

Corporate Crime Reporter

Top 100 Corporate Criminals of the Decade

by Russell Mokhiber

INTRODUCTION

Every year, the major business magazines put out their annual surveys of big business in America.

You have the Fortune 500, the Forbes 400, the Forbes Platinum 100, the International 800 -- among others.

These lists rank big corporations by sales, assets, profits and market share. The point of these surveys is simple -- to identify and glorify the biggest and most profitable corporations.

The point of the list contained in this report, The Top 100 Corporate Criminals of the Decade -- is to focus public attention on a wave of corporate criminality that has swamped prosecutors offices around the country.

This is the dark underside of the marketplace that is given little sustained attention and analysis by politicians and news outlets.

To compile The Top 100 Corporate Criminals of the 1990s, we used the most narrow and conservative of definitions -- corporations that have pled guilty or no contest to crimes and have been criminally fined.

The 100 corporate criminals fell into 14 categories of crime: Environmental (38), antitrust (20), fraud (13), campaign finance (7), food and drug (6), financial crimes (4), false statements (3), illegal exports (3), illegal boycott (1), worker death (1), bribery (1), obstruction of justice (1) public corruption (1), and tax evasion (1).

We did not try to assess and compare the damage committed by these corporate criminals or by other corporate wrongdoers.

There are millions of Americans who care about morality in the marketplace.

But few Americans realize that when they buy Exxon stock, or when they fill up at an Exxon gas station, they are in fact supporting a criminal recidivist corporation.

And few Americans realize that when they take a ride on a cruise ship owned by Royal

Caribbean Cruise Lines, they are riding on a ship owned by a criminal recidivist corporation.

Six corporations that made the list of the Top 100 Corporate Criminals were criminal recidivist companies during the 1990s.

In addition to Exxon and Royal Caribbean, Rockwell International, Warner-Lambert, Teledyne, and United Technologies each pled guilty to more than one crime during the 1990s.

A few caveats about this report.

Caveat one: Big companies that are criminally prosecuted represent only the tip of a very large iceberg of corporate wrongdoing.

For every company convicted of health care fraud, there are hundreds of others who get away with ripping off Medicare and Medicaid, or face only mild slap-on-the-wrist fines and civil penalties when caught.

For every company convicted of polluting the nation's waterways, there are many others who are not prosecuted because their corporate defense lawyers are able to offer up a low-level employee to go to jail in exchange for a promise from prosecutors not to touch the company or high-level executives.

For every corporation convicted of bribery or of giving money directly to a public official in violation of federal law, there are thousands who give money legally through political action committees to candidates and political parties. They profit from a system that effectively has legalized bribery.

For every corporation convicted of selling illegal pesticides, there are hundreds more who are not prosecuted because their lobbyists have worked their way in Washington to ensure that dangerous pesticides remain legal.

For every corporation convicted of reckless homicide in the death of a worker, there are hundreds of others that don't even get investigated for reckless homicide when a worker is killed on the job. Only a few district attorneys across the country (Michael McCann, the DA in Milwaukee County, Wisconsin, being one) regularly investigate workplace deaths as homicides.

Caveat two: Corporations define the laws under which they live.

For example, the automobile industry over the past 30 years has worked its will on

Congress to block legislation that would impose criminal sanctions on knowing and willful violations of the federal auto safety laws. Now, if an auto company is caught violating the law, and if the cops are not asleep at the wheel, only a civil fine is imposed.

Caveat three: Because of their immense political power, big corporations have the resources to defend themselves in courts of law and in the court of public opinion.

Few prosecutors are willing to subject themselves to the constant legal and public relations barrage that a corporation's well connected and high-priced legal talent can inflict.

It is a testament to the tenacity of a few dedicated federal prosecutors that Royal Caribbean Cruise Lines, for example, was criminally convicted of polluting the oceans.

In the criminal prosecution of Royal Caribbean Cruise Lines the company was facing a team of two federal criminal prosecutors.

To defend itself, Royal Caribbean hired Judson Starr and Jerry Block, both of whom have served as head of the Justice Department's Environmental Crimes Section, and former Attorney General Benjamin Civiletti.

Also representing Royal Caribbean were former federal prosecutors Kenneth C. Bass III, and Norman Moscovitz. Donald Carr of Winthrop & Stimson also joined the defense team.

Hired on as experts on international law issues were former Attorney General Eliot Richardson, University of Virginia law professor John Norton Moore, former State Department officials Terry Litzell and Bernard Oxman, and four retired senior admirals.

As the case proceeded to trial, Royal Caribbean engaged in a massive public relations campaign, taking out ads during the Super Bowl, putting former Environmental Protection Agency (EPA) Administrators on its board of directors, and donating thousands of dollars to environmental groups.

Federal prosecutors overcame this legal and public relations barrage and convicted the company. But that was an unusual prosecution and unusually determined prosecutors.

While the 1990s was a decade of booming markets and booming profits, it was also a decade of rampant corporate criminality.

There is an emerging consensus among corporate criminologists.

And that emerging consensus is this: corporate crime and violence inflicts far more damage on society than all street crime combined.

The FBI estimates, for example, that burglary and robbery -- street crimes -- costs the nation \$3.8 billion a year.

Compare this to the hundreds of billions of dollars stolen from Americans as a result of corporate and white-collar fraud.

Health care fraud alone costs Americans \$100 billion to \$400 billion a year.

The savings and loan fraud -- which former Attorney General Dick Thornburgh called "the biggest white collar swindle in history" -- cost us anywhere from \$300 billion to \$500 billion.

And then you have your lesser frauds: auto repair fraud, \$40 billion a year, securities fraud, \$15 billion a year -- and on down the list.

Recite this list of corporate frauds and people will immediately say to you: but you can't compare street crime and corporate crime -- corporate crime is not violent crime.

Unfortunately, corporate crime is often violent crime.

The FBI estimates that, 19,000 Americans are murdered every year.

Compare this to the 56,000 Americans who die every year on the job or from occupational diseases such as black lung and asbestosis and the tens of thousands of other Americans who fall victim to the silent violence of pollution, contaminated foods, hazardous consumer products, and hospital malpractice.

These deaths are often the result of criminal recklessness. They are sometimes prosecuted as homicides or as criminal violations of federal laws.

And environmental crimes often result in death, disease and injury.

In 1998, for example, a Tampa, Florida company and the company's plant manager were found guilty of violating a federal hazardous waste law. Those illegal acts resulted in the deaths of two nine-year-old boys who were playing in a dumpster at the company's facility.

This report is only a tiny step in an effort to fill a great void in corporate crime

research.

The Justice Department has the information and should get the budget to begin putting out yearly reports on corporate crime.

Every year, the Justice Department puts out an annual report titled "Crime in the United States."

But by "Crime in the United States," the Justice Department means "street crime in the United States."

So, in "Crime in the United States" document you will read about burglary, robbery and theft. There is nothing in it about price-fixing, corporate fraud, pollution, or public corruption.

A yearly Justice Department report on Corporate Crime in the United States is long overdue.

THE TOP 100 CORPORATE CRIMINALS OF THE 1990's

1) F. Hoffmann-La Roche Ltd.

Type of Crime: Antitrust

Criminal Fine: \$500 million

12 Corporate Crime Reporter 21(1), May 24, 1999

2) Daiwa Bank Ltd.

Type of Crime: Financial

Criminal Fine: \$340 million

10 Corporate Crime Reporter 9(3), March 4, 1996

3) BASF Aktiengesellschaft

Type of Crime: Antitrust

Criminal Fine: \$225 million

12 Corporate Crime Reporter 21(1), May 24, 1999

4) SGL Carbon Aktiengesellschaft (SGL AG)

Type of Crime: Antitrust

Criminal Fine: \$135 million

12 Corporate Crime Reporter 19(4), May 10, 1999

5) Exxon Corporation and Exxon Shipping

Type of Crime: Environmental

Criminal Fine: \$125 million

5 Corporate Crime Reporter 11(3), March 18, 1991

6) UCAR International, Inc.

Type of Crime: Antitrust

Criminal Fine: \$110 million

12 Corporate Crime Reporter 15(6), April 13, 1998

7) Archer Daniels Midland

Type of Crime: Antitrust

Criminal Fine: \$100 million

10 Corporate Crime Reporter 40(1), October 21, 1996

8)(tie) Banker's Trust

Type of Crime: Financial

Criminal Fine: \$60 million

12 Corporate Crime Reporter 11(1), March 15, 1999

8)(tie) Sears Bankruptcy Recovery Management Services

Type of Crime: Fraud

Criminal Fine: \$60 million

13 Corporate Crime Reporter 7(1), February 15, 1999

10) Haarman & Reimer Corp.

Type of Crime: Antitrust

Criminal fine: \$50 million

11 Corporate Crime Reporter 5(4), February 3, 1997

11) Louisiana-Pacific Corporation

Type of Crime: Environmental

Criminal Fine: \$37 million

12 Corporate Crime Reporter 23(1), June 8, 1998

12) Hoechst AG

Type of Crime: Antitrust

Criminal Fine: \$36 million

12 Corporate Crime Reporter 19(6), May 10, 1999

13) Damon Clinical Laboratories, Inc.

Type of Crime: Fraud

Criminal Fine: \$35.2 million

10 Corporate Crime Reporter 39(6), October 14, 1996

14) C.R. Bard Inc.

Type of Crime: Food and drug

Criminal Fine: \$30.9 million

7 Corporate Crime Reporter 41(1), October 25, 1993

15) Genentech Inc.

Type of Crime: Food and drug

Criminal Fine: \$30 million

12 Corporate Crime Reporter 16(3), April 19, 1999

16) Nippon Gohsei

Type of Crime: Antitrust

Criminal Fine: \$21 million

12 Corporate Crime Reporter 29(3), July 19, 1999

17)(tie) Pfizer Inc.

Type of Crime: Antitrust

Criminal Fine: \$20 million

12 Corporate Crime Reporter 30(1), July 26, 1999

17)(tie) Summitville Consolidated Mining Co. Inc.

Type of Crime: Environmental

Criminal Fine: \$20 million

10 Corporate Crime Reporter 20(3) May 20, 1996

19)(tie) Lucas Western Inc.

Type of Crime: False Statements

Criminal Fine: \$18.5 million

9 Corporate Crime Reporter 4(6), January 30, 1995

19)(tie) Rockwell International Corporation

Type of Crime: Environmental

Criminal Fine: \$18.5 million

6 Corporate Crime Reporter 13(4), March 30, 1992

21) Royal Caribbean Cruises Ltd.

Type of Crime: Environmental

Criminal Fine: \$18 million

12 Corporate Crime Reporter 30(4), July 26, 1999

22) Teledyne Industries Inc.

Type of Crime: Fraud

Criminal Fine: \$17.5 million

6 Corporate Crime Reporter 39(9), October 12, 1992

23) Northrop

Type of Crime: False statements

Criminal Fine: \$17 million

4 Corporate Crime Reporter 9(1), March 5, 1990

24) Litton Applied Technology Division (ATD) and Litton Systems Canada (LSL)

Type of Crime: Fraud
Criminal Fine: \$16.5 million
12 Corporate Crime Reporter 27(1), July 5, 1999

25) Iroquois Pipeline Operating Company

Type of Crime: Environmental
Criminal Fine: \$15 million
10 Corporate Crime Reporter 22(1), June 3, 1996

26) Eastman Chemical Company

Type of Crime: Antitrust
Criminal Fine: \$11 million
12 Corporate Crime Reporter 38(5), October 5, 1998

27) Copley Pharmaceutical, Inc.

Type of Crime: Food and drug
Criminal Fine: \$10.65 million
11 Corporate Crime Reporter 22(1), June 2, 1997

28) Lonza AG

Type of Crime: Antitrust
Criminal Fine: \$10.5 million
12 Corporate Crime Reporter 10(1), March 8, 1999

29) Kimberly Home Health Care Inc.

Type of Crime: Fraud
Criminal Fine: \$10.08 million
12 Corporate Crime Reporter 30(6), July 26, 1999

30)(tie) Ajinomoto Co. Inc.

Type of Crime: Antitrust
Criminal Fine: \$10 million
10 Corporate Crime Reporter 40(1), October 21, 1996

30)(tie) Bank of Credit and Commerce International (BCCI)

Type of Crime: Financial
Criminal Fine: \$10 million
4 Corporate Crime Reporter 3(1) January 22, 1990

30)(tie) Kyowa Hakko Kogyo Co. Ltd.

