were improperly recorded as "consultant fees" for SOE customer employees to add GC Egypt to, or not to remove it from, supplier lists of the SOE customers. Also, GC Egypt gave small amounts of cash or merchandise, such as laptop computers and televisions, to employees of SOE customers or suppliers as tips, "new year gifts," to buy goodwill, or to recognize them in winning or successfully completing contracts.

43. In 2013 GC Egypt's General Manager offered to pay a third-party agent a commission of approximately 10% on a \$1.53 million tender by GC Egypt to sell cables to an SOE of Iraq. The commission was to be shared between the SOE staff and the agent. When the SOE submitted an order under the tender, GCC's E&M managers rejected the order based on the high level of the contemplated commission, not because the order contemplated the sharing of the commission with the SOE staff.

### **Legal Standards and Violations**

44. Under Section 21C(a) of the Exchange Act, 15 U.S.C. § 78u-3(a), if the Commission finds that any person is violating, has violated, or is about to violate any provision of the Exchange Act, or any rule or regulation thereunder, the Commission may publish its findings and enter an order requiring such person, and any other person that is, was, or would be a cause of the violation, due to an act or omission the person knew or should have known would contribute to

such violation, to cease and desist from committing or causing such violation and any future violation of the same provision, rule, or regulation.

45. Section 30A of the Exchange Act, 15 U.S.C. § 78dd-1, which prohibits, in relevant part, any issuer with a class of securities registered pursuant to Section 12 of the Exchange Act, or any officer, director, employee, or agent acting on behalf of such issuer, in order to obtain or retain business, from corruptly giving or authorizing the giving of, anything of value to: i) any foreign official for the purposes of influencing the official or inducing the official to act in his or her official capacity in violation of his or her lawful duties, or to secure any improper advantage, or to induce a foreign official to use his influence with a foreign governmental instrumentality to influence any act or decision of such government or instrumentality; or ii) any person, while knowing that all or a portion of such thing of value will be offered, given, or promised, directly or indirectly, to any foreign official.

46. Under Section 13(b)(2)(A) of the Exchange Act, 15 U.S.C. § 78m(b)(2)(A), every issuer which has a class of securities registered pursuant to Section 12 of the Exchange Act is required to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer.

47. Under Section 13(b)(2)(B) of the Exchange Act, 15 U.S.C. § 78m(b)(2)(B), every issuer which has a class of securities registered pursuant to Section 12 of the Exchange Act is required to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary (I) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (II) to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

48. GCC violated Section 30A by corruptly paying or offering to pay bribes or give other things of value to employees or officials of SOEs in Angola to obtain or retain business. GCC also violated Section 13(b)(2)(A) as the payments described above by Celcat, Condel, PDTL, GC China, and GC Egypt were recorded as legitimate business expenses on their respective books and records, when knowing or believing they were in fact used as bribes or improper payments to foreign government officials, or otherwise lacked reasonably detailed documentation to accurately and fairly reflect the payments on the subsidiaries' books and records, which were included in GCC's books and records and consolidated financial statements. Finally, GCC violated Section 13(b)(2)(B) as the payments or offers by GCC's subsidiaries identified above violated GCC's policies against bribery and excessive payments to third-parties on transactions with SOEs, or otherwise were not supported by proper documentation or authorization. Employees of GCC's subsidiaries were not adequately trained on anticorruption risks, did not require third-parties on SOE sales to comply with the FCPA, and did not perform any anticorruption due diligence on third parties.

### **GCC's Self-Reporting, Cooperation, and Remedial Efforts**

49. In determining to accept GCC's Offer, the Commission considered GCC's self-reporting, substantial cooperation, and remedial efforts. GCC promptly self-reported the potential FCPA violations to the Commission's staff in January 2014, after it retained outside counsel to conduct an internal investigation. GCC also self-reported other potentially improper payments as its investigation progressed, and regularly updated the staff on the investigation.

50. GCC further provided complete and timely cooperation with the staff by providing detailed presentations on the key findings of the investigations, and promptly producing all relevant documents and information (including thousands of documents translated into English), chronologies, key document binders, interview downloads, and forensic accounting analyses. GCC also made its current or former employees available for interviews by the staff upon request, including facilitating certain employees to travel to the United States from abroad for interviews.

51. GCC also undertook extensive remediation. GCC has terminated or taken disciplinary actions against employees who were involved in the improper payments. All of GCC's executive management during the relevant time period has been replaced. In October 2014 GCC announced a strategic plan to focus on its core markets and divest its operations in the Africa and Asia Pacific regions.

52. Finally, GCC restructured its compliance policies and programs by appointing a Chief Compliance Officer who reports directly to GCC's CEO and Audit Committee. Under this restructuring, GCC has enhanced its training of sales and accounting personnel on compliance policies and expectations, implemented regular reviews of third-party relationships and accounting adjustments, developed a global information technology strategy for risk assessment and control for financial reporting, and instituted evaluations for compliance performance through performance indicators and audits.

### **GCC's Non-Prosecution Agreement With the United States Department of Justice**

53. GCC has entered into a non-prosecution agreement with the United States Department of Justice that acknowledges responsibility for conduct relating to the findings in this Order.

54. GCC acknowledges that the Commission is not imposing a civil penalty for the violations described in this Order based in part on GCC's payment of a criminal fine of \$20,469,694.80 as part of GCC's settlement with the Department of Justice.

