

JUSTICE NEWS

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Samsung Heavy Industries Company Ltd Agrees to Pay \$75 Million in Global Penalties to Resolve Foreign Bribery Case

Samsung Heavy Industries Company Limited (Samsung Heavy Industries), a South Korea-based engineering company that provides shipbuilding, offshore platform construction, and other construction and engineering services, has agreed to pay total penalties of more than \$75 million to resolve the government's investigation into violations of the Foreign Corrupt Practices Act (FCPA) arising out of a scheme to pay millions of dollars in bribes to officials in Brazil.

Samsung Heavy Industries entered into a deferred prosecution agreement with the Department in connection with a criminal information filed today in the Eastern District of Virginia charging the company with conspiracy to violate the anti-bribery provisions of the FCPA. The case is assigned to Senior U.S. District Judge T.S. Ellis III of the Eastern District of Virginia. Pursuant to its agreement with the Department, Samsung Heavy Industries has committed to pay a total criminal penalty of \$75,481,600 – 50 percent (\$37,740,800) of which will be paid to the United States within 10 business days of the deferred prosecution agreement and the remaining 50 percent (\$37,740,800) of which will either be paid to Brazilian authorities pursuant to agreements between Samsung Heavy Industries and the Controladoria-Geral da União (CGU), Advogado-Geral da União (AGU) and Ministério Público Federal (MPF), or will be paid to the United States if at least \$37,740,800 in payments are not made to the Brazilian authorities on or before Nov. 25, 2020. In related proceedings in Brazil, Samsung Heavy Industries entered into a memorandum of understanding with the CGU and AGU and a complementary agreement for the negotiation of a leniency agreement with the MPF.

“Samsung Heavy Industries paid millions of dollars to a Brazilian intermediary, knowing that some of that money would be used to bribe high-level executives at Petrobras and obtain a lucrative shipbuilding contract,” said Assistant Attorney General Brian A. Benczkowski of the Justice Department's Criminal Division. “Today's resolution is yet one more example of the Department's continued commitment to root out bribery and to work with our foreign counterparts to investigate schemes spanning multiple international jurisdictions.”

“Samsung Heavy Industries caused millions of dollars in corrupt bribe payments to be paid to foreign officials to win business, upsetting what should have been a level playing field for other companies that followed the rules,” said U.S. Attorney G. Zachary Terwilliger of the Eastern District of Virginia. “Effective corporate policies and procedures are necessary to ensure that corporations do not engage in foreign bribery. We will continue to hold corporations accountable.”

“The FCPA encourages U.S. companies to fairly compete in an open, global marketplace,” said Special Agent in Charge Perrye K. Turner of the FBI's Houston Field Office. “Violations of the FCPA injure the integrity of our free economic system. Our agents work every day to uphold that economic integrity, and we urge anyone who suspects

an FCPA violation to contact their local FBI Field Office.”

According to admissions by Samsung Heavy Industries, beginning in 2007 and continuing until 2013, the company conspired with others to violate the FCPA by corruptly providing approximately \$20 million in commission payments to a Brazilian intermediary, knowing that portions of the money would be paid as bribes to officials at Petrobras, the Brazilian state-owned oil and state-controlled energy company, in order to secure improper business advantages and to cause Petrobras to enter into a contract to charter a drill ship that Samsung Heavy Industries was selling to a Houston-based offshore oil drilling company, which facilitated Samsung Heavy Industries executing the sale of the drill ship. Samsung Heavy Industries took actions in furtherance of the bribery conspiracy from its branch office located in the United States.

As part of the deferred prosecution agreement, Samsung Heavy Industries has agreed to continue to cooperate with the Department in any ongoing investigations and prosecutions relating to the conduct, including of individuals; to enhance its compliance program; and to report to the Department on the implementation of its enhanced compliance program.

In reaching the resolution with the Department, Samsung Heavy Industries received credit for its cooperation with the Department’s investigation and for taking remedial measures. For example, the company made significant enhancements to its compliance program, including hiring additional compliance staff, implementing enhanced anti-corruption policies and heightened due diligence controls over third party vendors, instituting mandatory anti-corruption training and improving whistleblower policies and procedures. The company did not receive full credit for its cooperation, however, due to its failure to meet reasonable deadlines imposed by the department and delays it caused in reaching a resolution. Accordingly, the total criminal penalty reflects a 20 percent reduction off the bottom of the applicable United States Sentencing Guidelines fine range.

The case is being investigated by the FBI. Trial Attorney Jonathan P. Robell, Acting Assistant Chief Andrew Gentin and Deputy Chief Brian R. Young of the Criminal Division’s Fraud Section and Assistant U.S. Attorney Uzo Asonye of the Eastern District of Virginia are prosecuting the case.

The MPF, CGU and AGU in Brazil provided significant assistance in this matter, as did law enforcement authorities in Monaco and Switzerland. The Criminal Division’s Office of International Affairs provided significant assistance as well.

The Fraud Section is responsible for investigating and prosecuting all FCPA matters. Additional information about the Justice Department’s FCPA enforcement efforts can be found at www.justice.gov/criminal-fraud/foreign-corrupt-practices-act.

Attachment(s):

[Download Deferred Prosecution Agreement](#)

[Download Criminal Information](#)

Topic(s):

Financial Fraud

Foreign Corruption

Component(s):

[Criminal Division](#)

[Criminal - Criminal Fraud Section](#)

[Criminal - Office of International Affairs](#)

Federal Bureau of Investigation (FBI)

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