

## Corporate & Financial Weekly Digest

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### **SEC Requires \$5.4 Million Payment in First-Ever Deferred Prosecution Agreement**

*Co-authored by [Elizabeth D. Langdale](#)*

The Securities and Exchange Commission entered into a Deferred Prosecution Agreement (DPA) with Tenaris S.A. in the SEC's first-ever use of such agreement to facilitate and reward cooperation with the SEC. When Tenaris, a global manufacturer of steel pipe products, conducted a worldwide internal review of its operations and controls, it discovered that its personnel in Uzbekistan violated the Foreign Corrupt Practices Act (FCPA) by bribing Uzbekistani government officials to secure an advantage during a bidding process to supply pipelines for transporting natural gas. Tenaris informed the SEC of the violation. The SEC alleged that Tenaris made almost \$5 million in profits when it was awarded several contracts as a result of the alleged bribery.

The SEC and Tenaris entered into a DPA, a new approach designed to encourage companies to provide information about misconduct and assist with an SEC investigation. Under the terms of the DPA, Tenaris is required to pay \$5.4 million in disgorgement and prejudgment interest, and the SEC will refrain from prosecuting the company in a civil action as long as Tenaris continues to comply with certain undertakings. Tenaris further agreed to cooperate with the SEC, the Justice Department and any other law enforcement agency, and pay a \$3.5 million criminal penalty in a Non-Prosecution Agreement announced by the Justice Department.

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Katten Muchin Rosenman LLP  
Charlotte Chicago Irving London Los Angeles New York Washington, DC