

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 95192 / July 1, 2022**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-20781**

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**In the Matter of**

**Baxter International Inc. ,**

**Respondent.**

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**ORDER APPOINTING**  
**FUND ADMINISTRATOR AND**  
**SETTING ADMINISTRATOR'S**  
**BOND AMOUNT**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-20782**

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**In the Matter of**

**Jeffrey Schaible,**

**Respondent.**

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**ADMINISTRATIVE PROCEEDING**  
**File No. 3-20783**

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**In the Matter of**

**Scott Bohaboy,**

**Respondent.**

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On February 22, 2022, the Commission issued an Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and 21C of the Securities

Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (the “Order”) against Baxter International Inc. (“Baxter”).<sup>1</sup> In the Order, the Commission found that beginning in at least 2009 and continuing through July 2019, Baxter improperly leveraged its foreign exchange rate convention by engaging in intra-company transactions for the purpose of generating foreign exchange accounting gains or avoiding foreign exchange accounting losses (the “FX Transactions”). These FX Transactions had the effect of materially misstating Baxter’s net income as reported in public filings. In October 2019, Baxter announced that it was conducting an internal investigation concerning the FX Transactions. In March 2020, Baxter restated its financial statements, which reduced its previously reported net income for 2017 through June 30, 2019, and retained earnings as of January 1, 2017, by \$582 million, collectively. The Commission ordered Baxter to pay a civil money penalty of \$18 million and created a Fair Fund pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002 (the “Baxter Fair Fund”). Baxter has paid in full.

Also on February 22, 2022, in two related matters, the Commission issued Corrected Orders Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Orders against Jeffrey Schaible (the “Schaible Order”)<sup>2</sup> and Scott Bohaboy (the “Bohaboy Order”).<sup>3</sup> During relevant times, Schaible was an employee in the Treasury department of Baxter, and Bohaboy was its Treasurer. In the Schaible and Bohaboy Orders, the Commission found that the respondents, among other things, caused Baxter’s violations of the federal securities laws. The Commission ordered Schaible to pay disgorgement, prejudgment

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<sup>1</sup> Securities Act Rel. No. 11032 (Feb. 22, 2022).

<sup>2</sup> Securities Act Rel. No. 11033 (Feb. 22, 2022).

<sup>3</sup> Securities Act Rel. No.11034 (Feb. 22, 2022).

interest, and a civil penalty totaling \$189,359.00 and Bohaboy to pay a civil money penalty of \$125,000. Schaible and Bohaboy have paid in full. The Commission created a Fair Fund in each of the Schaible and Bohaboy Orders pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002 and further ordered those Fair Funds combined with the Baxter Fair Fund.

The Baxter Fair Fund has been deposited in an interest-bearing account at the U.S. Department of the Treasury's Bureau of the Fiscal Service, and any accrued interest will be for the benefit of the Baxter Fair Fund.

The Division of Enforcement now seeks the appointment of Epiq Class Action & Claims Solutions, Inc. ("Epiq") as the fund administrator and requests that the administrator's bond be set at \$18,314,359.00. Epiq is included in the Commission's approved pool of administrators.

Accordingly, IT IS HEREBY ORDERED that Epiq is appointed as the fund administrator, pursuant to Rule 1105(a) of the Commission's Rules on Fair Fund and Disgorgement Plans ("Commission's Rules"),<sup>4</sup> and shall obtain a bond in accordance with Rule 1105(c) of the Commission's Rules,<sup>5</sup> in the amount of \$18,314,359.00.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.<sup>6</sup>

Vanessa A. Countryman  
Secretary

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<sup>4</sup> 17 C.F.R. § 201.1105(a).

<sup>5</sup> 17 C.F.R. § 201.1105(c).

<sup>6</sup> 17 C.F.R. § 200.30-4(a)(17).