

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 98615 / September 28, 2023

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 4466 / September 28, 2023

ADMINISTRATIVE PROCEEDING
File No. 3-21755

In the Matter of

**CLEAR CHANNEL
OUTDOOR HOLDINGS,
INC.**

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 Clear Channel Outdoor Holdings, Inc. (“CCOH” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (“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, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over Respondent and the subject matter of these proceedings, which are admitted, Respondent 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 finds¹ that:

SUMMARY

1. This matter concerns violations of the anti-bribery, recordkeeping, and internal accounting controls provisions of the Foreign Corrupt Practices Act of 1977 ("FCPA") by Clear Channel Outdoor Holdings, Inc. ("CCOH"), a Texas-headquartered company in the out-of-home advertising industry, in connection with the actions of its agent, CCOH's former indirect, majority-owned Chinese subsidiary, Clear Media Limited ("Clear Media"). From at least 2012 through 2017, Clear Media bribed Chinese government officials, both directly and through third parties, to obtain concession contracts required to sell advertising services to public and private sector clients for display on public bus shelters, street furniture, and billboards. In addition, Clear Media used sham intermediaries and false invoices to generate cash for off-book consultants engaged to win advertising business from government and private customers. From at least 2012 through 2019 (the "relevant period"), CCOH failed to ensure that sufficient internal accounting controls were in place at Clear Media. CCOH received approximately \$16.4 million in benefits as a result of Clear Media's improper payments, which were inaccurately recorded as legitimate business expenses in CCOH's consolidated books and records.

RESPONDENT

2. CCOH is a Delaware corporation headquartered in San Antonio, Texas. Throughout the relevant period until May 2019, CCOH's then-corporate parent, iHeartMedia² (as defined herein), owned the majority of CCOH's outstanding shares. In May 2019, CCOH fully separated from iHeartMedia as part of the latter's Chapter 11 bankruptcy proceedings, emerging as a standalone, publicly traded company; at this time, iHeartMedia ceased to own any shares of CCOH. CCOH's common stock is and, throughout the relevant period, was registered with the Commission pursuant to Section 12(b) of the Exchange Act and trades on the New York Stock Exchange under the Ticker "CCO." CCOH reported a total revenue of \$2.7 billion for 2019 and, at that time, had approximately 5,900 employees worldwide.

OTHER RELEVANT ENTITIES AND INDIVIDUALS

3. **iHeartMedia, Inc. ("iHeartMedia")** is a Delaware corporation headquartered in San Antonio, Texas, which served as CCOH's ultimate corporate parent and owned the majority of CCOH's outstanding shares and total voting power until May 2019. During the beginning of the relevant period prior to 2014, iHeartMedia was named CC Media Holdings, Inc.

¹ The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

² During the beginning of the relevant period prior to 2014, the iHeartMedia subsidiary which owned CCOH's shares was named Clear Channel Communications, Inc.

4. **Clear Channel International (“CCI”)** was, during the relevant period, a CCOH division based in London, England.

5. **Clear Media Limited** was, during the relevant period, a Bermuda-incorporated holding company, headquartered in Guangzhou, China, through which CCOH conducted business in China. Since 2005, Clear Media Limited was majority-owned by CCOH. Since December 2001, Clear Media Limited listed a portion of its shares on the Hong Kong Stock Exchange. Clear Media Limited, in turn, operated through a joint venture entity (together, “**Clear Media**”) between Clear Media Limited and a PRC-incorporated company controlled by Related Group (“**JV Partner**”). Clear Media’s books and records were consolidated into CCOH’s consolidated financial statements for purposes of Commission filings through fiscal year 2020, when CCOH sold its interest in the Clear Media business.

6. **Related Group** was, during the relevant period, a group of companies operating in China that were controlled by Executive A’s close family member (“**Executive A’s Relative**”) and included, among others, JV Partner and various cleaning and maintenance entities used by Clear Media.

7. **Executive A**, a Chinese citizen and resident, was, during the relevant period, Clear Media’s principal executive officer.

8. **Executive B**, a Singaporean citizen and Chinese resident, was, during the relevant period, a senior executive officer of Clear Media.