### **Undertakings**

55. Respondent has undertaken to

A. Cooperate fully with the Commission in any and all investigations, litigation, or other proceedings relating to or arising from the matters described in this Order. In connection with such cooperation, Respondent shall:

1. Produce, without service of a notice or subpoena, any and all non-privileged documents and other information requested by the Commission staff subject to any restrictions under the law of any foreign jurisdiction;

2. Use its best efforts to cause its current or former officers, employees, and directors to be interviewed by Commission staff at such times and places as the staff reasonably may direct;

3. Use its best efforts to cause its current or former officers, employees, and directors to appear and testify without service of a notice or subpoena in such investigations, depositions, hearings, or trials as may be requested by the Commission staff; and

4. In connection with any testimony of Respondent's officers, employees, and directors to be conducted at deposition, hearing, or trial pursuant to a notice or subpoena, Respondent

a. Agrees that any such notice or subpoena for the appearance and testimony of Respondent's officers, employees, and directors may be served by regular or electronic mail on: Christian J. Mixer, Esq., Morgan, Lewis & Bockius LLP, 1111 Pennsylvania Avenue, N.W., Washington, DC 20004, [christian.mixer@morganlewis.com](mailto:christian.mixer@morganlewis.com), with a copy to Emerson C. Moser, Esq., Senior Vice President, General Counsel and Corporate Secretary, General Cable Corporation, 4 Tesseneer Drive, Highland Heights, KY 41076-9753, [emoser@generalcable.com](mailto:emoser@generalcable.com);

b. Agrees that any such notice or subpoena for the appearance and testimony of Respondent's officers, employees, and directors in any action pending in a United States District Court may be served, and may require testimony, beyond the territorial limits imposed by the Federal Rules of Civil Procedure.

B. Report to the Commission staff periodically, at no less than one-year intervals during a three-year period from the date of this Order:

1. The status of Respondent's remediation and implementation of compliance measures. During this three-year period, should Respondent's Board of Directors, executive management, or legal and compliance personnel discover credible evidence, not already reported to the Commission staff, that questionable or corrupt payments, or questionable or corrupt transfers of property or interests may have been offered, promised, paid, or authorized by Respondent, or that related false books and records have been maintained, Respondent shall promptly report such conduct to the Commission staff. During this three-year period, Respondent shall (1) submit an initial report, and (2) conduct and prepare one follow-up review and report, as described below:

a. Respondent shall submit to the Commission staff a written report within 360 calendar days of the date of entry of this Order setting forth a complete description of its FCPA and anticorruption related remediation efforts to date, its plans or proposals reasonably designed to improve its policies and procedures for ensuring compliance with the FCPA and other applicable anticorruption laws, and the parameters of the subsequent reviews (“Initial Report”). The Initial Report shall be transmitted to Gerald W. Hodgkins, Associate Director, Division of Enforcement, Securities and Exchange Commission, 100 F Street, N.E., Washington, DC 20549. Respondent may extend the time period for issuance of the Initial Report with prior written approval of the Commission staff.

b. Respondent shall undertake at least two follow-up reviews, incorporating any comments provided by the Commission staff on the previous report, to further monitor and assess whether the policies and procedures of Respondent are reasonably designed to detect and prevent violations of the FCPA and other applicable anticorruption laws (the “Follow-Up Reports”).

c. The Follow-Up Report shall be completed no later than 365 days after the Initial Report. The second Follow-Up Report shall be completed no later than 730 days after the completion of the preceding follow-up review. Respondent may extend the time period for issuance of the Follow-Up Reports with prior written approval of the Commission staff.

d. The periodic reviews and reports submitted by Respondent will likely include proprietary, financial, confidential, and competitive business information. Public disclosure of the reports could discourage cooperation, impede pending or potential government investigations or undermine the objectives of the reporting requirement. For these reasons, among others, the reports and contents thereof are intended to remain and shall remain nonpublic, except (1) pursuant to court order, (2) as agreed by the parties in writing, (3) to the extent that the Commission staff determines in its sole discretion that disclosure would be in furtherance of the Commission’s discharge of its duties and responsibilities, or (4) is otherwise required by law.

2. Certify, in writing, that Respondent has made good faith efforts to comply with the undertakings set forth above. The certification shall identify the undertaking, provide written evidence of compliance in the form of a narrative, and be supported by exhibits sufficient to demonstrate compliance. The Commission staff may make reasonable requests for further evidence of compliance, and Respondent agrees to provide such evidence. The certification and supporting materials shall be submitted to Gerald W. Hodgkins, Associate Director, with a copy to the Office of the Chief Counsel of the Division of Enforcement, Securities

and Exchange Commission, 100 F Street, N.E., Washington, DC 20549, no later than sixty (60) days from the date of the completion of the undertakings.

#### IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent's Offer.

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 21C of the Exchange Act, GCC cease-and-desist from committing or causing any violations and any future violations of Sections 13(b)(2)(A), 13(b)(2)(B), and 30A of the Exchange Act.

B. GCC shall pay disgorgement of \$51,174,237, and prejudgment interest of \$4,107,660 to the Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). Payment shall be made in the following installments: one installment of \$5,856,380 due within 30 days of the date of entry of this Order, one installment of \$18,534,568 due within 180 days of the date of entry of this Order, and a final installment of \$30,890,949 due within 360 days of the date of entry of this Order. If any payment is not made by the date the payment is required by this Order, the entire outstanding balance of disgorgement and prejudgment interest, plus any additional interest accrued pursuant to the Commission's Rule of Practice 600 shall be due and payable immediately, without further application.

C. Payment must be made in one of the following ways:

(1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;

(2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or

(3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center  
Accounts Receivable Branch  
HQ Bldg., Room 181, AMZ-341  
6500 South MacArthur Boulevard  
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying General Cable Corporation as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Gerald W. Hodgkins, Associate Director, Division of

Enforcement, Securities and Exchange Commission, 100 F Street, N.E.,  
Washington, DC 20549.

- D. Respondent shall comply with the undertakings in paragraph 55.B, above.

By the Commission.

Brent J. Fields  
Secretary