Type of Crime: Antitrust
Criminal Fine: \$10 million
10 Corporate Crime Reporter 40(1), October 21, 1996

30)(tie) Warner-Lambert Company

Type of Crime: Food and drug

Criminal Fine: \$10 million
9 Corporate Crime Reporter 46(1), December 4, 1995

34) General Electric

Type of Crime: Fraud
Criminal Fine: \$9.5 million
6 Corporate Crime Reporter 30(7), July 27, 1992

35)(tie) Royal Caribbean Cruises Ltd.

Type of Crime: Environmental
Criminal Fine: \$9 million
12 Corporate Crime Reporter 23(3), June 8, 1998

35)(tie) Showa Denko Carbon

Type of Crime: Antitrust
Criminal Fine: \$9 million
12 Corporate Crime Reporter 19(4), May 10, 1999

37) IBM East Europe/Asia Ltd.

Type of Crime: Illegal exports
Criminal Fine: \$8.5 million
12 Corporate Crime Reporter 32(1), August 10, 1998

38) Empire Sanitary Landfill Inc.

Type of crime: Campaign finance
Criminal fine: \$8 million
11 Corporate Crime Reporter 39(3), October 13, 1997

39)(tie) Colonial Pipeline Company

Type of Crime: Environmental
Criminal Fine: \$7 million
13 Corporate Crime Reporter 9(3), March 1, 1999

39)(tie) Eklof Marine Corporation

Type of Crime: Environmental
Criminal Fine: \$7 million
11 Corporate Crime Reporter 37(4), September 29, 1997

41)(tie) Chevron

Type of Crime: Environmental
Criminal Fine: \$6.5 million
6 Corporate Crime Reporter, 22(1), June 1, 1992

41)(tie) Rockwell International Corporation

Type of Crime: Environmental
Criminal Fine: \$6.5 million

10 Corporate Crime Reporter 15(4), April 15, 1996

43) Tokai Carbon Ltd. Co.

Type of Crime: Antitrust

Criminal Fine: \$6 million

12 Corporate Crime Reporter 19(4), May 10, 1999

44)(tie) Allied Clinical Laboratories, Inc.

Type of Crime: Fraud

Criminal Fine: \$5 million

10 Corporate Crime Reporter 45(1), November 25, 1996

44)(tie) Northern Brands International Inc.

Type of Crime: Fraud

Criminal Fine: \$5 million

13 Corporate Crime Reporter 1(1), January 4, 1999

44)(tie) Ortho Pharmaceutical Corporation

Type of Crime: Obstruction of justice

Criminal Fine: \$5 million

9 Corporate Crime Reporter 2(3), January 16, 1995

44)(tie) Unisys

Type of Crime: Bribery

Criminal Fine: \$5 million

5 Corporate Crime Reporter 35(11), September 16, 1991

44)(tie) Georgia Pacific Corporation

Type of Crime: Tax evasion

Criminal Fine: \$5 million

5 Corporate Crime Reporter 38(8), October 7, 1991

49) Kanzaki Specialty Papers Inc.

Type of Crime: Antitrust

Criminal Fine: \$4.5 million

8 Corporate Crime Reporter 29(4), July 18, 1994

50) ConAgra Inc.

Type of Crime: Fraud

Criminal Fine: \$4.4 million

11 Corporate Crime Reporter 12(1), March 24, 1997

51) Ryland Mortgage Company

Type of Crime: Financial

Criminal Fine: \$4.2 million

12 Corporate Crime Reporter 32(1), August 10, 1998

52)(tie) Blue Cross Blue Shield of Illinois

Type of Crime: Fraud

Criminal Fine: \$4 million

12 Corporate Crime Reporter 29(1), July 20, 1998

52)(tie) Borden Inc.

Type of Crime: Antitrust

Criminal Fine: \$4 million

4 Corporate Crime Reporter 11(9), March 19, 1990

52)(tie) Dexter Corporation

Type of Crime: Environmental

Criminal Fine: \$4 million

6 Corporate Crime Reporter 35(6), September 14, 1992

52)(tie) Southland Corporation

Type of Crime: Antitrust

Criminal Fine: \$4 million

4 Corporate Crime Reporter 11(9), March 19, 1990

52)(tie) Teledyne Industries Inc.

Type of Crime: Illegal exports

Criminal Fine: \$4 million

9 Corporate Crime Reporter 5(3), February 6, 1995

52)(tie) Tyson Foods Inc.

Type of Crime: Public corruption

Criminal Fine: \$4 million

12 Corporate Crime Reporter 1(3), January 5, 1998

58)(tie) Aluminum Company of America (ALCOA)

Type of Crime: Environmental

Criminal Fine: \$3.75 million

5 Corporate Crime Reporter 29(6), July 22, 1991

58)(tie) Costain Coal Inc.

Type of Crime: Worker Death

Criminal Fine: \$3.75 million

7 Corporate Crime Reporter 9(10), March 1, 1993

58)(tie) United States Sugar Corporation

Type of Crime: Environmental

Criminal Fine: \$3.75 million

5 Corporate Crime Reporter 27(4), December 9, 1991

61) Saybolt, Inc., Saybolt North America

Type of Crime: Environmental

Criminal Fine: \$3.4 million

12 Corporate Crime Reporter 33(1), August 17, 1998

62)(tie) Bristol-Myers Squibb

Type of Crime: Environmental

Criminal Fine: \$3 million

6 Corporate Crime Reporter 18(3), May 4, 1992

62)(tie) Chemical Waste Management Inc.

Type of Crime: Environmental

Criminal Fine: \$3 million

6 Corporate Crime Reporter 40(5), October 19, 1992

62)(tie) Ketchikan Pulp Company

Type of Crime: Environmental

Criminal Fine: \$3 million

9 Corporate Crime Reporter 13(1), April 3, 1995

62)(tie) United Technologies Corporation

Type of Crime: Environmental

Criminal Fine: \$3 million

5 Corporate Crime Reporter 21(1), May 27, 1991

62)(tie) Warner-Lambert Inc.

Type of Crime: Environmental

Criminal Fine: \$3 million

11 Corporate Crime Reporter 37(3), September 29, 1997

67)(tie) Arizona Chemical Co. Inc.

Type of Crime: Environmental

Criminal Fine: \$2.5 million

10 Corporate Crime Reporter 39(5), October 14, 1996

67)(tie) Consolidated Rail Corporation (Conrail)

Type of Crime: Environmental

Criminal Fine: \$2.5 million

9 Corporate Crime Reporter 30(1), July 31, 1995

69) International Paper

Type of Crime: Environmental

Criminal Fine: \$2.2 million

5 Corporate Crime Reporter 31(7), August 5, 1991

70)(tie) Consolidated Edison Company

Type of Crime: Environmental
Criminal Fine: \$2 million
8 Corporate Crime Reporter 46(5), November 28, 1994

70)(tie) Crop Growers Corporation

Type of Crime: Campaign finance
Criminal fine: \$2 million
11 Corporate Crime Reporter 4(3), January 27, 1997

70)(tie) E-Systems Inc.

Type of Crime: Fraud
Criminal Fine: \$2 million
4 Corporate Crime Reporter 33, September 3, 1990

70)(tie) HAL Beheer BV

Type of Crime: Environmental
Criminal Fine: \$2 million
12 Corporate Crime Reporter 39(4), October 12, 1998

70)(tie) John Morrell and Company

Type of Crime: Environmental
Criminal Fine: \$2 million
10 Corporate Crime Reporter 6(3), February 12, 1996

70)(tie) United Technologies Corporation

Type of Crime: Fraud
Criminal Fine: \$2 million
6 Corporate Crime Reporter 34(4), September 7, 1992

76) Mitsubishi Corporation, Mitsubishi International Corporation

Type of Crime: Antitrust
Criminal Fine: \$1.8 million
8 Corporate Crime Reporter 29(4), July 18, 1994

77)(tie) Blue Shield of California

Type of Crime: Fraud
Criminal Fine: \$1.5 million
10 Corporate Crime Reporter 18(3), May 6, 1996

77)(tie) Browning-Ferris Inc.

Type of Crime: Environmental
Criminal Fine: \$1.5 million
12 Corporate Crime Reporter 23(3), June 8, 1998

77)(tie) Odwalla Inc.

Type of Crime: Food and drug

Criminal Fine: \$1.5 million
12 Corporate Crime Reporter 30(1), July 27, 1998

77)(tie) Teledyne Inc.

Type of Crime: False statements
Criminal Fine: \$1.5 million
7 Corporate Crime Reporter 34(12), September 6, 1993

77)(tie) Unocal Corporation

Type of Crime: Environmental
Criminal Fine: \$1.5 million
8 Corporate Crime Reporter 12(8), March 21, 1994

82)(tie) Doyon Drilling Inc.

Type of Crime: Environmental
Criminal Fine: \$1 million
12 Corporate Crime Reporter 21(1), May 25, 1998

82)(tie) Eastman Kodak

Type of Crime: Environmental
Criminal Fine: \$1 million
4 Corporate Crime Reporter 14(1), April 9, 1990

82)(tie) Case Corporation

Type of Crime: Illegal exports
Criminal Fine: \$1 million
10 Corporate Crime Reporter 22(4), June 3, 1996

85) Marathon Oil

Type of Crime: Environmental
Criminal Fine: \$900,000
5 Corporate Crime Reporter 22(5), June 3, 1991

86) Hyundai Motor Company

Type of Crime: Campaign finance
Criminal Fine: \$600,000
9 Corporate Crime Reporter 48(3), December 18, 1995

87)(tie) Baxter International Inc.

Type of Crime: Illegal Boycott
Criminal Fine: \$500,000
7 Corporate Crime Reporter 13(7) , March 29, 1993

87)(tie) Bethship-Sabine Yard

Type of Crime: Environmental
Criminal Fine: \$500,000

9 Corporate Crime Reporter 26(4), July 3, 1995

87)(tie) Palm Beach Cruises

Type of Crime: Environmental

Criminal Fine: \$500,000

12 Corporate Crime Reporter 30(4), July 26, 1999

87)(tie) Princess Cruises Inc.

Type of Crime: Environmental

Criminal Fine: \$500,000

12 Corporate Crime Reporter 30(4), July 26, 1999

91)(tie) Cerestar Bioproducts BV

Type of Crime: Antitrust

Criminal Fine: \$400,000

12 Corporate Crime Reporter 28(3), June 29, 1998

91)(tie) Sun-Land Products of California

Type of Crime: Campaign finance

Criminal Fine: \$400,000

12 Corporate Crime Reporter 33(1), August 17, 1998

93)(tie) American Cyanamid

Type of Crime: Environmental

Criminal Fine: \$250,000

4 Corporate Crime Reporter 46(5), December 3, 1990

93)(tie) Korean Air Lines

Type of Crime: Campaign finance

Criminal Fine: \$250,000

9 Corporate Crime Reporter 47(1), December 11, 1995

93)(tie) Regency Cruises Inc.

Type of Crime: Environmental

Criminal Fine: \$250,000

12 Corporate Crime Reporter 30(4), July 26, 1999

96)(tie) Adolph Coors Company

Type of Crime: Environmental

Criminal Fine: \$200,000

4 Corporate Crime Reporter 43(3), November 12, 1990

96)(tie) Andrew and Williamson Sales Co.

Type of crime: Food and drug

Criminal fine: \$200,000

11 Corporate Crime Reporter 44(4), November 17, 1997

96)(tie) Daewoo International (America) Corporation

Type of Fine: Campaign finance

Criminal Fine: \$200,000

10 Corporate Crime Reporter 13(3), April 1, 1996

96)(tie) Exxon Corporation

Type of Crime: Environmental

Criminal Fine: \$200,000

5 Corporate Crime Reporter 12(1), March 25, 1991

100) Samsung America Inc.

Type of Crime: Campaign finance

Criminal Fine: \$150,000

10 Corporate Crime Reporter 6(5), February 12, 1996

THE TOP 100 CORPORATE CRIMINALS OF THE 1990's

1) F. Hoffmann-La Roche Ltd.

Type of Crime: Antitrust

Criminal Fine: \$500 million

12 Corporate Crime Reporter 21(1), May 24, 1999

The Swiss pharmaceutical giant, F. Hoffmann-La Roche Ltd., pled guilty and agreed to pay a record \$500 million criminal fine for leading a worldwide conspiracy to raise and fix prices and allocate market shares for certain vitamins sold in the United States and elsewhere.

