

Siemens Industrial Turbomachinery

Case ID:

ST-510

Case Cluster :

Siemens Industrial Turbomachinery

Jurisdiction of Settlement:

Switzerland

Jurisdiction of Settlement / Enforcement Agency:

Office of the Attorney General

Jurisdiction of Foreign Public Official(s) :

Russia

Year of Settlement:

2013

Month/Day of Settlement (or Notes):

11/12

Other Jurisdictions of Settlement:

Unknown

Settlement with Individual or Legal Person?:

Legal Person

Type of Settlement:

Criminal

Legal Form of Settlement:

Summary Punishment Order

Monetary Sanctions (Types):

Criminal Compensation; Criminal Reparations

Total Monetary Sanctions (US\$):

\$10,863,765

Criminal Fine/Penalty (US\$) :

\$0

Criminal Forfeiture / Confiscation (US\$):

\$10

728

061

Criminal Restitution / Reparation (US\$):

\$135

704

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

\$135,704

Monetary Sanctions Returned / Ordered Returned (Explanation):

in the form of a donation to the International Committee of the Red Cross (ICRC).

UNCAC Articles(s) Implicated:

Art.16

OECD Anti-Bribery Convention Articles Implicated:

Art. 1, Art, 2, Art. 8

Offenses - Alleged:

Inadequate enforcement of compliance regulations

Offenses - Settled:

Inadequate enforcement of compliance regulations

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the Media Release issued by the Swiss Office of the Attorney General, "The Office of the Attorney General of Switzerland (OAG) has concluded a criminal investigation into the Swedish company Siemens Industrial Turbomachinery (SIT). The investigation was closed after SIT admitted inadequate enforcement of compliance regulations in relation to Yamal gas pipeline projects and paid CHF 125,000 in reparation. SIT also paid US\$ 10.6 million in compensation for unlawfully obtained profits. The OAG investigated the circumstances behind contracts awarded to the Swedish company, acquired by Siemens in 2003, for the supply of gas turbines during the construction of the pipeline, which runs from the gas fields on the Russian Yamal peninsula to Western Europe. In the course of project, initiated by Russia's largest natural gas production company, bribes were paid to senior executives of the Russian state-owned company. SIT made the unlawful payments between 2004 and 2006 via bank accounts held by the end recipients in Switzerland. This was the connecting factor that gave rise to the OAG's investigation. The SIT accepts that it did not take all the required and reasonable organisational steps to prevent bribes being paid to foreign public officials in connection with projects to build compressor stations and to supply gas turbines for the Yamal pipeline network. In particular, it admitted basic failures in checking consultancy agreements. The company is therefore guilty of organisational offences under Art. 102 of the Swiss Criminal Code (SCC). SIT has paid reparation of CHF 125,000 in the form of a donation to the International Committee of the Red Cross (ICRC). As a consequence, the OAG closed the investigation into SIT based on Art. 53 SCC and at the same time ordered the forfeiture of unlawfully obtained assets. The profits obtained unlawfully from the projects concerned amount to US\$ 10.6 million. The OAG ordered SIT to pay a corresponding sum in compensation to the State (Art. 71 para. 1 SCC). The compensation has now been paid." (Source: "Bribery relating to the construction of Yamal Pipeline: Siemens subsidiary pays reparation," November 12, 2013,)

Sources :

Swiss Office of the Attorney General Media Release, "Bribery relating to the construction of Yamal Pipeline: Siemens subsidiary pays reparation," November 12, 2013, at https://www.news.admin.ch/message/index.html?lang=en&print_style=yes&msg-id=50913