FACTS

Background: CCOH’s control over Clear Media

9. CCOH acquired an interest in certain advertising companies associated with Executive A and Executive A’s Relative in China in 1998. In 2001, Clear Media Limited listed its shares on the Main Board of the Stock Exchange of Hong Kong Limited, and CCOH reorganized its holding through Clear Media. From 2005 through March 2020, CCOH held a majority of Clear Media’s shares. CCOH provided out-of-home advertising services in China solely through Clear Media and, through CCI, consolidated Clear Media’s results in its financial statements.

10. During the relevant period, Executive A served as Clear Media’s principal executive officer. CCOH exercised control of Clear Media through the participation of two to three executives on Clear Media’s board of directors, including in positions as Executive Chairman and Deputy Chairman of its board. Executives from CCOH’s finance, legal, and compliance functions also participated regularly in Clear Media’s board meetings, as well as in certain Clear Media audit committee meetings.

11. CCOH controlled the majority of voting shares of Clear Media. CCOH set financial goals for Clear Media; supervised Clear Media's financial performance, management, and organization; and defined Clear Media management's scope of responsibility. Using U.S.-based email systems, CCOH executives approved Clear Media's budget and significant transactions, including tenders for concessions. CCOH also controlled the adoption of Clear Media's compliance policies and the hiring, firing, and compensation of Executive A and other Clear Media executives. Clear Media reported to CCOH through the Executive Chairman of Clear Media's board of directors, a role filled by a CCOH executive for Asia Pacific from 2012 until 2015. Thereafter, the Executive Chairman of Clear Media's board reported to CCOH's head of the CCI division. CCOH conducted annual audits of Clear Media, including compliance, operational, and SOX audits.

Clear Media made improper payments to obtain and retain business in China and inaccurately documented and recorded the payments.

12. From at least 2012 through 2017, acting directly and through third parties, Clear Media provided improper benefits to obtain and renew concessions and advertising contracts in China and failed to appropriately document and record those payments in its books and records.

13. To obtain concession contracts from local Chinese government transport authorities, Clear Media provided cash-equivalent gift cards, golf clubs, vases, and other expensive and unidentified gifts and entertainment, some of which were provided "due to being in the negotiation process with clients for a renewal." Executive A spent hundreds of thousands of dollars, subject to no advance review or approval, on government officials for first-class travel, hotel rooms, meals, and entertainment. Clear Media's documentation often failed to identify the officials who received the benefits or to specify the amount spent on each official's behalf. In one instance in September 2015, Clear Media employees were cautioned by local Clear Media management not to "describe the purposes of the Hospitality Costs too specifically, e.g., for the purpose of winning the contract."

14. Clear Media also provided improper benefits to government officials through vendors known as "cleaning and maintenance entities," which helped obtain Clear Media's concession contracts as well as build, clean, and maintain its advertising displays. Many of Clear Media's cleaning and maintenance vendors were Related Group companies. Contrary to Clear Media's policies, Clear Media made certain payments to the cleaning and maintenance entities based solely on oral agreements, often disguising payments for the benefit of government officials as various "subsidies" or "special request" expenses. Written contracts Clear Media had with such entities often lacked specificity as to payment rates and amounts, and certain contracts did not have anti-corruption provisions or audit rights, contrary to Clear Media's policies. Further, the cleaning and maintenance entities did not detail the services they provided, as Clear Media's policies required before paying vendors.

15. In addition to cleaning and maintenance expenses, the budget Clear Media allocated to cleaning and maintenance entities included salaries, bonuses, entertainment, and other expenses.

Records indicate that Clear Media also maintained an annual reserve of \$525,000 to \$600,000 for “special funding” or “special request funding” for *ad hoc* requests, and that “from discussions in Hangzhou [in 2017,] special request funding ha[d] been used [in Hangzhou] solely for Government official entertaining.”³

16. In December 2016, Clear Media’s Hangzhou branch spent \$12,800 on customer entertainment while it was seeking the renewal of a priority concession with a Hangzhou transit authority (the “**Hangzhou Concession**”). In January 2017, Clear Media provided its Hangzhou branch with approximately \$14,000 to entertain government officials “due to the need to renegotiate” the Hangzhou Concession. Clear Media’s Hangzhou branch then transferred approximately \$20,350 to its cleaning and maintenance entity, classifying the payment as a “subsidy” or an “allowance.” The same month, the Hangzhou Concession was renewed.

