

# Herbalife Agrees to Pay \$123M to Settle Charges Related to 10-Year Bribery Scheme in China

“Herbalife Nutrition Ltd.’s (‘Herbalife’) recent settlement of bribery allegations demonstrates the U.S. government’s continuing focus on China and the critical role that board members and senior management of multinationals play in overseeing compliance globally. On August 28, 2020, Herbalife Nutrition Ltd. (‘Herbalife’) agreed to pay the Securities and Exchange Commission (‘SEC’) and the Department of Justice (‘DOJ’) more than \$123 million in penalties and disgorgement to resolve bribery allegations in China. The settlement resolves a long-running probe in which two former executives of Herbalife’s Chinese subsidiary were indicted on criminal charges in November 2019. The resolution is one of many recent noteworthy enforcement resolutions targeting the operations of multinationals in China,” writes Geoffrey M. Atkins, Carissa Yuk and Viacheslav (Slava) Iavorskyi in ***Ropes & Gray’s Alerts***.

“The Order indicates that Herbalife China’s then-Managing Director and Director of External Affairs, along with other Herbalife China employees, provided lavish meals, gifts and other benefits to Chinese government officials in order to obtain its first direct selling license in March 2007. The SEC further stated that Herbalife China employees funded the meals and gifts through falsified expense reimbursements until 2016.”

***Read the article.***