

From: Steve Kreps
To: Alvaro Acevedo; Manrique Ugalde
Date: 11/26/01 3:52PM
Subject: FCPA information

Gentlemen,

Attached, for your information, is a memo I distributed in 1999 regarding accounting for confidential payments. Please call me if you have questions.

Regards,

Steve Kreps

CC: Joel Raymer

CBI-V1-001-001459



**Chiquita
Brands
International**

MEMORANDUM

TO: Distribution

DATE: November 30, 1999

FROM: Steven Kreps

PHONE: 513-768-4933

SUBJECT: Accounting for Confidential Payments

This memorandum confirms current practices superceding previous guidance provided in memoranda from Bud White and Steve Tucker. These practices help ensure operating units have accurate books and records and adequate systems of internal accounting controls, while allowing appropriate confidentiality.

There are two options for recording confidential payments. These are the only two options unless you receive authorization to use another method from W. Tsacalis, CBII Vice President and Controller.

1. Follow standard Company practices in recording and classifying these transactions in the operating unit's books and records; or
2. Record these transactions in a Manager's Expense account and comply with the following procedure:
 - a. The General Manager will maintain the details and documents supporting the transactions recorded in the Manager's Expense account.

At least once each quarter, the Manager of the San José, Costa Rica, Internal Audit Regional Office will perform an on-site review of each transaction recorded in the Manager's Expense account to determine whether:

- The transaction was properly authorized, documented and supported;
- Documentation and support exists for each transaction (a list of such transactions should be prepared by the local controller); and
- If required, transactions were reported on an appropriate quarterly Foreign Corrupt Practices Act Compliance Certificate.

During this review, the Internal Audit Manager may request copies of supporting details and documents for further review with the Law Department.

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- b. Internal Audit will periodically perform on-site reviews of disbursements at the operating units which use a Manager's Expense account to assure that the quarterly review, referred to above, includes all appropriate transactions.
- c. As part of the operating unit's TCS, the General Manager's supervisor should approve the amount for the Manager's Expense account.

If an operating unit does not have a Manager's Expense account and would like to use one, W. Tsacalis, CBII Vice President and Controller, should be contacted for authorization. The Financial & Administrative Policies relating to this subject are:

- X Internal Control A-1.0, pp. 1/7
- X Quarterly Representation Letter B-3.0, pp. 1-6
- X Fiduciary Responsibilities of Local Chief Financial Officers A-6.0, pp. 1-2
- X FCPA commentary and the Company's "Statement of Policies & Procedures," A-2.0, pp. 1-3 (and exhibits)

Please contact me if you have any questions.

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