17. Similarly, the general manager of Clear Media’s cleaning and maintenance entity in Shanghai told CCOH’s internal auditors during a 2017 audit that his main responsibility, along with Executive A, was to maintain a “close relationship” with Shanghai government officials, including through entertainment, in order to avoid having the Shanghai concession put out for public tender. He stated that Clear Media would lose the concession in an open tender because it was unable to compete based on price. Clear Media entered into a ten-year concession agreement with Shanghai public transit authorities in December 2016.

18. In addition to improper payments made to obtain concession contracts, Clear Media engaged in a “customer development expense” scheme from at least 2013 through 2017. Through this scheme, Clear Media developed an off-book cash fund for payments made to undisclosed consultants to win, grow, or retain advertising business from approximately 70 private and government customers. Clear Media purportedly considered the identities of the consultants to be sensitive and confidential information and did not properly diligence or document them. In some cases, Clear Media withdrew cash directly from its bank account for personnel to pay the undisclosed consultants. In others, Clear Media created false invoices and tax records to justify cash payments to three shell company intermediaries that provided no actual services. The shell companies, whose legal representatives included Executive A’s driver and personal assistant, were controlled by Related Group. After a series of cash deposits and withdrawals through layers of bank accounts held in the names of employees of Clear Media and Related Group companies, Clear Media sales directors distributed the cash to 19 different undisclosed consultants. The payments ranged from two to five percent of the advertising contracts’ value. Clear Media had no written agreements with the consultants or records of the payments made to them.

³ All U.S. dollar payment amounts and other U.S. dollar figures relating to Clear Media identified in this Order were converted from Chinese RMB or the Hong Kong Dollar at the exchange rate prevailing at the relevant time.

From 2012 through 2017, CCOH's internal auditors identified bribery-related concerns and internal accounting control deficiencies at Clear Media.

19. From 2012 through 2017, CCOH's internal auditors repeatedly reported elevated bribery risks at Clear Media and concerns regarding Clear Media's compliance program and internal accounting controls, including in relation to cleaning and maintenance vendors; travel, gifts, and entertainment; compliance training; and whistleblower hotline implementation. While CCOH audit reports identified certain remedial actions to be taken by Clear Media, CCOH failed to ensure that Clear Media took adequate steps to sufficiently address these repeated concerns. In some cases, CCOH's internal auditors erroneously reported that audit issues were remediated based on information provided by Clear Media, only to note the same issues in later audits; failed to elevate certain concerns they identified at Clear Media; and failed to adequately test high-risk transactions to detect long-running payment schemes.

20. In 2012, CCOH's internal auditors reported that Clear Media had made discretionary payments to cleaning and maintenance entities in China that could not be traced to written contracts. Clear Media also paid the majority of the salaries of the entities' senior management. Although Clear Media was using the cleaning and maintenance entities to interface with government officials, it required no compliance representations or training for the employees of these entities. CCOH Internal Audit also flagged Clear Media's failure to implement a whistleblower hotline.

21. In 2013, CCOH's internal auditors reported that the issues raised in their 2012 compliance audit had been addressed by Clear Media management, without describing how certain issues, some of which became the subject of repeat audit findings in 2014 and 2015, were resolved. Similarly, in 2014, CCOH's internal auditors concluded, based solely on assertions by certain Clear Media managers, that Clear Media used no intermediaries for dealings with municipal governments. In fact, however, Clear Media was making substantial ongoing payments to cleaning and maintenance entities, which past internal audits had found interacted with local officials on Clear Media's behalf. Nevertheless, in September 2014, CCOH's internal auditors assigned Clear Media a "marginal" rating due to concerns related to gifts and entertainment for government officials, among other issues, and recommended that expense approval and documentation processes and procedures be improved at Clear Media.