In Dallas, the Department of Justice charged the company with conspiring to fix, raise, and maintain prices, and allocate the sales volumes of vitamins sold by them and other unnamed co-conspirator companies in the U.S. and elsewhere.

Federal officials also allege that the company allocated contracts for vitamin premixes for customers throughout the U.S. and rigged the bids for those contracts.

The conspiracy lasted from January 1990 into February 1999 and affected the vitamins most commonly used as nutritional supplements or to enrich human food and animal feed -- vitamins A, B 2, B5, C, E, and Beta Carotene.

Vitamin premixes, which are used to enrich breakfast cereals and numerous other processed foods were also affected by the conspiracy, the Department said.

2) Daiwa Bank Ltd. Type of Crime: Fraud

Criminal Fine: \$340 million

10 Corporate Crime Reporter 9(3), March 4, 1996

Daiwa Bank Ltd. pled guilty to 16 federal felonies and paid a \$340 million criminal fine -- at the time, the largest criminal fine ever imposed in the United States.

Federal officials charged that the bank and bank officials sought to cover-up massive securities trading losses on two separate occasions and deceive and defraud bank regulators.

Daiwa pled guilty to two counts of conspiracy to defraud the United States and the Federal Reserve Bank, one count of misprison of a felony, ten counts of falsifying bank books and records, two counts of wire fraud, and one count of obstructing a bank examination.

Mary Jo White, the U.S. Attorney in Manhattan, told reporters that her office made many efforts to obtain the bank's cooperation in the criminal investigation, "but no meaningful cooperation was ever given."

"These corporate crimes represent companies at their highest levels acting at their worst," White said. "What we aim for in law enforcement in the corporate context is good corporate citizenship, cooperation and openness with authorities, and genuine efforts to improve a corporate culture that has led to the problems and crimes under investigation. Unfortunately, until today's guilty pleas, we had the opposite from Daiwa."

3) BASF Aktiengesellschaft

Type of Crime: Antitrust

Criminal Fine: \$225 million

12 Corporate Crime Reporter 21(1), May 24, 1999

A German company, BASF Aktiengesellschaft, pled guilty and agreed to pay a \$225 million criminal fine for leading a worldwide conspiracy to raise and fix prices and allocate market shares for certain vitamins sold in the United States and elsewhere.

In Dallas, the Department of Justice charged the company with conspiring to fix, raise, and maintain prices, and allocate the sales volumes of vitamins sold by them and other unnamed co-conspirator companies in the U.S. and elsewhere.

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feed -- vitamins A, B 2, B5, C, E, and Beta Carotene.

Vitamin premixes, which are used to enrich breakfast cereals and numerous other processed foods were also affected by the conspiracy, the Department said.

4) SGL Carbon Aktiengesellschaft (SGL AG)

Type of Crime: Antitrust

Criminal Fine: \$135 million

12 Corporate Crime Reporter 19(4), May 10, 1999

SGL Carbon Aktiengesellschaft (SGL AG), the world's largest producer of graphite and carbon products, pled guilty to antitrust crimes and agreed to pay a record \$135 million fine for participating in an international conspiracy to fix prices and allocate the volume of graphite electrodes in the U.S. and elsewhere.

Graphite electrodes are large columns used in electric arc furnaces in steel-making "mini-mills."

5) Exxon Corporation and Exxon Shipping

Type of Crime: Environmental

Criminal Fine: \$125 million

5 Corporate Crime Reporter 11(3), March 18, 1991

Exxon Corporation and Exxon Shipping pled guilty to federal criminal charges in connection with the March 24, 1989 Exxon Valdez oil spill.

The company was assessed a \$125 million criminal fine.

Attorney General Dick Thornburgh called the fine "the largest single environmental criminal recovery ever enacted."

The companies pled guilty to misdemeanor violations of federal environmental laws.

Approximately 11 million gallons of crude oil spilled from the Valdez, fouling 700 miles of Alaska shoreline, killing birds and fish, and destroying the way of life of thousands of Native Americans.

6) UCAR International, Inc.

Type of Crime: Antitrust

Criminal Fine: \$110 million

12 Corporate Crime Reporter 15(6), April 13, 1998

AR International, Inc. (UCAR), the largest producer of graphite electrodes in the United States, was charged with participating in an international cartel to fix the price and allocate the volume of graphite electrodes sold in the United States and elsewhere.

The company pled guilty and agreed to pay a \$110 million criminal fine.

UCAR is charged with violating the Sherman Act by conspiring with unnamed co-conspirators to suppress and eliminate competition.

According to the charges, UCAR and the other companies began to fix prices and allocate their market shares for graphite electrodes in the United States and elsewhere at least as early as July 1992, and continued until at least June 1997.

As a result, steel makers paid noncompetitive and higher prices for graphite electrodes used in manufacturing products that are integral to a variety of business and consumer items.

Graphite electrodes are large columns used in electric arc furnaces in steel-making "mini-mills" to generate the intense heat necessary to melt and further refine steel. Nine electrodes, joined in columns of three, are used in the typical electric arc furnace to melt scrap steel.

7) Archer Daniels Midland

Type of Crime: Antitrust

Criminal Fine: \$100 million

10 Corporate Crime Reporter 40(1), October 21, 1996

Archer Daniels Midland (ADM) pled guilty and paid a \$100 million criminal fine -- at the time, the largest criminal antitrust fine ever -- for its role in conspiracies to fix prices to eliminate competition and allocate sales in the lysine and citric acid markets worldwide.

Federal officials said that as a result of ADM's crime, seed companies, large poultry and swine producers and ultimately farmers paid millions more to buy the lysine additive.

In addition, manufacturers of soft drinks, processed foods, detergents, and others, paid millions more to buy the citric acid additive, which ultimately caused consumers to pay more for those products.

Lysine is an amino acid used by farmers as a feed additive to ensure the proper growth

of livestock. It is a \$600 million a year industry worldwide.

Citric acid is a flavor additive and preservative produced from various sugars. It is found in soft drinks, processed food, detergents, pharmaceutical and cosmetic products. Citric acid is a \$1.2 billion a year industry worldwide.

8)(tie) Banker's Trust

Type of Crime: Financial

Criminal Fine: \$60 million

12 Corporate Crime Reporter 11(1), March 15, 1999

Bankers Trust was fined \$60 million for its role in a scheme by high-ranking bank officials to enhance the bank's financial performance by falsely recording approximately \$19.1 million in unclaimed customer funds as the bank's income and reserves.

Bankers Trust pled guilty to three counts of making false entries in bank books and records.

In addition to the \$19.1 million fine, Bankers Trust was forced to return \$17.85 million of the approximately \$19.1 million unlawfully recorded as the bank's income and reserves to their rightful owners.

Bankers Trust's plan to return the remaining balance of the \$19.1 million will be supervised by the Federal Reserve Bank of New York. Three Bankers Trust executives were indicted in the case.

"Bankers Trust's guilty plea should send a strong signal to all companies that negative consequences will flow from putting pressure on their executives and employees to generate revenues and meet expense targets with any means necessary," said U.S. Attorney Mary Jo White. "While a corporation, especially a financial institution -- naturally expresses concern and interest in the bottom line, it must at the same time ensure that it fosters a corporate culture requiring strict compliance with all applicable legal and ethical obligations."

8)(tie) Sears Bankruptcy Recovery Management Services

Type of Crime: Fraud

Criminal Fine: \$60 million

13 Corporate Crime Reporter 7(1), February 15, 1999

A unit of Sears, Roebuck and Company pled guilty to bankruptcy fraud and agreed to

pay a \$60 million fine.

Sears Bankruptcy Recovery Management Services pled guilty to one count of bankruptcy fraud involving fraudulent reaffirmation practices that began in 1985 and continued until early 1997.

Sears has already paid over \$180 million in restitution to about 188,000 debtors and \$40 million in civil fines to 50 state attorneys general.

The \$60 million criminal fine is the largest fine ever to be paid in a bankruptcy fraud case. The fine also is believed to be the largest criminal fine ever in Massachusetts, and one of the largest nationwide.

"Sears intentionally misled bankrupt debtors without attorneys and defrauded the Bankruptcy Court for over a decade," said U.S. Attorney Donald Stern said. "This was not the haphazard action of a few employees. It represented an outrageous company policy, carried out by those responsible for debt collection, which plainly violated federal law."

The fraudulent scheme involved Sears' practices relating to bankruptcy reaffirmation agreements. Such reaffirmation agreements, when executed in compliance with the Bankruptcy Code, have the effect of maintaining legally binding debts which would otherwise be discharged in bankruptcy. The discharge of debts is the principal benefit to a debtor filing for bankruptcy. The discharge prohibits all creditors from taking any collection action against the debtor for prebankruptcy debts that are not reaffirmed.

According to the criminal charges filed by the U.S. Attorney, beginning in 1985 and continuing until April, 1997, Sears and its subsidiary unit engaged in a scheme to induce bankruptcy debtors to enter into reaffirmation agreements concerning their credit card debts with Sears and lead them to believe that the agreements would be filed with the Bankruptcy Court and were binding contractual obligations, when in fact the agreements were not going to be filed and the debtors had no obligation to pay the debt.

10) Haarman & Reimer Corp.

Type of Crime: Antitrust

Criminal fine: \$50 million

11 Corporate Crime Reporter 5(4), February 3, 1997

Haarman & Reimer Corp., a New Jersey-based subsidiary of the Germany-based pharmaceutical and chemical giant Bayer AG, pled guilty and agreed to pay a \$50 million criminal fine for participating in an international conspiracy to fix prices and allocate sales in the citric acid market worldwide.

"This \$50 million criminal fine sends a clear message to corporations around the world," said Attorney General Janet Reno. "We will not tolerate international conspiracies that defraud American consumers, and those companies that engage in collusive conduct will be punished."

11) Louisiana-Pacific Corporation

Type of Crime: Environmental

Criminal Fine: \$37 million

12 Corporate Crime Reporter 23(1), June 8, 1998

Louisiana-Pacific Corporation pled guilty to 18 felonies, was fined \$37 million, and was placed on five years probation.

The plea agreement, cut with the U.S. Attorney in Colorado, capped a six-year investigation of the nation's largest producer of oriented stranded board (OSB), a laminated structural wood panel that is used as a plywood substitute in residential and commercial construction.

The criminal investigation began in July 1992, when Dave Horan, a former Louisiana-Pacific supervisor at its Montrose, Colorado facility, filed a lawsuit against the company alleging that he had been fired because he refused to tamper with the Montrose mill's pollution monitoring equipment.

The investigation expanded to include both environmental and consumer fraud violations.

In its plea agreement, the company admitted it committed numerous criminal acts, including conspiring to violate the Clean Air Act and False Statement Act, tampering with the Montrose mill's air pollution monitor on 12 occasions by inserting foil into the monitor, pulling a protective lens off the monitor, miscalibrating the monitor, and turning it off, lying to the Colorado Department of Health about the number of times the Montrose mill violated the limits of its pollution permits, creating and submitting to the American Plywood Association non-representative samples of OSB that the Association used in its on-going quality assurance testing from 1990 to 1994, and misrepresenting to its customers that its OSB conformed to the quality assurance testing requirements of the Association.

12) Hoechst AG

Type of Crime: Antitrust

Criminal Fine: \$36 million

12 Corporate Crime Reporter 19(6), May 10, 1999

The German chemical and pharmaceutical giant Hoechst AG pled guilty and agreed to pay a \$36 million criminal fine for participating in a 17-year international conspiracy

to fix prices and allocate market shares on the sale of sorbates in the United States and elsewhere.

Federal officials charged Hoechst AG and Bernd Romahn, former Marketing Manager of Hoechst's Food Ingredients Business Unit, with conspiring with unnamed sorbates producers to suppress and eliminate competition in the sorbates industry from 1979 until 1996.

In addition to the \$36 million fine against the corporation, Romahn has agreed to plead guilty and pay a \$250,000 criminal fine for his role in the conspiracy. As part of the plea agreements, Hoechst and Romahn have agreed to cooperate in the ongoing government investigation.

13) Damon Clinical Laboratories, Inc.

Type of Crime: Fraud

Criminal Fine: \$35.2 million

10 Corporate Crime Reporter 39(6), October 14, 1996

Damon Clinical Laboratories, Inc., a unit of Corning Inc., pled guilty to a one-count criminal information charging the company with conspiring to defraud the United States by submitting false claims to the Medicare program.

The Corning paid \$119 million in fines and penalties -- \$35.2 million as a criminal fine and \$83.7 to resolve related civil liabilities.

