

Department of Justice

NEWS



Alcoa World Alumina Agrees to Plead Guilty to Foreign Bribery and Pay \$223 Million in Fines and Forfeiture

Thursday, January 9, 2014

Alcoa World Alumina Agrees to Plead Guilty to Foreign Bribery and Pay \$223 Million in Fines and Forfeiture

Alcoa World Alumina LLC, a majority-owned and controlled global alumina sales company of Alcoa Inc., has agreed to plead guilty later today and pay \$223 million in criminal fines and forfeiture to resolve charges that it paid millions of dollars in bribes through an international middleman in London to officials of the Kingdom of Bahrain, in violation of the Foreign Corrupt Practices Act (FCPA).

Acting Assistant Attorney General Mythili Raman of the Justice Department's Criminal Division, U.S. Attorney David J. Hickton of the Western District of Pennsylvania, Chief Richard Weber of IRS - Criminal Investigation (IRS-CI), and Assistant Director in Charge Valerie Parlave of the FBI's Washington Field Office made the announcement.

"Alcoa World Alumina today admits to its involvement in a corrupt international underworld in which a middleman, secretly held offshore bank accounts, and shell companies were used to funnel bribes to government officials in order to secure business," said Acting Assistant Attorney General Raman. "The law does not permit companies to avoid responsibility for foreign corruption by outsourcing bribery to their agents, and, as today's prosecution demonstrates, neither will the Department of Justice."

"Today's case shows that multinational corporations cannot get away with using middlemen to structure sham business arrangements that funnel kickbacks to government officials," said U.S. Attorney Hickton.

Alcoa World Alumina has agreed to plead guilty in the Western District of Pennsylvania to one count of violating the anti-bribery provisions of the FCPA in connection with a 2004 corrupt transaction, to pay a criminal fine of \$209 million, and to administratively forfeit \$14 million. As part of the plea agreement, Alcoa Inc. (Alcoa) has agreed to maintain and implement an enhanced global anti-corruption compliance program.

In a parallel action, Alcoa settled with the U.S. Securities and Exchange Commission (SEC) and will pay an additional \$161 million in disgorgement, bringing the total amount of U.S. criminal and regulatory penalties to be paid by Alcoa and Alcoa World Alumina to \$384 million.

"This case is the result of unraveling complex financial transactions used by Alcoa World