22. In connection with a 2015 specific scope audit focusing on the company's Shanghai branch, CCOH's internal auditors found that Clear Media continued to pay cleaning and maintenance entities at undocumented rates based on oral agreements and to employ the entities' senior management, and their Audit Report recommended that contracts going forward formally document rates payable to the entities. In a subsequent 2015 compliance audit, the auditors reported that some gifts and entertainment Clear Media provided to government officials may violate relevant anti-corruption laws. Examples included a set of gifts provided "due to being in the negotiation process with clients for a renewal," as well as cash-equivalent gifts, golf clubs, and other items provided at the request of government officials. In its Audit Report, CCOH's internal auditors recommended that Clear Media create a clear policy governing appropriate gift and

hospitality practices, to be agreed to and monitored by CCOH compliance and Clear Media's local compliance officer.

23. CCOH's internal auditors reported to CCOH's management or audit committee in 2015, 2016, and 2017 that some of Clear Media's gift and entertainment expenses for government officials may be "problematic" or "high risk" under applicable anti-corruption laws and carried risks of fines and reputational damage. A 2016 Audit Report also flagged gaps in Clear Media's provision of compliance training below the senior management level and in publicizing its whistleblower hotline, while the auditors failed to perform any testing of Clear Media's due diligence files and contracts to verify the accuracy of Clear Media's assertions about its use of third parties, contrary to their standard testing protocol.

24. Following three "marginal" compliance ratings in three years, Clear Media entered a cycle of "unsatisfactory" audit findings beginning in 2017 based primarily on continued concerns about cleaning and maintenance vendors. A January 2017 report issued by Clear Media's internal auditor, reviewed by CCOH's internal auditors and a CCI executive, reported that the cleaning and maintenance entities' government interactions included obtaining approvals and negotiating penalties and concession contracts for Clear Media. Despite the elevated corruption risks of this relationship, Clear Media's payments to the entities included "special request expenses" and "allowances" intended to enable the entities "to maintain or build[] up relationships with local authorities." Clear Media also subsidized the entities' salary and rent, purchased their vehicles, and provided bonuses and trips for their personnel. Cleaning and maintenance agreements automatically renewed without due diligence or competitive bidding.

25. In 2017, during a specific scope audit focusing on Clear Media's Shanghai and Hangzhou branches, CCOH's internal auditors also noted concerns in their work papers about the significant entertainment expenditures for Hangzhou government officials "due to the need to renegotiate" the Hangzhou Concession in early 2017. These specific concerns were not reflected in the summary report provided to CCOH's management and presented to CCOH's audit committee.

In 2017, Clear Media blocked CCOH's internal auditors' access to records.

26. Given the risks surrounding Clear Media's payments to cleaning and maintenance entities, in 2017, CCOH's internal auditors requested support concerning the entities' monthly expenditures, as well as for the payments made to entertain officials renegotiating the Hangzhou Concession in early 2017. Executive A blocked CCOH's internal auditors, Clear Media's internal auditor, and Executive B from obtaining access to the requested records.

27. Following the 2017 audit, CCOH's internal auditors raised concerns about access to records with Clear Media management and with Clear Media's Chairman of the Board and Audit Committee Chair. Executive A's actions were then reported to CCOH's senior executives and audit committee. CCOH's internal auditors assigned Clear Media an "unsatisfactory" audit rating

due largely to CCOH's internal auditors' inability to provide assurance on the appropriateness or validity of Clear Media's payments to cleaning and maintenance vendors.

In 2018, a misappropriation scheme came to light, revealing additional weaknesses in Clear Media's internal accounting controls.

28. In January 2018, a Clear Media cashier confessed to Chinese authorities that he had participated in a decade-long misappropriation scheme. Clear Media's board engaged local counsel and the Hong Kong branch of an accounting firm to investigate the misappropriation. In February 2018, Clear Media's external auditors also identified suspicious commission payments made to entities related to Executive A. Clear Media's investigation found that:

- Between 2007 and 2017, at least three Clear Media employees engaged in a series of unrecorded and allegedly unauthorized transactions to misappropriate approximately USD \$10.2 million;
- Between 2011 and 2018, undisclosed, "off-book" bank accounts in Clear Media's name were used to receive government subsidies totalling at least USD \$5.2 million that were not recorded as income; and
- Between at least 2015 and 2017, Clear Media made approximately USD \$9.8 million in cash "customer development" payments, both through Clear Media personnel and Related Group shell companies, to 19 secret consultants to obtain or retain business with approximately 70 government and private customers.