Federal officials said that the \$119 million payment represents a recovery of three dollars for every one dollar that the company stole from federal and state health care programs.

"Faced with declining profits and a changing health care marketplace, Damon decided to cheat the Medicare program," said U.S. Attorney Donald Stern. "It did so by submitting literally millions of fraudulent claims for payment to federal and state health care programs for medically unnecessary laboratory tests. What was marketed as a LabScan was actually a massive lab scam."

Federal officials charged that the company bundled three different tests with certain blood panels, causing doctors to order tests that were not medically necessary for the treatment and diagnosis of Medicare beneficiaries.

After physicians had ordered the medically unnecessary tests, Damon then billed Medicare for the bundled tests, knowing that the tests were in fact not necessary.

14) C.R. Bard Inc.

Type of Crime: Food and drug

Criminal Fine: \$30.9 million

7 Corporate Crime Reporter 41(1), October 25, 1993

C.R. Bard Inc., a heart catheter manufacturer, pled guilty to a 391 count criminal charge for marketing an unapproved medical device that caused at least 10 patients to undergo emergency heart surgery and at least one death.

The company paid \$60.1 million in fines and penalties, including a \$30.9 million criminal fine.

A heart catheter is a wire with a balloon like tip which is temporarily threaded into a person's coronary arteries by a doctor and then inflated in order to flatten material which is clogging the artery. The device widens the path through which blood can flow to the heart muscle.

The company pled guilty to conducting illegal experiments on people with the unapproved catheters, including illegal testing of catheters on people for the purpose of determining whether the catheters were safe and effective.

About 22,000 people had used the catheters before they were recalled in 1990.

15) Genentech Inc.

Type of Crime: Food and drug

Criminal Fine: \$30 million

12 Corporate Crime Reporter 16(3), April 19, 1999

Genentech Inc., the San Francisco-based biotech and pharmaceutical company, pled guilty to marketing to doctors one of its most lucrative prescription drugs, Protropin, for uses which had not been approved by the Food and Drug Administration (FDA).

Genentech paid a \$30 million criminal fine and \$20 million in civil penalties.

Genentech will admit that from 1985 to 1994, it aggressively marketed Protropin, a synthetic human growth hormone, to doctors, hospitals, and others for use in the treatment of various medical conditions for which Protropin had not received FDA approval.

It is illegal under federal law for a drug company to market a drug for purposes which the FDA has not approved based on research and clinical trials.

16) Nippon Gohsei

Type of Crime: Antitrust

Criminal Fine: \$21 million

12 Corporate Crime Reporter 29(3), July 19, 1999

Nippon Gohsei, a large Japanese chemical producer, pled guilty and agreed to pay a \$21 million criminal fine for participating in a 17-year international conspiracy to suppress and eliminate competition in the foods preservatives industry.

In San Francisco, the Justice Department charged Nippon Gohsei Fine Chemicals Business Department with conspiring to fix, raise, and maintain prices, and allocate market shares on sorbates sold by them and unnamed co-conspirators from 1979 to 1996.

Sorbates are chemical preservatives used primarily in high-moisture and high-sugar foods such as cheese and other dairy products, baked goods, and other processed foods.

Roughly \$200 million worth of sorbates, including potassium sorbate and sorbic acid, are sold annually worldwide.

17)(tie) Pfizer Inc.

Type of Crime: Antitrust

Criminal Fine: \$20 million

12 Corporate Crime Reporter 30(1), July 26, 1999

Pfizer Inc. will pled guilty and agreed to pay criminal fines totaling \$20 million for participating in two international price fixing conspiracies in the food additives industry.

Pfizer -- the fourth largest pharmaceutical company in the United States -- was charged with participating in a conspiracy to raise and fix prices and allocate market shares in the U.S. for a food preservative called sodium erythorbate, and to allocate customers and territories for a flavoring agent called maltol.

Federal officials charged Pfizer with conspiring with an unnamed sodium erythorbate producer to fix prices and allocate market shares on sodium erythorbate sales in the United States from 1992 to 1994.

Federal officials also charged the corporation with conspiring with an unnamed maltol producer to allocate customers and territories for sales of maltol in the United States and elsewhere from 1989 until 1995.

Sodium erythorbate is a chemical food preservative used to protect the color and flavor

of meat, vegetables, and processed foods.

Maltol is a chemical food flavoring agent used primarily in fruit and caramel-flavored candies and beverages.

The two conspiracies affected more than \$65 million in United States commerce.

17)(tie) Summitville Consolidated Mining Co. Inc.

Type of Crime: Environmental

Criminal Fine: \$20 million

10 Corporate Crime Reporter 20(3) May 20, 1996

The Summitville Consolidated Mining Co. Inc. pled guilty to 40 counts of violating the Clean Water Act and other federal statutes at its Summitville Gold Mine operation in southwestern Colorado from 1984 to 1992. The company was fined \$20 million.

The company pled guilty to one count of conspiracy, four counts of making false statements, five counts of failing to report under the Clean Water Act, and 30 counts of knowingly violating the Clean Water Act by making unauthorized discharges to waters of the United States.

As part of the plea agreement Summitville agreed to pay the maximum criminal fine of \$500,000 on each count, for a total fine of \$20 million.

Summitville, which opened in 1986, introduced a technology called "cyanide leaching" to extract gold from ore. This process, invented in Scotland and first used in South Africa, involves spraying cyanide solution on the ore to extract gold.

The cyanide waste that was left over was supposed to be stored in lined and covered ponds to prevent contact with local animals which can die if they drink the water. However, the cyanide solution did not stay in the ponds but leaked through the lining into nearby creeks. By 1990, a 16-mile stretch of the Alamosa river was biologically dead.

19)(tie) Lucas Western Inc.

Type of Crime: False Statements

Criminal Fine: \$18.5 million

9 Corporate Crime Reporter 4(6), January 30, 1995

Lucas Western Industries, Inc., a subsidiary of Lucas Industries plc, the British defense contractor, pled guilty to 37 counts of submitting false statements to the U.S.

Department of Defense and paid a criminal fine of \$18.5 million.

Lucas falsely certified to the Defense Department that gearboxes it manufactured had been fully inspected. In fact, many required inspections had not been performed.

The charges focused on faulty gearboxes for two military programs -- the airframe mounted accessory drive for the Navy's F/A-18 aircraft and the aximuth drive unit gearbox for the Army's Multiple Launch Rocket System.

19)(tie) Rockwell International Corporation

Type of Crime: Environmental

Criminal Fine: \$18.5 million

6 Corporate Crime Reporter 13(4), March 30, 1992

Rockwell International Corporation pled guilty to ten counts of environmental crimes at the Rocky Flats Nuclear Weapons Plant near Boulder, Colorado.

Rockwell pled guilty to four felony violations of the Resource Conservation and Recovery Act and to one felony and five misdemeanors of the Clean Water Act.

Federal officials charged that Rockwell illegally stored and treated hazardous wastes generated during the production of plutonium "triggers" and other components of nuclear weapons at Rocky Flats.

Federal officials also charged that Rockwell improperly and illegally discharged wastes through its sewage treatment plant, creating the potential for contamination by runoff to a reservoir used for drinking water.

21) Royal Caribbean Cruises Ltd.

Type of Crime: Environmental

Criminal Fine: \$18 million

12 Corporate Crime Reporter 30(4), July 26, 1999

Royal Caribbean Cruises Ltd., one of the world's largest passenger cruise lines, pled guilty to 21 felony counts and agreed to pay a record \$18 million criminal fine for dumping waste oil and hazardous chemicals and lying to the U.S. Coast Guard.

In a plea agreement, filed in federal courts in six cities, Royal Caribbean admitted that it routinely dumped waste oil from its fleet of cruise ships.

The company also pled guilty to the unprecedented charge that it deliberately dumped into U.S. harbors and coastal areas many other types of pollutants, including hazardous

chemicals from photo processing equipment, dry cleaning shops and printing presses.

The \$18 million fine is the largest ever to be paid by a cruise line in connection with polluting U.S. waters.

The plea agreements were filed in Miami, New York City, Los Angeles, Anchorage, St. Thomas, U.S. Virgin Islands, and, San Juan, Puerto Rico.

"Royal Caribbean used our nation's waters as its dumping ground, even as it promoted itself as an environmentally 'green' company," said Attorney General Janet Reno. "This case will sound like a foghorn throughout the entire maritime industry."

Under the terms of the plea agreement, the cruise ship operator will also pled guilty to deliberately storing waste from its ships at a Port of Miami pier without a permit, violating federal hazardous waste law.

Some hazardous materials, including toxic solvents from dry cleaning operations, were illegally placed in the garbage aboard the ships. The material was then either incinerated on the ship or dumped in U.S. or foreign ports mixed with ordinary garbage.

22) Teledyne Industries Inc.

Type of Crime: Fraud

Criminal Fine: \$17.5 million

6 Corporate Crime Reporter 39(9), October 12, 1992

Teledyne Industries Inc. pled guilty to 35 counts of preparing and submitting false statements regarding the testing of electronic relays at its Teledyne Relays Division in Hawthorne, California.

Teledyne paid a \$17.5 million criminal fine.

Federal officials alleged that the company sold commercial grade relay switches to the federal government while certifying that they had successfully met rigorous military testing requirements. The government pays a premium of nearly four times as much for the tested, military version of the switches as it would for the untested, commercial quality relay switch.

23) Northrop

Type of Crime: False statements

Criminal Fine: \$17 million

4 Corporate Crime Reporter 9(1), March 5, 1990

Northrop pled guilty to 34 counts of providing false statements to the federal government over a three year period in connection with two military programs -- the Air Launched Cruise Missile and the Navy Harrier Jet.

24) Litton Applied Technology Division (ATD) and Litton Systems Canada (LSL)

Type of Crime: Fraud

Criminal Fine: \$16.5 million

12 Corporate Crime Reporter 27(1), July 5, 1999

Two Litton Industries, Inc. units pled guilty to felony charges and agreed to pay \$18.5 million in connection with the concealment of commissions paid to consultants who secured military sales to Taiwan and Greece.

Litton Applied Technology Division (ATD) and Litton Systems Canada (LSL) each pled guilty to one conspiracy count. LSL also pled guilty to additional charges of mail fraud and false statements.

The two Litton units agreed to pay \$18.5 million -- which includes \$16.5 million in criminal fines and \$2 million in restitution.

The federal case against the Litton units involves a long-running conspiracy to defraud agencies of the United States and Taiwan in connection with Litton's military sales to governments of Taiwan and Greece.

25) Iroquois Pipeline Operating Company

Type of Crime: Environmental

Criminal Fine: \$15 million

10 Corporate Crime Reporter 22(1), June 3, 1996

The Connecticut-based Iroquois Pipeline Operating Company and four of its high-level officers and supervisors pled guilty to numerous criminal violations of the Clean Water Act including failure to clean up or restore damage to nearly 200 streams and wetlands as a result of rushing to meet construction deadlines.

The company agreed to pay \$22 million in criminal and civil fines -- including a \$15 million criminal fine -- for violating federal environmental and safety laws.

The violations stem from the construction of one of the country's longest natural gas pipelines running 370 miles from Canada through upstate New York and Connecticut to Long Island.

26) Eastman Chemical Company

Type of Crime: Antitrust

Criminal Fine: \$11 million

12 Corporate Crime Reporter 38(5), October 5, 1998

Eastman Chemical Company pled guilty and agreed to pay an \$11 million criminal fine for participating in an international price-fixing conspiracy in the food preservatives industry.

Roughly \$200 million worth of sorbates, which include potassium sorbate and sorbic acid, is sold worldwide every year.

Sorbates are chemical preservatives used primarily as mold inhibitors in high-moisture and high-sugar foods such as cheese and other dairy products, baked goods, and other processed foods.

Eastman is headquartered in Kingsport, Tennessee.

Federal officials alleged that Eastman, through one or more of its employees, conspired with other unnamed sorbate producers to suppress and eliminate competition in the sorbates market.

The Department of Justice alleged that Eastman officials agreed with their co-conspirators on prices to be charged for sorbates sold in the United States.

The single-count felony charges the company with participating in conversations to discuss the price of sorbates sold in the United States, agreeing, during those conversations, to charge prices at certain levels and otherwise increase and maintain prices of sorbates sold in the United States, and issuing price announcements and price quotations in accordance with the agreements reached.

27) Copley Pharmaceutical, Inc.

