

## United States v. Samsung Heavy Industries, Co. Ltd. (E.D. Va. 2019)

### Nature of the Business.

Samsung Heavy Industries Company Limited (“Samsung Heavy Industries,” “SHI,” or “the Company”), headquartered in South Korea, is an engineering company that provides shipbuilding and offshore platform construction services. Samsung Heavy Industries has offices all around the world, including one branch office in Houston, Texas.

### Influence to be Obtained.

According to the DOJ, from 2007 to 2013, Samsung Heavy Industries corruptly paid Brazilian foreign officials to retain business in Brazil. Allegedly, SHI made bribes to executives at *Petróleo Brasileiro S.A. – Petrobras* (“Petrobras”), a Brazilian oil corporation, to obtain a shipbuilding contract with a Houston-based Chartering Company that sought to charter the ship to Petrobras. Specifically, in 2007, SHI and the Chartering Company entered into an option agreement which gave the Chartering Company the right to purchase SHI’s new offshore oil-drillship. The DOJ alleged that “Samsung Heavy Industries understood that Chartering Company would only exercise its option to purchase the Option Drillship [from SHI] if Chartering Company secured a contract with Petrobras to charter the Option Drillship to Petrobras.” To ensure that outcome, SHI allegedly made bribes to officials at Petrobras through two intermediary companies.

### Enforcement.

On November 22, 2019, the DOJ entered into a deferred prosecution agreement with SHI for conspiracy to violate the FCPA’s anti-bribery provision. According to the deferred prosecution agreement, SHI agreed to pay a criminal penalty of \$75,481,600 and modify its internal compliance policy to include an anticorruption program.

### Key Facts

**Citation.** *United States v. Samsung Heavy Industries, Co. LTD.*, No. 1:19-CR-328 (E.D. Va. 2019).

**Date Filed.** November 22, 2019.

**Country.** Brazil.

**Date of Conduct.** 2007 – 2013.

**Amount of the Value.** Not Stated.

**Amount of Business Related to the Payment.** Not Stated.

**Intermediary.** Third party intermediaries.

**Foreign Official.** Unnamed corporate officials at Petrobras.

**FCPA Statutory Provision.** Conspiracy (Anti-Bribery).

**Other Statutory Provision.** None.

**Disposition.** Deferred Prosecution Agreement.

**Defendant Jurisdictional Basis.** Territorial Jurisdiction.

**Defendant’s Citizenship.** South Korea.

**Total Sanction.** \$75,481,600.

**Compliance Monitor/Reporting Requirements.** Three-year Reporting Requirement.

**Related Enforcement Actions.** None.

**Total Combined Sanction.** \$75,481,600.