29. Executive A prevented investigators from interviewing Related Group employees regarding the "customer development" expenses and from accessing its records. Clear Media eventually permitted external legal counsel in China to contact five of the 19 consultants by telephone, all of whom denied making improper payments. Investigators had no access, however, to the secret consultants' books and records to verify how the "customer development" fees were used.

30. While CCOH did not become aware of the "customer development" expense scheme until 2018, later investigation revealed that Clear Media's payments to secret consultants began no later than 2013. CCOH's monitoring of Clear Media failed to detect the repeated, large cash withdrawals and commission payments that Clear Media made for at least five years, from 2013 through 2017, in furtherance of the "customer development" scheme.

31. At the same time, as of 2018, many of the issues CCOH's internal auditors did identify in audits of Clear Media since 2012 remained insufficiently or only partially remediated by Clear Media. For example, a compliance questionnaire Clear Media completed in March 2018 reflected that Clear Media did not conduct due diligence on agents, did not require approval of new suppliers before processing payments to them, did not obtain required legal department approval of

related party transactions, did not include CCOH's anti-bribery contractual provisions and audit clauses in its model contracts, and did not publicize the CCOH whistleblower hotline.

32. In March 2018, Clear Media provided information regarding its investigation to the Hong Kong Stock Exchange, which temporarily suspended trading in Clear Media securities in April 2018. CCOH made a parallel disclosure to the Commission in anticipation of a delayed filing of its annual report. About the same time, the Hong Kong office of CCOH's external auditors disclaimed its 2017 audit opinion of Clear Media's financials. CCOH's external auditors in the United States determined that Clear Media's internal control over financial reporting had a material weakness related to approvals and segregation of duties within cash management and banking processes. Gaps surrounding vendor payments and cash disbursement were deemed a significant deficiency.

33. To remediate these issues, Clear Media engaged an accounting firm ("**Accounting Firm**") to review its internal control over financial reporting. Accounting Firm's September 2018 recommendations were similar to those CCOH's internal auditors had made from 2012 to 2017 regarding Clear Media's governance of supplier management, conflicts of interest, related party transactions, employee expense claims, and whistleblowing. Accounting Firm's recommendations also addressed Clear Media's "customer development" expenses and internal audit function.

Throughout 2019, Clear Media continued to block access to financial records and pay cleaning and maintenance entities without adequate support.

34. Executive A continued to deny CCOH's internal auditors access to financial records related to the cleaning and maintenance entities' expenses in 2019. CCOH's internal auditors reported this to their executive management, along with continuing concerns regarding Clear Media's whistleblowing hotline implementation and provision of meals and entertainment.

35. Accounting Firm assigned Clear Media "unsatisfactory" ratings in two internal audits it conducted in 2019. Accounting Firm found that Clear Media continued to pay substantial "business development assistance fees" to cleaning and maintenance entities related to acquiring or renewing concession rights; there were no formal contractual agreements in respect to these services or bases to support the amounts paid. Accounting Firm concluded that these payments created a "critical risk" to Clear Media's operational performance, financial statements, and reputation or could result in legal fines and penalties. Accounting Firm further found a high risk associated with Clear Media's payments to the entities to clean and maintain bus shelters, which also lacked an adequately documented basis, and recommended clarification of pricing models and monitoring of payments for appropriateness.

36. In May 2019, CCOH legally separated from its former ultimate parent company, had a new class of stockholders, and formed a new board of directors. Despite various remedial efforts, by the end of 2019, CCOH still could not assure itself that Clear Media's payments to cleaning and maintenance entities were being spent appropriately, consistent with CCOH management's policies, and in compliance with anti-corruption laws. In November 2019, CCOH

announced a strategic review of its interest in Clear Media. In March 2020, CCOH disposed of its interest in Clear Media.