Type of Crime: Food and drug

Criminal Fine: \$10.65 million

11 Corporate Crime Reporter 22(1), June 2, 1997

Copley Pharmaceutical, Inc., a Massachusetts-based generic drug maker, pled guilty to one count of conspiracy to defraud the Food and Drug Administration (FDA) and agreed to pay a fine of \$10.65 million.

Federal officials said the investigation began after two brothers -- Michael and Mark Riley -- who worked for the company, "blew the whistle on their superiors and the

company."

A criminal information filed by the U.S. Attorney's office in Boston charged the company with:

- * changing manufacturing methods from those approved by the FDA for drugs, including prescription and over-the-counter drugs;
- * falsifying manufacturing batch records to cover-up the manufacturing deviations;
- * submitting false annual reports to the FDA for FDA-approved drugs which did not disclose the manufacturing changes; and
- * failing to seek prior FDA approval for certain manufacturing changes.

28) Lonza AG

Type of Crime: Antitrust

Criminal Fine: \$10.5 million

12 Corporate Crime Reporter 10(1), March 8, 1999

A Swiss vitamin manufacturer and five United States executives pled guilty and agreed to cooperate in the government's ongoing investigation of illegal collusive practices in the international vitamin industry.

Federal officials charged the company, Lonza AG, with participating in a conspiracy to fix prices and allocate the volume of sales of vitamin B3 (niacin and niacinamide). The company agreed to pay a fine of \$10.5 million for its role in the conspiracy.

The five executives were charged with participating in a conspiracy to fix prices and allocate customers and the sales of vitamin B4 (choline chloride). Vitamins B3 and B4 are used to enrich both animal and human nutritional products and are marketed worldwide.

In the Lonza case, federal officials alleged that company executives agreed with the other major vitamin B3 firms to suppress and eliminate competition in the Vitamin B3 market.

29) Kimberly Home Health Care Inc.

Type of Crime: Fraud

Criminal Fine: \$10.08 million

12 Corporate Crime Reporter 30(6), July 26, 1999

Olsten Corporation and a subsidiary, Kimberly Home Health Care, Inc., agreed to pay \$61 million to settle allegations that both companies defrauded the Medicare program. Olsten agreed to pay nearly \$51 million as part of a civil settlement, and Kimberly will enter into criminal plea agreements in three districts and pay more than \$10 million in criminal fines.

Kimberly will plead guilty to three separate felony charges, which were filed in Florida and Georgia.

Kimberly will plead guilty to conspiracy, mail fraud and violating the Medicare Anti-Kickback statute, and agreed to pay \$10.08 million in criminal fines in connection with its scheme to defraud the Medicare program.

Kimberly's parent company, Olsten, entered into a civil settlement agreement with the United States and agreed to pay \$50.92 million to resolve its civil liability stemming from the same Medicare fraud schemes and an additional scheme in Brooklyn, New York.

Olsten and its subsidiaries own and operate management and staffing services for home health agencies in several states, including Florida and Georgia.

Federal officials alleged kickbacks and false Medicare billings made in connection with Kimberly's receipt of fees from another company for Kimberly's management of certain home health agencies.

30)(tie) Ajinomoto Co. Inc.

Type of Crime: Antitrust

Criminal Fine: \$10 million

10 Corporate Crime Reporter 40(1), October 21, 1996

Ajinomoto Co. Inc., pled guilty to suppressing and eliminating competition in the lysine market from June 1992 through June 27, 1995 in violation of the Sherman Antitrust Act.

Lysine is an amino acid used by farmers as a feed additive to ensure the proper growth of livestock. It is a \$600 million a year industry worldwide.

30)(tie) Bank of Credit and Commerce International (BCCI)

Type of Crime: Financial

Criminal Fine: \$10 million

4 Corporate Crime Reporter 3(1) January 22, 1990

Two BCCI units pled guilty to 29 counts of laundering illegal drug profits. At the time of the indictment, Justice Department officials called the BCCI prosecution "the most important money laundering case in U.S. history." Among the bank's customers was Manuel Noriega.

Under the plea agreement, the two BCCI units, Bank of Credit and Commerce International S.A. and Bank of Credit and Commerce International (Overseas) Ltd. would forfeit \$14.8 million in alleged drug profits and be placed on probation for five years.

BCCI was assessed \$550 million in restitution, fines and penalties, including a \$10 million criminal fine.

30)(tie) Kyowa Hakko Kogyo Co. Ltd.

Type of Crime: Antitrust

Criminal Fine: \$10 million

10 Corporate Crime Reporter 40(1), October 21, 1996

Kyowa Hakko Kogyo Co. Ltd. pled guilty to suppressing and eliminating competition in the lysine market from June 1992 through June 27, 1995 in violation of the Sherman Antitrust Act.

Lysine is an amino acid used by farmers as a feed additive to ensure the proper growth of livestock. It is a \$600 million a year industry worldwide.

30)(tie) Warner-Lambert Company

Type of Crime: Food and drug

Criminal Fine: \$10 million

9 Corporate Crime Reporter 46(1), December 4, 1995

Warner-Lambert Company, a Fortune 500 pharmaceutical manufacturer, pled guilty to one felony count and was sentenced to pay a \$10 million criminal fine for fraudulently failing to notify the Food and Drug Administration (FDA) about persistent drug stability problems with certain prescription drugs.

Federal officials charged that the company violated federal law by fraudulently failing to report to the FDA drug stability failures concerning the prescription drug Dilantin, a widely used anti-epileptic medication.

34) General Electric

Type of Crime: Fraud
Criminal Fine: \$9.5 million
6 Corporate Crime Reporter 30(7), July 27, 1992

General Electric Company pled guilty to charges of defrauding the federal government of \$26.5 million in the sale of military equipment to Israel.

The company paid \$69 million in fines, penalties and damages for committing the offenses. Of that, \$9.5 million is a criminal fine.

The company pled guilty to diverting millions of dollars to a former Israeli Air Force General to assist GE in securing favorable treatment in connection with the F-16 program.

35)(tie) Royal Caribbean Cruises Ltd.

Type of Crime: Environmental
Criminal Fine: \$9 million
12 Corporate Crime Reporter 23(3), June 8, 1998

Royal Caribbean Cruises Ltd., one of the world's largest passenger cruise lines, pled guilty to a fleet-wide conspiracy of dumping oil into the ocean and lying to the U.S. Coast Guard to cover up the crimes. The company was fined \$9 million.

The plea agreement, which was filed in federal courts in Miami, Florida, and San Juan, Puerto Rico, was reached on the eve of trials scheduled in Miami and Puerto Rico on June 2nd and 8th, 1998.

Royal Caribbean president Jack Williams issued a strong statement accepting responsibility and apologizing for the company's crimes.

Federal officials said that the conspiracy included using false oil record books. These logs were kept to record all overboard discharges. Some Royal Caribbean engineers had referred to the oil record books, which were presented to the Coast Guard during inspections in U.S. ports, as the "Eventyrbok," which means "Fairytale book" in Norwegian.

The company also pled guilty to two counts of obstruction of justice -- witness tampering (ordering an engineer to lie to a federal grand jury) and destroying evidence of a bypass pipe used to make illegal discharges from the cruise ship "Sovereign of the Seas."

35)(tie) Showa Denko Carbon

Type of Crime: Antitrust
Criminal Fine: \$9 million
12 Corporate Crime Reporter 19(4), May 10, 1999

Showa Denko Carbon, Inc. (SDC), a U.S. subsidiary of the Japanese firm Showa Financing KK, pled guilty to a charge of participating in an international cartel to fix the price and allocate the volume of graphite electrodes sold in the United States and elsewhere and was fined \$9 million.

Graphite electrodes are large columns used in electric arc furnaces in steel-making "mini-mills."

SDC is charged with violating the Sherman Antitrust Act by conspiring with unnamed co-conspirators to suppress and eliminate competition. According to the charges, SDC fixed prices and allocated market share for graphite electrodes in the United States and elsewhere from 1993 until January 1997.

37) IBM East Europe/Asia Ltd.

Type of Crime: Illegal exports
Criminal Fine: \$8.5 million
12 Corporate Crime Reporter 32(1), August 10, 1998

A unit of IBM Corp. pled guilty in Washington, D.C. to a 17-count criminal information charging violations that the company unlawfully exported computers to a Russian nuclear lab.

The company, IBM East Europe/Asia Ltd., was sentenced to pay \$8.5 million, the maximum fine authorized by law.

IBM East Europe/Asia Ltd., the Russian subsidiary of IBM, admitted that it sold and exported computers to Arzamas-16, the Russian nuclear lab, "having reason to believe that the computers would be used directly or indirectly in research on or development, design, manufacture, construction, testing or maintenance of nuclear explosive devices" in violation of federal export control laws.

38) Empire Sanitary Landfill Inc.

Type of crime: Campaign finance
Criminal fine: \$8 million
11 Corporate Crime Reporter 39(3), October 13, 1997

Empire Sanitary Landfill Inc. pled guilty to making illegal campaign contributions and was fined \$8 million, the largest criminal fine ever imposed in a federal election

campaign finance fraud prosecution.

In Harrisburg, Pennsylvania, federal officials charged Empire with making \$129,000 in illegal corporate contributions.

The money went to both the Dole and Clinton 1996 president campaigns and numerous Congressional campaigns, but the Dole campaign received the largest chunk of the money -- \$80,000 in illegal contributions in April and May 1995.

39)(tie) Colonial Pipeline Company

Type of Crime: Environmental

Criminal Fine: \$7 million

13 Corporate Crime Reporter 9(3), March 1, 1999

Colonial Pipeline Company, the operator of the largest hazardous liquid pipeline in the world, pled guilty to criminal charges in connection with a spill of almost one million gallons of oil into the Reedy River in South Carolina.

The company was fined \$7 million and put on five years probation.

Colonial is owned by several of the world's largest oil companies. Shareholders include Mobil, Texaco and Amoco.

The company pled guilty to a misdemeanor charge of violating the Clean Water Act when it failed to exercise reasonable care leading to the rupture of its pipeline where it crosses the Reedy River near Simpsonville, South Carolina.

Colonial Pipeline acknowledged that its actions led to the spill of about 960,000 gallons of diesel fuel affecting a 23-mile segment of the river. The spill killed about 35,000 fish and also affected wildlife such as beaver, muskrat, and turtles, which died as a result of direct contact with the spilled oil.

39)(tie) Eklof Marine Corporation

Type of Crime: Environmental

Criminal Fine: \$7 million

11 Corporate Crime Reporter 37(4), September 29, 1997

A tugboat company, Eklof Marine Corporation, its president, the tugboat's captain and two affiliated companies pled guilty to environmental crimes in connection with a 826,000 gallon oil spill off Rhode Island in 1996.

The spill caused substantial environmental damage, killing marine and bird life on

Rhode Island's south coast.

The North Cape barge, carrying four million gallons of home heating oil, ran aground after a fire broke out in the engine room of the Scandia tugboat, which was towing the North Cape to Providence.

The crew had to abandon the tug, leaving it and the barge adrift in a severe winter storm.

Eklof Marine Corporation, two affiliate companies, Eklof's president and the tugboat's captain admitted that their combined negligence caused the spill.

The companies agreed to pay \$8.5 million in fines and conservation payments and will undertake a \$1 million remedial safety program on any vessels navigating Rhode Island waters.

41)(tie) Chevron

Type of Crime: Environmental

Criminal Fine: \$6.5 million

6 Corporate Crime Reporter, 22(1), June 1, 1992

Chevron pled guilty to 65 Clean Water Act violations and paid \$8 million in criminal and civil fines.

The crimes were committed on Platform Grace, an oil drilling platform in the Santa Barbara Channel.

Of the \$8 million, \$6.5 million is a criminal penalty, and \$1.5 million is a civil penalty.

Federal officials charged that Chevron discharged oil and grease in waste water that exceeded limits in its federal permit.

Chevron also admitted to diluting waste water prior to its being sampled, so as to understate the actual amount of oil and grease discharge which it reported to the Environmental Protection Administration.

41)(tie) Rockwell International Corporation

Type of Crime: Environmental

Criminal Fine: \$6.5 million

10 Corporate Crime Reporter 15(4), April 15, 1996

Rockwell International Corporation pled guilty to three felony counts and agreed to

pay a \$6.5 million fine in connection with a 1994 chemical explosion that killed two scientists at the firm's Santa Susana Field Laboratory in Simi Hills, California.

