

Bid-Rigging in the International Market for Marine Hose / Misao Hioki

Case ID:

ST-62

Case Cluster :

Bid-Rigging in the International Market for Marine Hose

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Department of Justice

Jurisdiction of Foreign Public Official(s) :

Argentina, Brazil, Ecuador, Mexico, Venezuela

Year of Settlement:

2008

Month/Day of Settlement (or Notes):

12/10

Other Jurisdictions of Settlement:

Unknown

Settlement with Individual or Legal Person?:

Individual

Type of Settlement:

Criminal

Legal Form of Settlement:

Guilty Plea

Monetary Sanctions (Types):

Criminal Fine

Total Monetary Sanctions (US\$):

\$80,000.00

Criminal Fine/Penalty (US\$) :

\$80,000

Monetary Sanctions Returned / Ordered Returned (US\$):

\$0

UNCAC Articles(s) Implicated:

Art.16

OECD Anti-Bribery Convention Articles Implicated:

Art. 1

Offenses - Alleged:

Conspiracy to violate the Sherman Antitrust Act, Conspiracy to bribe foreign officials

Offenses - Settled:

Conspiracy to violate the Sherman Antitrust Act, Conspiracy to bribe foreign officials

Public Procurement Contract / SOE Involved?:

Yes

Summary:

US Report to the Organisation for Economic Co-operation and Development, "Steps taken to implement and enforce the OECD Convention on Combating Bribery of Foreign Public

Officials in International Business Transactions," Mr. Hioki, the former general manager of his company's Industrial Engineered Products Department in Tokyo, Japan was charged for his role in a conspiracy to rig bids, fix prices and allocate market shares of marine hose in the US market and for his role in approving deals and corrupt payments and steps to conceal the improper payments via local sales agents in Latin America to employees of government-owned enterprises with which Mr. Hioki's company sought to do business. From January 2004 through 2007, Mr. Hioki and others made more than \$1 million in corrupt payments to foreign government officials in Latin America to secure or retain business. On December 10, 2008, Mr. Hioki became the ninth individual to plead guilty in the marine hose bid-rigging investigation and the first individual to plead guilty in the investigation of the FCPA conspiracy. He was sentenced to 24 months' imprisonment and a criminal fine of \$80,000, following the Department of Justice Antitrust Division's established practice of negotiating agreed-to-dispositions. (Source: US Report to the OECD, Bid-Rigging in the International Market for Marine Hose Case Summary, at 74-75.)

Sources :

US Report to the Organisation for Economic Co-operation and Development, "Steps taken to implement and enforce the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions," Information as of May 31, 2011, Bid-Rigging in the International Market for Marine Hose Case, at 74-75, accessed at <http://www.oecd.org/dataoecd/18/8/42103833.pdf>. US v. Hisao Mioki, Case No. 4:08-cr-795 (S.D. Tex.), Criminal Information filed December 8, 2008, accessed at <http://www.justice.gov/atr/cases/f240400/240474.pdf>; Plea Agreement filed December 10, 2008, accessed at <http://www.justice.gov/atr/cases/f243700/243716.pdf>