

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(D) OF  
THE SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED) JULY 14, 2006

VERINT SYSTEMS INC.  
(Exact name of registrant as specified in charter)

DELAWARE (State or Other Jurisdiction of Incorporation)	0-49790 (Commission File Number)	11-3200514 (IRS Employer Identification No.)
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330 SOUTH SERVICE ROAD, MELVILLE, NEW YORK 11747  
(Address of Principal Executive Offices) (Zip Code)

(631) 962-9600  
(Registrant's telephone number, including area code)

NOT APPLICABLE  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 8.01 OTHER EVENTS.

On July 14, 2006, Verint Systems Inc. (Nasdaq: VRNT) (the "Company" or "Verint") issued a press release, attached to this Current Report on Form 8-K as Exhibit 99.1, reporting that the Company acquired Mercom Systems, Inc., a privately-held provider of interaction recording and performance evaluation solutions for small-to-midsize enterprises with contacts centers, for \$35 million in cash at closing and potential additional cash earn-out payments not to exceed \$17.5 million over two years based on certain performance targets.

A copy of a press release relating to the foregoing is attached hereto as Exhibit 99.1 and is incorporated in this Item 8.01 by reference.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

The following exhibit is furnished herewith:

99.1 Press release dated July 14, 2006

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VERINT SYSTEMS INC.

By: /s/ Igal Nissim

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Name: Igal Nissim

Title: Chief Financial Officer

Dated: July 18, 2006

EXHIBIT INDEX

Exhibit No.  
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Description  
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99.1

Press Release of Verint Systems Inc. dated July 14, 2006

VERINT  
POWERING ACTIONABLE INTELLIGENCE

PRESS RELEASE

CONTACTS

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VERINT ANNOUNCES ACQUISITION OF MERCOM SYSTEMS

Acquisition Supports Verint's Strategy of Bringing Actionable Intelligence to  
the Growing Small-to-Midsize Enterprise Contact Center Market

MELVILLE, NY, JULY 14, 2006 - VERINT SYSTEMS INC. (NASDAQ: VRNT), a leading provider of analytic software-based solutions for security and business intelligence, today announced the acquisition of Mercom Systems, Inc., a privately-held provider of interaction recording and performance evaluation solutions for small-to-midsize enterprises with contacts centers. Mercom has approximately 60 employees and is headquartered in Lyndhurst, NJ.

This acquisition will enable Verint to more effectively bring actionable intelligence to the growing small-to-midsize enterprise contact center market, leveraging Mercom's significant experience in developing, packaging and delivering solutions tailored to this market's specific requirements. Through its global base of resellers, Mercom distributes its recording and performance evaluation solutions to contact centers across a wide range of customers, including financial institutions, utility companies, public security and other enterprise and government agencies.

"We believe that there is growing demand for analytical solutions that can help drive operational effectiveness in the small-to-midsize enterprise market," said Dan Bodner, President and CEO of Verint Systems. "The Mercom team has a strong track record in this growing market and we look forward to providing our combined global channels with an expanded portfolio of value-added analytical solutions."

Verint Systems has acquired the business of Mercom for \$35 million in cash at closing and potential additional cash earn-out payments not to exceed \$17.5 million over two years based on certain performance targets. The acquisition is expected to contribute approximately \$8 million of revenue for the remainder of Verint's Fiscal 2006 and is expected to be non-dilutive to pro forma EPS, excluding the amortization of intangibles assets and one-time charges related to the acquisition.

VERINT ANNOUNCES ACQUISITION OF MERCOM SYSTEMS

JULY 14, 2006

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ABOUT VERINT SYSTEMS INC.

Verint(R) Systems Inc., headquartered in Melville, New York, is a leading provider of analytic software-based solutions for security and business intelligence. Verint software, which is used by over 1,000 organizations in over 50 countries worldwide, generates actionable intelligence through the collection, retention and analysis of voice, fax, video, email, Internet and data transmissions from multiple communications networks. Verint is a subsidiary of Converse Technology, Inc. (Nasdaq: CMVT). Visit us at our website [www.verint.com](http://www.verint.com).

Note: Certain statements concerning Verint's future revenues, earnings per share, results or prospects are "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. There can be no assurances that forward-looking statements will be achieved, and actual results could differ materially from forecasts and estimates. Important risks, uncertainties and other important factors that could cause actual results to differ materially

include, among others: potential impact on Verint's financial results as a result of Comverse's creation of a special committee of the Board of Directors of Comverse to review matters relating to grants of Comverse stock options, including but not limited to, the accuracy of the stated dates of Comverse option grants and whether Comverse followed all of its proper corporate procedures and the results of the Comverse special committee's review; the effect of Verint's failure to timely file all required reports under the Securities Exchange Act of 1934, and the resultant potential delisting of Verint's common stock on Nasdaq; introducing quality products on a timely basis that satisfy customer requirements and achieve market acceptance; lengthy and variable sales cycles create difficulty in forecasting the timing of revenue; integrating the business and personnel of CM Insight; risks associated with significant foreign operations, including fluctuations in foreign currency exchange rates; aggressive competition in all of Verint's markets, which creates pricing pressure; integrating the business and personnel of MultiVision, including implementation of adequate internal controls; managing our expansion in the Asia Pacific region; risks that Verint's intellectual property rights may not be adequate to protect its business or that others may claim that Verint infringes upon their intellectual property rights; risks associated with integrating the business and employees of Opus and RP Sicherheissysteme GMBH; risks associated with Verint's ability to retain existing personnel and recruit and retain qualified personnel in all geographies in which Verint operates; decline in information technology spending; changes in the demand for Verint's products; challenges in increasing gross margins; risks associated with changes in the competitive or regulatory environment in which Verint operates; dependence on government contracts; expected increase in Verint's effective tax rate; perception that Verint improperly handles sensitive or confidential information; inability to maintain relationships with value added resellers and systems integrators; difficulty of improving Verint's infrastructure in order to be able to continue to grow; risks associated with Comverse Technology, Inc. controlling Verint's business and affairs; and other risks described in filings with the Securities and Exchange Commission. All documents are available through the SEC's Electronic Data Gathering Analysis and Retrieval system (EDGAR) at [www.sec.gov](http://www.sec.gov) or from Verint's website at [www.verint.com](http://www.verint.com). Verint makes no commitment to revise or update any forward-looking statements.

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