

Tenaris, S.A.

Case ID:

ST-356

Case Cluster :

Tenaris, S.A.

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Securities and Exchange Commission

Jurisdiction of Foreign Public Official(s) :

Uzbekistan

Year of Settlement:

2011

Month/Day of Settlement (or Notes):

05/17

Other Jurisdictions of Settlement:

Unknown

Settlement with Individual or Legal Person?:

Legal Person

Type of Settlement:

Civil

Legal Form of Settlement:

Deferred Prosecution Agreement

Monetary Sanctions (Types):

Disgorgement of Profits, Prejudgment Interest

Total Monetary Sanctions (US\$):

\$5,428,338.00

Civil Disgorgement of Profits (US\$) :

\$4,786,438

Civil Prejudgment Interest (US\$) :

\$641,900

Civil 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:

Bribery of foreign officials, Falsification of books and records, Internal controls violations

Offenses - Settled:

No admission or denial of allegations

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the United States June 2011 "Steps taken to implement and enforce the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions," Report to the OECD, "This enforcement action marked the first-ever use of a DPA [Deferred Prosecution Agreement] to facilitate and reward cooperation in a SEC investigation." (at 11) Please note that the Tenaris DPA with the SEC includes a "Statement of Facts," but as noted in the document, Tenaris agreed to the settlement "without admitting or denying the allegations" made against it by the SEC. (Source: In Re Tenaris, S.A., SEC Deferred Prosecution Agreement, May 17, 2011.) According to the DPA, "Between in or around April 2006 through May 2007, Tenaris bid on a series of contracts with OJSC O'ztashqineftgaz ("OAO"), to supply OAO with pipeline for use in the development and production of oil and natural gas in Uzbekistan. OAO was a subsidiary of Uzbekneftegaz, the state-owned holding company of Uzbekistan's oil and gas industry." The SEC had alleged that Tenaris retained an agent in connection with those contract bids and made commission payments to the agent, and that "Tenaris's then-regional sales personnel understood that a portion of the commission Tenaris paid to the Agent for services related to contracts M-07-53, M-0770, M-07-71 and M-07-72 would be used to pay OAO officials for opening competitors' bids, providing confidential bid information to Tenaris, and replacing Tenaris's original bids with its revised bids." (at para 6n)

Sources :

Report by the United States to the OECD, "Steps taken to implement and enforce the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions," June 2011, Tenaris Case Summary, at 11-12, accessed at <http://www.oecd.org/dataoecd/18/8/42103833.pdf>. In Re Tenaris, S.A., SEC Deferred Prosecution Agreement, May 17, 2011, accessed at <http://www.sec.gov/news/press/2011/2011-112-dpa.pdf>.