

Ex-Schnitzer Steel exec. pleads guilty to foreign bribes

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Si Chan Wooh, a former senior officer of SSI International, Inc., a wholly-owned subsidiary of Schnitzer Steel Industries Inc. until 2006, has pleaded guilty to conspiracy to violate the Foreign Corrupt Practices Act (FCPA), Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

Wooh pleaded guilty at a hearing Friday before U.S. District Judge Garr King at U.S. District Court in Portland, Ore. Wooh has agreed to cooperate with the Justice Department in its ongoing criminal investigation.

Schnitzer Steel is a publicly traded corporation with its headquarters in Portland, Ore. From 1995 to 2006, Schnitzer Steel maintained SSI International, located in Tacoma, Wash. SSI International managed SSI International Far East, Ltd. (SSI Korea), another wholly-owned subsidiary of Schnitzer Steel, in Seoul, South Korea. SSI Korea facilitated the sale of scrap metal by Schnitzer Steel from the United States and acted as a broker for the sale of scrap metal by Japanese suppliers to steel producers in China and South Korea.

Wooh admitted that he had conspired with Schnitzer Steel, SSI International, SSI Korea, a former senior executive officer of Schnitzer Steel, and others, to violate the FCPA statute in connection with corrupt payments paid over almost a 10-year period to officers and employees of nearly all of Schnitzer Steel's government-owned customers in China. From at least 1995 to at least August 2004, Schnitzer Steel, through its officers and employees, including Wooh, authorized and made corrupt payments to managers of government-owned customers in China to induce them to purchase scrap metal from Schnitzer Steel. Between September 1999 and August 2004, corrupt payments of approximately \$204,537 were paid to managers of government-owned customers in China. As a result of the corrupt payments, during that same time period, Schnitzer Steel realized gross revenue of approximately \$96,396,740 and profits of approximately \$6,259,104 on scrap metal sold to government instrumentalities in China.

Previously, SSI Korea pleaded guilty to conspiracy, violating the FCPA, wire fraud, and aiding and abetting the making of false entries in Schnitzer Steel's books and records, and was sentenced to pay a \$7.5 million criminal fine. Schnitzer Steel previously entered into a three-year deferred prosecution agreement with the Justice Department regarding the same underlying activity.

Wooh has also settled related civil enforcement proceedings by the Securities and Exchange Commission (SEC). Today, the SEC filed a federal court complaint charging Wooh with violating the anti-bribery and books and records provisions of the FCPA. Wooh consented to the entry of a final judgment in the federal lawsuit requiring him to pay a \$41,000 civil penalty.

The criminal case is being prosecuted by Deputy Chief Mark F. Mendelsohn and Trial Attorney Kathleen McGovern of the Fraud Section, with the investigative assistance of the Federal Bureau of Investigation.

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