



Alibaba Agrees \$600 Million Settlement with DOJ over Illegal Sales

Description

Chinese company Alibaba will pay \$600 million to settle problems with U.S. laws. The company admitted it did not stop many illegal product sales on its websites. These products included fake medicines and other controlled items.

The U.S. Department of Justice (DOJ) announced this deal. Alibaba and its payment service, AUS Merchant Services, will pay this amount to fix the issues. They didn't stop around 80,000 illegal sales from January 2016 to December 2024, breaking U.S. laws.

The companies failed to check their transactions properly. This means they missed risky sales. In some cases, sellers continued to sell these illegal products even after being reported.

The DOJ did over 40 secret purchases of these illegal items. They found problems with AUS Merchant Services' anti-money laundering program. This program is supposed to prevent illegal money transfers.

Alibaba said it will improve its systems to prevent future problems. They want to follow U.S. rules better. Both companies will also work with U.S. authorities in the future.

Vocabulary List:

1. **settle** //ˈsetəl// (verb): agree to pay or fix a legal problem
2. **admitted** //ədˈmɪtɪd// (verb): said they had done something wrong
3. **illegal** //ɪˈlɪgəl// (adjective): not allowed by the law or rules
4. **transactions** //trænˈzækʃənz// (noun): money or business exchanges between people or companies
5. **laundering** //ˈlɒndərɪŋ// (noun): making illegally gained money look legal
6. **authorities** //əˈθɔːrətɪz// (noun): people or groups that make and enforce rules

Comprehension Questions

Multiple Choice

1. How much will Alibaba pay to settle problems with U.S. laws?
Option: \$400 million



- Option: \$600 million
- Option: \$800 million
- Option: \$1 billion

2. What type of products were included in the illegal sales on Alibaba's websites?

- Option: Fake electronics
- Option: Fake medicines
- Option: Counterfeit clothes
- Option: Stolen goods

3. Which department announced the deal with Alibaba?

- Option: Department of Commerce
- Option: Department of Justice
- Option: Department of Defense
- Option: Department of State

4. What was the duration of the illegal sales mentioned in the report?

- Option: 2014 to 2020
- Option: 2015 to 2021
- Option: 2016 to 2024
- Option: 2018 to 2023

5. What was one issue found with AUS Merchant Services?

- Option: High transaction fees
- Option: Poor customer support
- Option: Problems with anti-money laundering program
- Option: Slow transaction processing

6. What does Alibaba plan to improve to prevent future problems?

- Option: Marketing strategies
- Option: Customer service
- Option: Systems to follow U.S. rules
- Option: Product range

True-False

7. Alibaba admitted to stopping many illegal product sales on its websites.



8. The U.S. DOJ conducted over 40 secret purchases of illegal items.
9. Alibaba will not work with U.S. authorities in the future.
10. AUS Merchant Services is part of the Alibaba company.
11. The illegal sales included only controlled items.
12. Alibaba will pay \$600 million to resolve issues related to illegal sales.

Gap-Fill

13. Alibaba admitted it did not stop many illegal product sales on its websites including fake medicines and other controlled _____ .
14. They didn't stop around _____ illegal sales from January 2016 to December 2024.
15. The DOJ found problems with AUS Merchant Services' anti-money laundering _____ .
16. Alibaba said it will improve its systems to prevent future _____ .
17. Both companies will also work with U.S. _____ in the future.
18. The Department of Justice (DOJ) announced this _____ .

Answer

Multiple Choice: 1. \$600 million 2. Fake medicines 3. Department of Justice 4. 2016 to 2024 5. Problems with anti-money laundering program 6. Systems to follow U.S. rules

True-False: 7. False 8. True 9. False 10. True 11. False 12. True

Gap-Fill: 13. items 14. 80,000 15. program 16. problems 17. authorities 18. deal

CATEGORY

1. Business - LEVEL1

POST TAG

1. AI
2. Alibaba
3. DOJ deal



4. ESL learning
5. esl news
6. L1
7. Level 1
8. online marketplace

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