Federal officials in Los Angeles charged that in June and July 1994, Rockwell's Rocketdyne division illegally stored and disposed of hazardous waste at the facility. The waste in question, triaminoguanidine nitrate (TAGN), an explosive, was used as a gun propellant.

On July 26, 1994, two Rockwell scientists, Otto Heiney and Larry Pugh, were killed in an explosion at the facility.

For months following the blast, Rockwell officials claimed that Heiney and Pugh died while conducting legitimate experiments with explosives. But Rocketdyne President Paul Smith later admitted that the blast came as the two were illegally burning a volatile explosive to get rid of it.

43) Tokai Carbon Ltd. Co.

Type of Crime: Antitrust

Criminal Fine: \$6 million

12 Corporate Crime Reporter 19(4), May 10, 1999

Tokai Carbon Ltd. Co. pled guilty to a charge of participating in an international cartel to fix the price and allocate the volume of graphite electrodes sold in the United States and elsewhere and was fined \$6 million.

Graphite electrodes are large columns used in electric arc furnaces in steel-making "mini-mills."

44)(tie) Allied Clinical Laboratories, Inc.

Type of Crime: Fraud

Criminal Fine: \$5 million

10 Corporate Crime Reporter 45(1), November 25, 1996

Laboratory Corporation of America Holdings (LabCorp), headquartered in Burlington, North Carolina, agreed to pay \$182 million to resolve allegations that it submitted false claims for medically unnecessary laboratory tests to federal and state health care programs.

Immediately before the announcement of the civil settlement, the San Diego Regional Laboratory of Allied Clinical Laboratories, Inc., which is now owned by LabCorp, pled guilty to submitting a false claim to Medicare and to the California Medicaid

Program for an unnecessary blood test and was fined \$5 million.

LabCorp entered into a pre-trial diversion program with the U.S. Attorney in North Carolina and a corporate integrity program with the Department of Health and Human Services.

The settlement is the largest single settlement under the qui tam provisions of the False Claims Act. The largest previous settlement was with United Technologies Corporation in 1994 for \$150 million.

The LabCorp case came to the attention of law enforcement officials after a doctor noticed that the blood laboratory he was using routinely did tests that he neither needed nor wanted for his patients.

44)(tie) Northern Brands International Inc.

Type of Crime: Fraud

Criminal Fine: \$5 million

13 Corporate Crime Reporter 1(1), January 4, 1999

Northern Brands International Inc., a unit of R.J. Reynolds Tobacco International Inc., pled guilty and agreed to pay a total of \$15 million in criminal fines and forfeitures for aiding and abetting customers who evaded more than \$2.5 million in U.S. excise taxes by fraudulently transporting within the United States cigarettes that were intended to be exported.

"This guilty plea may be the first time an affiliate of a major tobacco company has been convicted of a federal crime in the United States," said U.S. Attorney Thomas Maroney in Binghamton, New York.

Northern Brands, which is headquartered in Winston-Salem, North Carolina, was charged with fraudulently moving 26 loads of Canadian cigarettes by representing to the U.S. Customs Service that the merchandise would be transported in the U.S. solely for exportation to the Republic of Estonia or the Republic of Russia.

44)(tie) Ortho Pharmaceutical Corporation

Type of Crime: Obstruction of justice

Criminal Fine: \$5 million

9 Corporate Crime Reporter 2(3), January 16, 1995

Ortho Pharmaceutical Corporation, a wholly-owned subsidiary of Johnson & Johnson, pled guilty to one count of conspiracy to obstruct justice, one count of obstruction of justice and eight counts of corruptly persuading employees to destroy documents

relating to a federal investigation of the drug company's Retin A public relations campaign.

The company was fined \$5 million and ordered to pay restitution of \$2.5 million.

The charges related to a Food and Drug Administration investigation into an extensive public relations campaign that generated publicity about Retin-A's use in the treatment of sun-wrinkled, or photoaged, skin.

Retin-A was approved by the FDA in 1971 for the treatment of Acne. The FDA did not approve Retin-A for the use in treatment of photoaged skin.

The company admitted directing its employees to destroy documents relating to the Retin-A public relations campaign.

44)(tie) Unisys

Type of Crime: Bribery

Criminal Fine: \$5 million

5 Corporate Crime Reporter 35(11), September 16, 1991

Unisys pled guilty to conspiracy to defraud the U.S., bribery, conversion of government property, filing a false statement and filing false claims.

Unisys pled guilty to bribing three former high ranking Navy officials. The company was forced to pay a total of \$190 million in criminal and civil fines and restitution.

44)(tie) Georgia Pacific Corporation

Type of Crime: Tax evasion

Criminal Fine: \$5 million

5 Corporate Crime Reporter 38(8), October 7, 1991

Georgia Pacific Corporation pled guilty to federal charges of tax evasion. Federal officials alleged that the company made a false claim of a \$24 million charitable contribution deduction on the company's 1984 federal income tax return. The company agreed to pay a \$5 million criminal fine and \$16 million to settle civil charges.

49) Kanzaki Specialty Papers Inc.

Type of Crime: Antitrust

Criminal Fine: \$4.5 million

8 Corporate Crime Reporter 29(4), July 18, 1994

Kanzaki Specialty Papers Inc. pled guilty to conspiring to fix the prices of thermal fax paper. The defendant's companies raised the prices to North American customers by about 10 percent.

Kanzaki was fined \$4.5 million.

50) ConAgra Inc.

Type of Crime: Fraud

Criminal Fine: \$4.4 million

11 Corporate Crime Reporter 12(1), March 24, 1997

ConAgra Inc., one of the nation's largest food companies, pled guilty to federal charges of adulteration, misgrading, and misweighing of grain.

The company agreed to pay \$8.3 million in penalties, including a criminal fine of \$4.4 million.

Federal officials alleged that ConAgra used several schemes to defraud farmers and grain buyers to increase their own grain inventories and profits. Soybeans were purposefully misgraded, allowing ConAgra to pay less to the farmer, yet sell at higher prices. Water was added to grain inventories, thereby adding weight and increasing profits when grain was sold. And ConAgra significantly misweighed grain being sold to end users.

51) Ryland Mortgage Company

Type of Crime: Financial

Criminal Fine: \$4.2 million

12 Corporate Crime Reporter 32(1), August 10, 1998

Ryland Mortgage Company pled guilty to two counts of corruptly interfering with the functions of the Resolution Trust Corporation (RTC) and agreed to pay \$7.7 million.

Ryland Mortgage is a unit of the Columbia, Maryland-based The Ryland Group.

Federal officials in Jacksonville, Florida alleged that Ryland "intentionally induced" the RTC to make overpayments to Ryland totalling \$3.4 million for loan servicing contracts.

The company agreed to pay fines totalling \$4.2 million and \$3.5 million in restitution

and interest.

52)(tie) Blue Cross Blue Shield of Illinois

Type of Crime: Fraud

Criminal Fine: \$4 million

12 Corporate Crime Reporter 29(1), July 20, 1998

Health Care Service Corporation (HCSC), also known as Blue Cross Blue Shield of Illinois, pled guilty to eight felony counts and agreed to pay \$144 million after admitting it concealed evidence of poor performance in processing Medicare claims for the federal government.

HCSC, the Medicare contractor for Illinois and Michigan, also admitted obstructing justice and conspiring to obstruct federal auditors.

The company agreed to pay \$4 million in criminal fines and \$140 million in a civil settlement to resolve its liability under the False Claims Act.

"Medicare fraud and abuse is always a serious matter but it is particularly grievous when the abuse involves a contractor entrusted to protect the financial integrity of the program," said June Gibbs Brown, the Inspector General at the Department of Health and Human Services. "In this case, the trust was flagrantly violated by a prestigious nationally known company. It engaged in unconscionable conduct that adversely affected Medicare beneficiaries, providers and the program itself."

Brown said the company "compromised protections by artificially inflating performance results."

"It also falsified and destroyed documents for the purpose of disguising its shortcomings," Brown said.

52)(tie) Borden Inc.

Type of Crime: Antitrust

Criminal Fine: \$4 million

4 Corporate Crime Reporter 11(9), March 19, 1990

Borden Inc. pled guilty to multi-count felony informations charging long-running conspiracies to rig bids to supply dairy products to federally subsidized school milk programs and military installations.

Federal officials alleged that Borden conspired to rig school milk bids in the Florida

peninsula from the early 1970s through at least 1988.

52)(tie) Dexter Corporation

Type of Crime: Environmental

Criminal Fine: \$4 million

6 Corporate Crime Reporter 35(6), September 14, 1992

Dexter Corporation, a Connecticut-based Fortune 500 paper company, pled guilty to violating federal and state pollution laws. The company pled guilty to eight felony counts of knowingly violating the Clean Water Act.

The company was charged with illegally disposing of carbon disulfide at its Windsor Locks facility.

The company paid a \$4 million criminal fine and \$9 million in civil penalties.

52)(tie) Southland Corporation

Type of Crime: Antitrust

Criminal Fine: \$4 million

4 Corporate Crime Reporter 11(9), March 19, 1990

Southland Corporation pled guilty to multi-count felony informations charging long-running conspiracies to rig bids to supply dairy products to federally subsidized school milk programs and military installations.

Federal officials alleged that Southland conspired to rig school milk bids in the Florida peninsula from the early 1970s through at least 1988.

52)(tie) Teledyne Industries Inc.

Type of Crime: Illegal exports

Criminal Fine: \$4 million

9 Corporate Crime Reporter 5(3), February 6, 1995

Teledyne Industries Inc. pled guilty to charges that it illegally exported cluster bomb components from the United States for use by Iraq during its war with Iran during the 1980s.

A cluster bomb consists of a large bomb casing filled with hundreds of small bomblets. The casing breaks open as the bomb is dropped, and disperses the bomblets over a

wide area.

52)(tie) Tyson Foods Inc.

Type of Crime: Public corruption

Criminal Fine: \$4 million

12 Corporate Crime Reporter 1(3), January 5, 1998

Tyson Foods Inc., the world's largest chicken products company, pled guilty to giving former Secretary of Agriculture Alphonso Michael Espy over \$12,000 in gratuities and agreed to pay \$6 million in fines and investigative expenses.

A one-count criminal information charged that Tyson Foods gave four gratuities to Espy during 1993 and 1994 while Tyson had a number of matters before the Department of Agriculture (USDA).

The matters included an emergency interim final rule issued on August 16, 1993 by the USDA that required processors, including Tyson Foods, to place safe handling instructions on all raw meat and poultry packaging.

U.S. District Court Judge Ricardo M. Urbina accepted Tyson Foods' plea of guilty, which was entered by Don Tyson, the chairman of the Tyson Foods Board of Directors.

Under the terms of the plea agreement, Tyson Foods agreed to pay a \$4 million fine and \$2 million in investigative costs.

58)(tie) Aluminum Company of America (ALCOA)

Type of Crime: Environmental

Criminal Fine: \$3.75 million

5 Corporate Crime Reporter 29(6), July 22, 1991

The Aluminum Company of America pled guilty to environmental crimes and paid \$7.5 million in fines for hazardous waste and other violations at the company's facility in Massena, New York.

The payment includes a criminal fine of \$3.75 million, at the time the largest fine ever assessed for a hazardous waste violation.

58)(tie) Costain Coal Inc.

Type of Crime: Worker Death

Criminal Fine: \$3.75 million
7 Corporate Crime Reporter 9(10), March 1, 1993

Costain Coal Inc. pled guilty to a pattern of misconduct at a Kentucky mine shaft site where a 1989 explosion killed ten workers. The company agreed to pay a \$3.75 million fine.

The company pled guilty to 29 counts and no contest to three counts. Twenty three of the counts were felonies, and nine of the counts were misdemeanors. They included violations of the Mine Safety Act's mandatory health and safety standards and false statements on records filed by the company.

58)(tie) United States Sugar Corporation

Type of Crime: Environmental
Criminal Fine: \$3.75 million
5 Corporate Crime Reporter 27(4), December 9, 1991

United States Sugar Corporation pled guilty to eight felony environmental counts and was fined \$3.75 million.

Federal officials charged U.S. Sugar with eight felonies involving the illegal disposal and transportation of hazardous wastes.

Federal officials alleged that the crimes occurred at the company's Bryant facilities in the Lake Okeechobee area of south Florida. Federal officials charged the company with illegal disposal of lead subacetate hazardous wastes in the late 1980s. Lead subacetate is a chemical agent containing 72 percent lead which is used in the sugar mill laboratory during the harvest season.

