

Key Takeaways from the FCPA Enforcement Actions Involving JPMorgan Chase & Co.

Enforcement Actions: SEC Administrative Proceeding (JPMorgan Chase & Co.) – November 17, 2016
DOJ NPA (JPMorgan Securities (Asia Pacific) Ltd.) – November 17, 2016

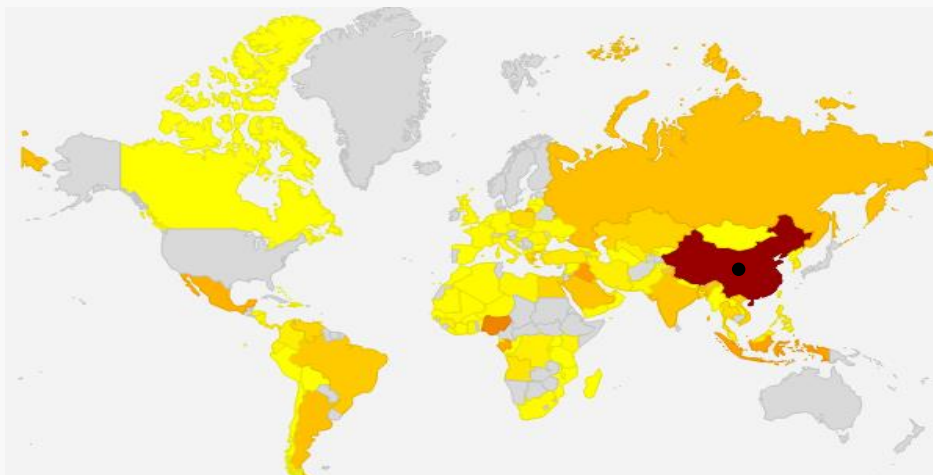
Total Sanctions: \$202,591,405

\$0 | \$202 million | \$1.7 billion

10th highest monetary sanction (of 179 total monetary sanctions against corporations in FCPA Groups to date)

Type of Bribery: Improper Employment

Geography: Asia Pacific Region, including at least China



Industry: Financial - the 14th FCPA Group involving the Financial industry

Implicated Companies: JPMorgan Chase & Co. (ticker: JPM, exchange: NYSE)
JPMorgan Securities (Asia Pacific) Ltd. (subsidiary of JPMorgan Chase)

Individuals Prosecuted: None

Description & Notes on the Resolutions:

According to the charging documents, between 2006 and 2013 investment bankers at JPMorgan Chase & Co.'s Asian subsidiary, JPMorgan Securities (Asia Pacific) Ltd. ("JPM APAC"), created and ran a client referral hiring program which provided "well-paying, career building JPMorgan employment" for the friends and relatives of clients in the Asia Pacific region. These clients included some senior officials at Chinese state-owned and controlled enterprises ("SOEs"). Overwhelmingly, the hires made through the program were otherwise unqualified for positions at JPMorgan and would not have been hired through normal channels. It was understood that these referral hires were made on a quid pro quo basis for lucrative business from JPMorgan's clients. Over the seven-year period, approximately 200 hires were made under the program, including almost 100 from referrals made by clients at Chinese SOEs, which generated more than \$100 million in revenue and at least \$35 million in profit for JPM APAC. In addition to the sanctions noted above, JPMorgan is also expected to pay \$61.9 million to the Federal Reserve Board of Governors. The enforcement actions brought against JPMorgan and JPM APAC appear to be the first enforcement actions brought based on a larger government investigation into financial services firms' hiring practices in Asia.

Mitigating / Aggravating Factors:

Voluntary Disclosure	Cooperation	Voluntary Remediation
No	Yes	Yes

Compliance / Reporting:

Compliance Obligation	Monitor Ordered	Length of Reporting
Yes	Self-Reporting	3 years