LEGAL STANDARDS AND VIOLATIONS

37. Under Exchange Act Section 21C(a), the Commission may impose a cease-and-desist order upon any person who is violating, has violated, or is about to violate any provision of the Exchange Act or any regulation thereunder, and upon 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.

38. As a result of the conduct described above, Respondent violated Section 30A of the Exchange Act, which prohibits any issuer with a class of securities registered pursuant to Section 12 of the Exchange Act or with reporting obligations pursuant to Section 15(d) of the Exchange Act, or any officer, director, employee, or agent of such issuer, or any stockholder acting on behalf of an issuer, from making use of 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 or promise to give anything of value to any foreign official, for purposes of influencing any act or decision of such foreign official in his official capacity in order to assist such issuer in obtaining or retaining business for or with any person.

39. As a result of the conduct described above, Respondent violated Section 13(b)(2)(A) of the Exchange Act, which requires issuers with a class of securities registered pursuant to Section 12 of the Exchange Act and issuers with reporting obligations pursuant to Section 15(d) of the Exchange Act to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of the issuer.

40. As a result of the conduct described above, Respondent violated Section 13(b)(2)(B) of the Exchange Act, which requires issuers with a class of securities registered pursuant to Section 12 of the Exchange Act and issuers with reporting obligations pursuant to Section 15(d) of the Exchange Act 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.

Disgorgement and Civil Penalties

41. The disgorgement and prejudgment interest referenced in Section IV below is consistent with equitable principles, does not exceed Respondent's net profits from its violations,

and returning the money to Respondent would be inconsistent with equitable principles. Therefore, in these circumstances, distributing disgorged funds to the United States Treasury is the most equitable alternative. The disgorgement and prejudgment interest referenced in Section IV below shall be transferred to the general fund of the United States Treasury, subject to Section 21F(g)(3) of the Exchange Act.

Cooperation and Remediation

42. In determining to accept the Offer, the Commission considered CCOH's cooperation and remedial efforts.

43. CCOH's cooperation included: (1) promptly sharing facts developed in its own internal investigation; (2) proactively producing relevant documents, including documents from Clear Media, both prior to and following the sale of CCOH's interest in Clear Media, that were located overseas; (3) producing, in real time, documentation of audits of Clear Media internal controls during the course of the investigation; (4) providing translations of documents; (5) facilitating the production of documents from third parties; and (6) facilitating the Commission's staff's interviews of current and former employees of CCOH's foreign subsidiaries and of certain third parties.

44. CCOH's remediation efforts include: (1) disposing of its interest in Clear Media; (2) enhancing CCOH's anti-corruption compliance policies, procedures, and related internal accounting controls surrounding third-party due diligence, contracting, payments, and monitoring; gifts, meals, entertainment, and travel; conflicts of interest; and the monitoring and remediation of internal audit issues and actions; (3) implementing annual compliance reviews of internal accounting controls across its business units; (4) increasing human and financial resources for compliance, including the hiring of a dedicated Compliance Director; (5) introducing ethics and compliance considerations into performance evaluations and compensation decisions; and (6) enhancing online and live anti-corruption training programs.

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, Respondent cease and desist from committing or causing any violations and any future violations of Sections 30A, 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act.

B. Respondent shall pay disgorgement of \$16,355,567, prejudgment interest of \$3,760,920, and a civil monetary penalty in the amount of \$6,000,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to

Exchange Act Section 21F(g)(3). Respondent shall pay \$13,058,243.50 within 30 days after entry of the Order; and the remaining balance in one-third equal installments under the following schedule: 305 days, 335 days, and 365 days after the entry of the Order until the full amount and interest is paid. Payments shall be applied first to post-order interest, which accrues pursuant to SEC Rule of Practice 600 and 31 U.S.C. § 3717. Prior to making the final payment set forth herein, Respondent shall contact the staff of the Commission for the amount due. If Respondent fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Order, including post-order interest, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commission without further application to the Commission.

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 CCOH 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 Charles Cain, Chief, FCPA Unit, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549-5631.

D. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action (as defined herein), it shall not argue that it is entitled to, nor shall it benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that it shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall

not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a “Related Investor Action” means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

By the Commission.

Vanessa A. Countryman
Secretary