61) Saybolt, Inc., Saybolt North America

Type of Crime: Environmental
Criminal Fine: \$3.4 million
12 Corporate Crime Reporter 33(1), August 17, 1998

Saybolt, Inc., and its parent company, Saybolt, North America, pled guilty to falsifying reports submitted to the Environmental Protection Agency (EPA) and violating the Foreign Corrupt Practices Act (FCPA). The company agreed to pay a \$3.4 million fine.

Saybolt's primary business is the testing of bulk commodities, such as petroleum, gasoline and other petrochemicals.

Federal officials alleged that false reports involved testing of the oxygen content of

reformulated gasoline (RFG). RFG is blended to meet specifications for various chemical and physical properties, including oxygen content.

Federal officials also alleged that in 1995, Saybolt arranged to pay \$50,000 in cash to Panamanian government officials in order to obtain favorable treatment for the company's operations in that country.

62)(tie) Bristol-Myers Squibb

Type of Crime: Environmental

Criminal Fine: \$3 million

6 Corporate Crime Reporter 18(3), May 4, 1992

Bristol-Myers Squibb, one of the world's largest pharmaceutical companies, pled guilty to charges of illegally discharging pollutants into Syracuse, New York area waters.

The company paid \$3.5 million in criminal fines and penalties and agreed to built a pre-treatment facility that will cost at least \$10 million.

The company admitted to discharging chemical pollutants into the Onondaga County Metropolitan Treatment Plant in September and October 1987 in violation of the federal Clean Water Act.

62)(tie) Chemical Waste Management Inc.

Type of Crime: Environmental

Criminal Fine: \$3 million

6 Corporate Crime Reporter 40(5), October 19, 1992

Chemical Waste Management Inc., a unit of Waste Management Inc., pled guilty to six felony violations of the federal Superfund law, for the company's failure to notify the government about reportable quantities of hazardous wastes that were released into the environment.

Federal officials alleged that the company knowingly and intentionally crushed numerous drums containing hazardous substances in order to speed up a clean-up product outside Scranton, Pennsylvania.

The company paid a \$3 million criminal fine and \$2.85 in criminal restitution. In total, the company paid \$11.6 million in criminal, civil and administrative penalties in connection with the settlement of the case.

62)(tie) Ketchikan Pulp Company

Type of Crime: Environmental

Criminal Fine: \$3 million

9 Corporate Crime Reporter 13(1), April 3, 1995

Ketchikan Pulp Company, a wholly owned subsidiary of Louisiana Pacific Corporation, pled guilty to dumping harmful sludge and wastewater into Alaska's Ward Cove, including an intentional dump that lasted for five straight days.

The company paid \$3 million in criminal fines, \$3.1 million in civil penalties and was ordered to clean up the area where it polluted.

62)(tie) United Technologies Corporation

Type of Crime: Environmental

Criminal Fine: \$3 million

5 Corporate Crime Reporter 21(1), May 27, 1991

United Technologies Corporation pled guilty to six felony violations of federal environmental laws and was fined \$3 million, at the time the largest criminal fine ever for a hazardous waste violation in the United States.

The charges related to the illegal discharge of hazardous waste at the company Sikorsky Aircraft Division in Stratford, Connecticut in 1986.

Federal officials charged that an industrial solvent was dumped illegally on the ground at the Stratford facility.

62)(tie) Warner-Lambert Inc.

Type of Crime: Environmental

Criminal Fine: \$3 million

11 Corporate Crime Reporter 37(3), September 29, 1997

Pharmaceutical manufacturer Warner-Lambert Inc. pled guilty and agreed to pay a \$3 million criminal fine for falsifying reports on the levels of pollutants it was releasing into a drainage channel that feeds the Cibuco River from its wastewater treatment plant in Vega Baja, Puerto Rico.

The company also agreed to pay a \$670,000 civil penalty for routinely releasing excessive levels of pollutants between 1992 and 1995, violating its wastewater discharge permit 347 times.

67)(tie) Arizona Chemical Co. Inc.

Type of Crime: Environmental

Criminal Fine: \$2.5 million

10 Corporate Crime Reporter 39(5), October 14, 1996

Arizona Chemical Co. Inc., a wholly owned subsidiary of International Paper Co., pled guilty, was fined \$2.5 million, and was ordered to pay \$1.5 million in restitution to the Pollution Emergency Fund of the Mississippi Department of Environmental Quality (MDEQ).

The company pled guilty to felony violations of the Clean Water Act (CWA) and the Resource Conservation and Recovery Act (RCRA).

Arizona Chemical operates chemical manufacturing plants in Gulfport and Picayune, Mississippi.

The company admitted to two felony counts of violating the CWA at its Gulfport plant. The violations occurred as a result of manipulating the plant's wastewater treatment system on sampling days so that it could report more favorable results under the plant's National Pollution Discharge Elimination System permit.

The company also admitted to one felony RCRA count involving the Picayune plant which had accumulated and stored a number of drums containing hazardous waste and had intentionally mischaracterized some of the drums as "cleaning oil" on inventory sheets.

67)(tie) Consolidated Rail Corporation (Conrail)

Type of Crime: Environmental

Criminal Fine: \$2.5 million

9 Corporate Crime Reporter 30(1), July 31, 1995

Consolidated Rail Corporation (Conrail) pled guilty to six felony counts of violating federal environmental laws by knowingly discharging harmful quantities of oil and grease into the Charles River.

Under the plea agreement, the company was fined \$2.5 million.

Conrail pled guilty to six violations of the Clean Water Act and Oil Pollution Act, including discharging oil and grease into the Charles River on April 7, 1994 from its Beacon Park Rail Yard in Allston, Massachusetts.

The discharge caused a visible oil slick on the Charles River hundreds of yards long, and was seen by a rower who reported it to environmental authorities.

69) International Paper

Type of Crime: Environmental

Criminal Fine: \$2.2 million

5 Corporate Crime Reporter 31(7), August 5, 1991

International Paper pled guilty to five felony counts for violations of environmental laws at its Androscoggin Mill in Jay, Maine. The company paid \$2.2 million in criminal fines.

Federal officials alleged that during the course of the company's operation of the mill from 1986 to 1988, the company knowingly generated, stored and treated hazardous wastes without a permit.

In addition, federal officials alleged that the company gave false material statements.

70)(tie) Consolidated Edison Company

Type of Crime: Environmental

Criminal Fine: \$2 million

8 Corporate Crime Reporter 46(5), November 28, 1994

Consolidated Edison Company pled guilty to four environmental crime counts in connection with the release of 200 pounds of asbestos after an August 1989 steam manhole explosion in the Gramercy Park section of Manhattan.

The company was fined \$2 million. The company pled to failing to report the asbestos release in a timely fashion and falsely reporting that the company did not believe that asbestos found in the street was from the manhole.

70)(tie) Crop Growers Corporation

Type of Crime: Campaign finance

Criminal fine: \$2 million

11 Corporate Crime Reporter 4(3), January 27, 1997

Crop Growers Corporation, the second largest private seller of federal multi-peril crop insurance, pled no contest to conspiring to defraud the Federal Election Commission by concealing \$46,000 in illegal corporate contributions to the Henry Espy for Congress campaign in 1993 and 1994, and with falsifying its books and records to hide these illegal contributions. The company was fined \$2 million.

On the eve of its trial, Crop Growers pled nolo contendere to a two-count indictment

which charged that in 1993, corporate contributions totaling \$26,000 were disguised as individual contributions from various employees, related parties and their spouses, and that an additional \$20,000 corporate contribution was made in 1994 to Henry Espy's campaign debt retirement effort through a New Orleans lawyer.

70)(tie) E-Systems Inc.

Type of Crime: Fraud

Criminal Fine: \$2 million

4 Corporate Crime Reporter 33, September 3, 1990

E-Systems Inc. pled guilty to conspiracy to defraud the government on contracts for Army field radios by falsifying test results.

Federal prosecutors charged that the company and others conspired to falsify records and test results of tactical field radios supplied to the Army. The company also pled guilty to filing for and receiving payments based on the submission of false information.

E-Systems agreed to pay a \$2 million criminal fine and \$1.8 million in restitution.

70)(tie) HAL Beheer BV

Type of Crime: Environmental

Criminal Fine: \$2 million

12 Corporate Crime Reporter 39(4), October 12, 1998

HAL Beheer BV, the Dutch corporation that operated the Holland America Line cruise ship ss Rotterdam, pled guilty to felony violations of the Act to Prevent Pollution From Ships.

As part of its plea, the company agreed to pay a \$2 million fine and will be placed on probation for a period of five years.

HAL Beheer BV pled guilty to discharging an oily mixture from the bilges of the vessel in violation of the federal law that prohibits dumping of untreated bilge water into coastal waters within three miles of America's shores.

The company also pled guilty to failing to keep records of oily mixture discharge, as required by law.

70)(tie) John Morrell and Company

Type of Crime: Environmental
Criminal Fine: \$2 million
10 Corporate Crime Reporter 6(3), February 12, 1996

John Morrell and Company, pled guilty to dumping slaughterhouse waste into the Big Sioux River in Sioux Falls, South Dakota and deliberately submitting phony test data and discharge reports to conceal its crimes.

Morrell paid a \$2 million criminal fine and was ordered to spend another \$1 million to establish a local environmental cleanup fund.

The charges include conspiracy and violations of the Clean Water Act related to Morrell's unlawful discharges of slaughterhouse waste from a company wastewater treatment plant over an 8-year period, from 1985 to 1993.

70)(tie) United Technologies Corporation

Type of Crime: Fraud
Criminal Fine: \$2 million
6 Corporate Crime Reporter 34(4), September 7, 1992

United Technologies Corporation (UTC) pled guilty to four felony counts and paid a \$2 million criminal fine.

Three of the counts related to the procurement of a Marine Corps radar control system. The fourth count related to the Navy's procurement of F-404 jet engines.

In the plea agreement, UTC admitted that it conspired to defraud the government, to convert procurement sensitive information and to commit wire fraud in connection with the procurement of the radar and engines.

76) Mitsubishi Corporation, Mitsubishi International Corporation

Type of Crime: Antitrust
Criminal Fine: \$1.8 million
8 Corporate Crime Reporter 29(4), July 18, 1994

Mitsubishi Corporation and Mitsubishi International Corporation pled guilty to conspiring to fix the prices of thermal fax paper. The defendants companies raised the prices to North American customers by about 10 percent.

Mitsubishi Corporation was fined \$1.26 million and Mitsubishi International Corporation was fined \$540,000.

77)(tie) Blue Shield of California

Type of Crime: Fraud

Criminal Fine: \$1.5 million

10 Corporate Crime Reporter 18(3), May 6, 1996

Blue Shield of California pled guilty to three felony counts in connection with efforts by various Blue Shield employees to conceal claims processing errors from Medicare examiners over a six-year period.

The company was fined \$1.5 million.

Federal officials charged that Blue Shield, acting through employees in its Medicare Division, conspired to obstruct audits conducted in connection with Blue Shield's Medicare Part B contract with the Health Care Financing Administration.

77)(tie) Browning-Ferris Inc.

Type of Crime: Environmental

Criminal Fine: \$1.5 million

12 Corporate Crime Reporter 23(3), June 8, 1998

Browning-Ferris Inc. (BFI) pled guilty to failing to notify the District of Columbia that it discharged contaminated wastewater from its medical waste facility into Washington, D.C.'s sewer system.

BFI was fined \$1.5 million and agreed to a nationwide program to ensure its medical waste facilities are complying with the law.

Federal officials charged the company with discharging contaminated wastewater from its Capitol Processing Plant in violation of the Clean Water Act. The plant is a medical waste facility located in northeast Washington, D.C.

77)(tie) Odwalla Inc.

Type of Crime: Food and drug

Criminal Fine: \$1.5 million

12 Corporate Crime Reporter 30(1), July 27, 1998

Odwalla, Inc, the company with a reputation for making pure, clean, and nutritious juice drinks, pled guilty to violating federal food safety laws and agreed to pay a \$1.5 million fine for selling contaminated apple juice that killed a 16-month old girl and

injured at least 70 others.

The fine is the largest criminal fine for a food injury case in the history of the Food and Drug Administration and the first such criminal conviction obtained in the wake of a large-scale pathogenic outbreak.

Odwalla pled guilty to sixteen counts of "delivery of adulterated food products for introduction into interstate commerce."

The company will serve five years of supervised probation.

77)(tie) Teledyne Inc.

