

Schnitzer Steel Industries, Inc. / Si Chan Wooh

Case ID:

ST-315

Case Cluster :

Schnitzer Steel Industries, Inc.

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Securities and Exchange Commission

Jurisdiction of Foreign Public Official(s) :

China, South Korea

Year of Settlement:

2007

Month/Day of Settlement (or Notes):

06/29

Other Jurisdictions of Settlement:

Unknown

Settlement with Individual or Legal Person?:

Individual

Type of Settlement:

Civil

Legal Form of Settlement:

Consent to Permanent Injunction

Monetary Sanctions (Types):

Disgorgement of Bonuses, Prejudgment Interest, Civil Penalty

Total Monetary Sanctions (US\$):

\$41,131.90

Civil Disgorgement of Profits (US\$) :

\$14,819

Civil Prejudgment Interest (US\$) :

\$1,312.52

Civil Fine / Penalty (US\$):

\$25,000

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

\$0

UNCAC Articles(s) Implicated:

Art.16

OECD Anti-Bribery Convention Articles Implicated:

Art. 1, Art. 8

Offenses - Alleged:

Bribery of Foreign Officials, Aiding and Abetting Schnitzer Steel Industries' Bribery of Foreign Officials; Aiding and Abetting Schnitzer Steel Industries' Internal Controls Violations, Aiding and Abetting Schnitzer Steel Industries' Falsification of Books and Records

Offenses - Settled:

No admission or denial of alleged offenses

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the US Securities and Exchange Commission Litigation Release, on June 29, 2007, the Commission "announced charges against a former executive of Portland, Oregon-based Schnitzer Steel Industries, Inc., for violating the anti-bribery provisions of the Foreign Corrupt Practices Act ("FCPA"). Without admitting or denying the allegations, Si Chan Wooh of Tacoma, Washington, the former Executive Vice President and head of a Schnitzer subsidiary, agreed to pay approximately \$40,000 in disgorgement, interest and penalties. The Commission's complaint, filed in federal district court in Portland, Oregon, alleges that from at least 1999 through 2004, Wooh paid over \$200,000 in cash bribes and other gifts to managers of government-owned steel mills in China to induce them to purchase scrap metal from Schnitzer. According to the Commission, Schnitzer realized over \$6.2 million in profits from sales to customers procured through these illicit payments. The Complaint further alleges that during the same period, Wooh made or authorized similar payments totaling over \$1.7 million to managers of privately owned steel mills in both China and South Korea."

(Source: US Securities and Exchange Commission Litigation Release No. 20174 / June 29, 2007, SEC v. Si Chan Wooh, Case No. CV-07-957 ST. (D. Or. filed June 29, 2007), "SEC Settles Charges Against Former Portland Steel Executive for Anti-Bribery Statute Violations.")

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>. US Securities and Exchange Commission Litigation Release No. 20174 / June 29, 2007, SEC v. Si Chan Wooh, Case No. CV-07-957 ST. (D. Or. filed June 29, 2007), "SEC Settles Charges Against Former Portland Steel Executive for Anti-Bribery Statute Violations," accessed at <http://www.sec.gov/litigation/litreleases/2007/lr20174.htm>; Complaint filed June 29, 2007, accessed at <http://www.sec.gov/litigation/complaints/2007/comp20174.pdf>