

Schnitzer Steel Industries, Inc.

Case ID:

ST-312

Case Cluster :

Schnitzer Steel Industries, Inc.

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Department of Justice

Jurisdiction of Foreign Public Official(s) :

China, South Korea

Year of Settlement:

2006

Month/Day of Settlement (or Notes):

10/16

Other Jurisdictions of Settlement:

Unknown

Settlement with Individual or Legal Person?:

Legal Person

Type of Settlement:

Criminal

Legal Form of Settlement:

Deferred Prosecution Agreement

Monetary Sanctions (Types):

None

Total Monetary Sanctions (US\$):

\$0.00

Criminal Fine/Penalty (US\$) :

\$0

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

\$0

UNCAC Articles(s) Implicated:

Art.16

Art.26

OECD Anti-Bribery Convention Articles Implicated:

Art. 1, Art. 2, Art. 8

Offenses - Alleged:

None

Offenses - Settled:

None

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the June 2011 United States Report to the OECD, "On October 10, 2006, SSI International Far East Ltd. (SSI Korea), a wholly-owned subsidiary of Schnitzer Steel

Industries Inc. (SSI), was charged with conspiracy, bribery in violation of the FCPA, wire fraud, and aiding and abetting the making of false entries in SSI's books and records. These charges stemmed from a decade-long scheme to bribe foreign officials in China and South Korea in order to obtain and retain business for SSI Korea and its Oregon-based parent company. [] SSI entered into a three-year deferred prosecution agreement with the Department [of Justice] and agreed to appoint an independent compliance monitor." (Source: 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, Schnitzer Steel Industries Inc. Case Summary at 88-90.) According to SSI's Deferred Prosecution Agreement with the Department of Justice, SSI agreed that its subsidiary SSI Korea would pay \$7.5 million in fines to the U.S. (Source: Schnitzer Steel Industries, Inc. Deferred Prosecution Agreement October 16, 2006.)

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, Schnitzer Steel Industries Inc. Case Summary at 88-90, accessed at <http://www.oecd.org/dataoecd/18/8/42103833.pdf>. Schnitzer Steel Industries, Inc. Deferred Prosecution Agreement October 16, 2006, accessed at <http://www.justice.gov/criminal/fraud/fcpa/cases/ssi-intl/10-16-06schnitzer-agree.pdf>