Type of Crime: False statements

Criminal Fine: \$1.5 million

7 Corporate Crime Reporter 34(12), September 6, 1993

Teledyne Inc. pled guilty to three felony counts for making false statements to the federal government and was fined \$1.5 million.

Federal officials alleged that the company submitted false statements to the government related to its undisclosed payment of millions of dollars in commissions to a Taiwan consultant to obtain military contracts from the Taiwan government.

77)(tie) Unocal Corporation

Type of Crime: Environmental

Criminal Fine: \$1.5 million

8 Corporate Crime Reporter 12(8), March 21, 1994

Unocal Corporation pled no contest to three criminal pollution charges and agreed to pay a \$1.5 million criminal fine for leaking petroleum thinner into the ocean and groundwater at its Guadalupe, California oil field.

The company was found guilty of discharging up to 8.5 million gallons of petroleum over a 40 year period.

Unocal submitted a plea of no contest and was found guilty of criminal charges of failing to report the discharge of petroleum, and discharging the petroleum where it could pass into state waters.

California authorities agreed to drop 33 misdemeanor charges, including six charges against Unocal employees, when the company accepted full criminal responsibility for

its conduct.

82)(tie) Doyon Drilling Inc.

Type of Crime: Environmental

Criminal Fine: \$1 million

12 Corporate Crime Reporter 21(1), May 25, 1998

Doyon Drilling Inc., an Alaskan oil drilling firm, pled guilty to 15 counts of violating the Oil Pollution Act, was fined \$1 million and was ordered to serve five years probation.

The company also agreed to spend \$2 million to establish an environmental compliance and training program for its employees.

Michael Krupa, Doyon's health, safety and environmental coordinator, pled guilty to two counts of illegally discharging oil and hazardous substances and will serve one year and one day in jail and pay a \$25,000 fine.

Allan Sinclair, Doyon's former toolpusher/rig supervisor pled guilty to concealing a felony and will serve four months of home confinement, five years probation and pay a \$25,000 fine.

All three defendants pled guilty to illegally disposing of paint thinner, paint, oil and solvents by illegally injecting them down the outer rim of oil producing wells on Endicott Island, a man-made drilling facility located off of the northern coast of Alaska.

82)(tie) Eastman Kodak

Type of Crime: Environmental

Criminal Fine: \$1 million

4 Corporate Crime Reporter 14(1), April 9, 1990

Eastman Kodak Company pled guilty to state criminal charges of unlawful dealing in hazardous wastes and failure to properly notify authorities of a chemical spill.

The charges grew out of a spill of about 5,100 gallons of methylene chloride in February 1987 and the failure of the company to immediately notify government officials of the spill.

Neighborhood groups fighting Kodak were disappointed with the \$1 million criminal fine. "It's equivalent to you or I getting a jaywalking ticket," said Joseph Polito, a

neighboring resident.

82)(tie) Case Corporation

Type of Crime: Illegal exports

Criminal Fine: \$1 million

10 Corporate Crime Reporter 22(4), June 3, 1996

Case Corporation, headquartered in Racine, Wisconsin, pled guilty to two counts of violating the International Emergency Economic Powers Act (IEEPA) and one count of violating the Export Administration Act.

In January and February of 1986, then President Ronald Reagan issued Executive Orders prohibiting citizens of the United States from performing contracts in support of commercial or government projects in Libya.

Case, a unit of Tenneco, pled guilty to selling, through a French affiliate, heavy construction equipment to Libya.

85) Marathon Oil

Type of Crime: Environmental

Criminal Fine: \$900,000

5 Corporate Crime Reporter 22(5), June 3, 1991

Marathon Oil Company pled guilty to criminal violations of the Clean Water Act. The company illegally discharged pollutants from its refinery in Indianapolis.

The guilty plea concludes a two year investigation by the FBI following a May 26, 1989 explosion and fire in a house located downstream from the refinery. Shortly after the explosion, measurements were taken in the sewer system at the refinery's discharge point that showed 100 percent levels of explosivity.

The company pled guilty to one felony count and two misdemeanor counts.

86) Hyundai Motor Company

Type of Crime: Campaign finance

Criminal Fine: \$600,000

9 Corporate Crime Reporter 48(3), December 18, 1995

Hyundai Motor America pled guilty to charges of violating the Federal Election Campaign Act in connection with illegal contributions to the 1992 Jay Kim for

Congress Campaign.

A federal grand jury in Los Angeles indicted Hyundai on charges of making prohibited corporate contributions, illegal contributions through employee conduits, and prohibited foreign national contributions to the 1992 Jay Kim for Congress Campaign Committee.

Under federal law, it is illegal for corporations and foreign nationals to contribute to candidates in federal elections and it is illegal to make contributions under the name of another.

The company was fined \$600,000.

87)(tie) Baxter International Inc.

Type of Crime: Illegal Boycott

Criminal Fine: \$500,000

7 Corporate Crime Reporter 13(7) , March 29, 1993

Baxter International Inc. pled guilty to a criminal felony for violating the Anti-Boycott Statute by providing information about the company's business dealings with Israel to Arab League boycott authorities.

The company paid \$6 million in civil penalties and a \$500,000 criminal fine.

87)(tie) Bethship-Sabine Yard

Type of Crime: Environmental

Criminal Fine: \$500,000

9 Corporate Crime Reporter 26(4), July 3, 1995

A \$500,000 criminal fine was levied against the Bethship-Sabine Yard in Port Arthur, Texas, a division of Bethlehem Steel Corp., after the company pled guilty to illegally discharging pollutants into the Sabine Neches Waterway.

Bethship-Sabine Yard will also pay \$1 million to the Southeast Texas Coastal Trust Fund, a fund entrusted to the Texas Parks and Wildlife Foundation to increase the productivity of coastal wetlands and estuarine ecosystems in and near the Sabine Neches Waterway.

The one count information alleged that between January 25, 1991 and September 21, 1991, the Bethship-Sabine Yard illegally discharged pollutants from its floating drydock facility without first having obtained the necessary permit under the National

Pollutant Discharge Elimination System.

87((tie) Palm Beach Cruises

Type of Crime: Environmental

Criminal Fine: \$500,000

12 Corporate Crime Reporter 30(4), July 26, 1999

Palm Beach Cruises pled guilty and was sentenced on August 30, 1994 to a fine of \$500,000 for discharging waste oil from its bilges, causing a 2.5 mile oil slick off the coast of Florida. Palm Beach Cruises also had to establish and maintain an effective environmental compliance program.

87)(tie) Princess Cruises Inc.

Type of Crime: Environmental

Criminal Fine: \$500,000

12 Corporate Crime Reporter 30(4), July 26, 1999

Princess Cruises Inc. pled guilty and was sentenced on April 15, 1993 to the maximum criminal fine of \$500,000 for illegal dumping of garbage off the Florida Keys.

91)(tie) Cerestar Bioproducts BV

Type of Crime: Antitrust

Criminal Fine: \$400,000

12 Corporate Crime Reporter 28(3), June 29, 1998

Cerestar Bioproducts BV, a Dutch subsidiary of the French agricultural products giant Eridania Bghin-Say SA pled guilty and was fined \$400,000 for participating in an international conspiracy to fix prices and allocate market shares in the sale of citric acid worldwide.

Citric acid is a flavor additive and preservative produced from various sugars. It is found in soft drinks, processed foods, detergents, pharmaceuticals, and cosmetic products. Citric acid is a \$1.2 billion a year industry worldwide.

Federal officials alleged that a Cerestar executive conspired with the world's major producers of citric acid to suppress and eliminate competition in the citric acid industry from November 1992 until April 1994.

91)(tie) Sun-Land Products of California

Type of Crime: Campaign finance

Criminal Fine: \$400,000

12 Corporate Crime Reporter 33(1), August 17, 1998

Sun-Land Products of California, a worldwide supplier of dried fruits and nuts, and a subsidiary of Sun-Diamond Growers of California, pled guilty to charges that the company made conduit campaign contributions in violation of federal election law.

Federal officials alleged that Sun-Land made conduit contributions of \$16,000 to the Bush-Quayle '92 Primary Committee Inc. and additional conduit contributions of \$21,000 to Campaign America in 1993.

93)(tie) American Cyanamid

Type of Crime: Environmental

Criminal Fine: \$250,000

4 Corporate Crime Reporter 46(5), December 3, 1990

American Cyanamid pled guilty to building an unauthorized power plant at its Pearl River facility in Rockland County, New York.

The company was fined \$250,000, the largest criminal penalty ever assessed in New York for a violation of state air quality regulations.

The company entered a guilty plea to a one count misdemeanor complaint.

State officials said that American Cyanamid's Lederle Laboratories division admitted that it began construction on a \$22.5 million cogeneration facility in November 1988, knowing it did not have a necessary permit.

93)(tie) Korean Air Lines

Type of Crime: Campaign finance

Criminal Fine: \$250,000

9 Corporate Crime Reporter 47(1), December 11, 1995

Korean Airlines Co., Ltd. pled guilty to two counts of violating the Federal Election Campaign Act by making a total of \$5,000 in corporate contributions and foreign national contributions to the 1992 Jay Kim for Congress Campaign Committee.

Under federal law, it is illegal for corporations and foreign nationals to contribute to candidates in federal elections. The company was fined \$250,000.

93)(tie) Regency Cruises Inc.

Type of Crime: Environmental

Criminal Fine: \$250,000

12 Corporate Crime Reporter 30(4), July 26, 1999

Regency Cruises, Inc., a cruise ship company, was ordered to pay a \$250,000 criminal fine by the Federal District Court for the Middle District of Florida for deliberately dumping plastic garbage into the Gulf of Mexico in 1993.

Regency Cruises, owner of the Bahamian flag cruise ships Regent Rainbow and Regent Sea based in Tampa, Florida, and which ply the waters of the Gulf, was charged with and pled guilty to violating the Act to Prevent Pollution from Ships.

96)(tie) Adolph Coors Company

Type of Crime: Environmental

Criminal Fine: \$200,000

4 Corporate Crime Reporter 43(3), November 12, 1990

Adolph Coors Company pled guilty to two criminal misdemeanor counts of contaminating groundwater and failing to report the contamination to regulatory authorities.

Colorado officials alleged that Coors violated water contamination notification standards and illegally discharged hazardous waste into groundwater and into a creek near its Golden, Colorado facility from 1981 to 1984.

96)(tie) Andrew and Williamson Sales Co.

Type of crime: Food and drug

Criminal fine: \$200,000

11 Corporate Crime Reporter 44(4), November 17, 1997

A strawberry distributor and its president pled guilty to crimes in connection with the March 1997 hepatitis outbreak that contaminated 198 school children and teachers in Michigan, Maine and Wisconsin.

Andrew and Williamson Sales Co. (A&W), and its president, Frederick Williamson, admitted their role in the fraudulent sale of 1.7 million pounds of Mexican grown strawberries to the U.S. Department of Agriculture's school lunch program.

As part of a parallel civil settlement, the company agreed to pay the government \$1.3

million in civil damages.

The company was fined \$200,000.

96)(tie) Daewoo International (America) Corporation

Type of Fine: Campaign finance

Criminal Fine: \$200,000

10 Corporate Crime Reporter 13(3), April 1, 1996

Daewoo International (America) Corporation pled guilty to violating the Federal Election Campaign Act. The company was charged with making \$5,000 in illegal contributions to the 1992 Jay Kim for Congress Campaign Committee.

Under federal law it is illegal for corporations to contribute to candidates in federal elections and it is illegal to make contributions in the name of another.

96)(tie) Exxon Corporation

Type of Crime: Environmental

Criminal Fine: \$200,000

5 Corporate Crime Reporter 12(1), March 25, 1991

Exxon Corporation pled guilty to federal charges in connection with a spill last year of 567,000 gallons of home heating oil into Arthur Kill, a narrow waterway which separates New York from New Jersey. Exxon entered the plea as part of a \$15 million settlement with local, state and federal governments.

Exxon was fined \$200,000 the maximum allowed by law, but paid an additional \$4.8 million in restitution as part of a \$15 million package global settlement.

100) Samsung America Inc.

Type of Crime: Campaign finance

Criminal Fine: \$150,000

10 Corporate Crime Reporter 6(5), February 12, 1996

Samsung America Inc. pled guilty to violating the Federal Election Campaign Act. The company made \$10,000 in illegal contributions to the 1992 Jay Kim for Congress Campaign Committee.

Under federal law, it is illegal for corporations to contribute to candidates in federal elections.

