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Press Release

SWEDISH TELECOMMUNICATIONS GIANT LM ERICSSON AND ITS U.S. DIVISION ERICSSON INC. SUED BY 528 AMERICANS FOR ALLEGED PROTECTION MONEY PAYMENTS TO AL-QAEDA, AL-QAEDA-IN-IRAQ, AND ISLAMIC STATE

WASHINGTON, D.C. (August 5, 2022) – This morning, hundreds of Americans filed an Anti-Terrorism Act complaint against Telefonaktiebolaget LM Ericsson (“LM Ericsson”) and Ericsson Inc. (collectively “Ericsson”) for aiding campaigns of terrorism in Iraq, Afghanistan, and Syria conducted by al-Qaeda, al-Qaeda-in-Iraq, and Islamic State from 2004 through 2022. Ericsson is accused of making protection payments to designated Foreign Terrorist Organizations, obstructing U.S. government counterterrorism efforts, and fraudulently concealing their aid to terrorists from the United States, Ericsson’s shareholders, and victims of terrorism like Plaintiffs. The Anti-Terrorism Act complaint, captioned *Schmitz, et al. v. Ericsson Inc., et al.*, **Case 1:22-cv-02317 (D.D.C. Compl. filed Aug. 5, 2022)** follows an exhaustive investigation by the Washington, D.C.-based law firm Sparacino PLLC after Ericsson’s Iraq disclosures in 2022.

Plaintiffs are 528 Americans, comprised of 165 Gold Star families and numerous former hostages, families of hostages, and severely injured service members. Each Plaintiff was injured, or is the loved one of someone who was killed or injured, during attacks committed by al-Qaeda, al-Qaeda-in-Iraq, or Islamic State in Iraq, Afghanistan, and Syria from 2005 through 2021. Plaintiffs say Ericsson knowingly supported a terrorist campaign that attacked, killed, and wounded thousands of Americans in Iraq, Afghanistan, and Syria, including Plaintiffs, by aiding the terrorists through Ericsson’s regular protection money payments to terrorists, and Ericsson’s intentional obstruction of United States counterterrorism policy.

“Plaintiffs say while Americans were risking their lives between 2005 and 2021 to help rebuild Iraq, Afghanistan, and Syria, LM Ericsson and Ericsson Inc. facilitated illicit Iraq-related transactions that they knew terrorists such as ISIS used to finance attacks against Americans in Iraq, Afghanistan, and Syria,” said Ryan Sparacino, the Founding Partner of Sparacino PLLC. “As alleged, even though the terrorists openly proclaimed their desire for protection money to help fund their campaign to kill Americans in the Middle East and the U.S. government publicly opposed illicit transactions that flowed protection money to terrorists, Ericsson defied the United States – and its obligations under the Anti-Terrorism Act – in pursuit of profit.”

Mr. Sparacino continued: “Plaintiffs allege that when Islamic State overran Mosul in 2014, responsible businesses suspended operations to avoid funding ISIS, but Ericsson calculated that pulling back was ‘premature.’ Instead, the Complaint details that Ericsson’s cold calculation was that paying terrorists protection money to ensure safe passage through Iraq would be better for its business. As we will show in court, Ericsson continued its long-standing practice as a corporate criminal on a global crime spree where ‘money talks’ regardless of what the law demanded.”

Indeed, Plaintiffs say that Ericsson explicitly chose illegal options over legal alternatives while knowing that their money was flowing to terrorists. For example, when Ericsson was presented with a ‘Speedway’ (unlawful) and a ‘legal way’ (lawful), Plaintiffs allege Ericsson chose the low road.

“Plaintiffs allege it was Ericsson that made that choice, but it was Plaintiffs who suffered the consequences,” Sparacino said.

Mr. Sparacino added: “This Complaint is an important, but small, step to hold Ericsson accountable for its allegedly unconscionable behavior. Plaintiffs encourage the United States Department of Justice and Securities and Exchange Commission—**in the strongest possible terms**—to investigate LM Ericsson, Ericsson Inc., and every LM Ericsson or Ericsson Inc. officer, employee, or agent – **including their in-house and external legal, compliance, tax, accounting, sales, and corporate responsibility personnel**. Assuming the leaked internal Ericsson documents as published by the media are accurate - - and Ericsson has admitted they are -- federal prosecutors must investigate this matter thoroughly.

“Indeed, given Ericsson’s admissions that media reports of its behavior are accurate, the U.S. Department of Justice must make an example out of the company and any person who supported the corruption scheme,” Sparacino said. Justice in these circumstances cannot – and must not – be limited to just another corporate slap on the wrist. If the leaked internal Ericsson documents are accurate, any individuals who were involved and violated applicable U.S. criminal laws must be held accountable. Simply put, justice demands that federal prosecutors do everything they can to put individual wrongdoers behind bars for a very long time.”

The filing of today’s Anti-Terrorism Act Complaint against Ericsson followed an extensive investigation (which continues today) that started after Ericsson’s Iraq-related disclosures in February 2022, including extensive time spent investigating the terrorist campaigns in Iraq, Afghanistan, and Syria and how al-Qaeda, al-Qaeda-in-Iraq, and Islamic State funded themselves through illicit corporate deals with companies like Ericsson.

Sparacino PLLC is the same firm that currently represents more than 1,200 American clients who recently secured a comprehensive Anti-Terrorism Act victory in the United States Court of Appeals for the D.C. Circuit in a separate Anti-Terrorism Act matter (that is also about how corruption in Iraq financed terrorism) against Johnson & Johnson, Pfizer, GE Healthcare, AstraZeneca, and Roche, captioned *Atchley et al. v. AstraZeneca UK Ltd., et al.*, Case 1:17-cv-02136 (D.D.C.). Sparacino serves as lead investigative counsel in both the *Schmitz* and *Atchley* cases, following a similar investigative approach in each.

The Complaint in *Schmitz et al. v. Ericsson Inc. et al.* is available online at:

<https://terrorismcase.com/ericsson>

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