

United States v. TechnipFMC plc (E.D.N.Y. 2019)

United States v. TechnipUSA Inc. (E.D.N.Y. 2019)

United States v. Skornicki (E.D.N.Y. 2019)

Nature of the Business.

TechnipFMC plc (TechnipFMC) is a publicly traded oil and gas company in the United States. It was formed following the merger of Technip S.A. and FMC Technologies, Inc., both Houston-based energy companies.

Technip USA, Inc. is a wholly owned subsidiary of TechnipFMC, and formerly, Technip S.A., a global provider of oil and gas technology and services.

Zwi Skornicki is a Brazilian citizen and former consultant to Technip S.A.

Influence to be Obtained.

According to the DOJ, predecessor entities of TechnipFMC— Technip S.A. and FMC Technologies — engaged in two independent conspiracies to violate the FCPA, one in Brazil and one in Iraq. The two companies, accused of separately engaging in corrupt conduct, entered into a merger in 2017.

Brazil

The DOJ alleged that Technip S.A. conspired with Keppel Offshore & Marine Ltd. and Skornicki, among others, to pay nearly \$70 million in bribes in Brazil, some of which were ultimately paid to employees of Petrobras, the Brazilian state-owned oil company. In return, Technip allegedly received government contracts. Technip also made \$5 million in improper payments to the Workers' Party in Brazil in furtherance of the scheme. Technip S.A. allegedly earned approximately \$135.7 million in profits from the payments.

Iraq

The DOJ also alleged that, from 2008 to at least 2013, FMC Technologies bribed at least seven government officials in Iraq through a Monaco-based intermediary company. As a result of the scheme, the DOJ claims that FMC Technologies received valuable Iraqi oil projects.

Enforcement.

On June 25, 2019, TechnipFMC entered into a deferred prosecution agreement with the DOJ, pursuant to which it agreed to a combined total criminal fine of more than \$296 million to resolve the foreign bribery charges. Technip USA pleaded guilty to a single count of conspiracy to violate the FCPA's anti-bribery provisions. The DOJ noted that the conduct was egregious and the fine was intended to deter criminal conduct, but TechnipFMC received credit for substantial cooperation with the DOJ's investigation and taking remedial measures. As part of the agreement, TechnipFMC agreed to implement rigorous internal controls and fully cooperate with the DOJ's ongoing investigation. In a related matter, TechnipFMC entered into a consent order with the SEC pursuant to which it agreed to pay \$4,701,906 in disgorgement and prejudgment interest.

On June 25, 2019, Skornicki pleaded guilty to conspiracy to violate the FCPA. He is awaiting sentencing.

Key Facts

Citation. *United States v. TechnipFMC plc*, No. 19-CR-278 (E.D.N.Y. 2019); *United States v. Technip USA*, No. 19-CR-279 (E.D.N.Y. 2019); *United States v. Skornicki*, No. 19-CR-277 (E.D.N.Y. 2019).

Date Filed. June 25, 2019.

Country. Brazil (Technip S.A., Skornicki); Iraq (FMC Technologies).

Date of Conduct. 2003 – 2014.

Amount of the value. \$74 million (Brazil); Not stated (Iraq).

Amount of business related to the payment. Profits of \$135.7 million (Brazil); Profits of \$5.3 million (Iraq).

Intermediary. Intermediary.

Foreign official. Petrobras (Brazil); Workers' Party (Brazil); Iraq Ministry of Oil (Iraq).

FCPA Statutory Provision. Conspiracy (Anti-Bribery) (TechnipFMC, Technip USA, Skornicki).

Other Statutory Provision. None.

Disposition. Deferred Prosecution Agreement (TechnipFMC); Guilty Plea (Technip USA; Skornicki).

Defendant Jurisdictional Basis. Stockholder of Domestic Concern (TechnipFMC); Domestic Concern (Technip USA); Agent of Domestic Concern (Skornicki)

Defendant's Citizenship. United States (TechnipFMC; Technip USA); Brazil (Skornicki).

Total Sanction. \$296,184,000.

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

Related Enforcement Actions. *In the Matter of TechnipFMC plc*.

Total Combined Sanction. \$301,245,906.¹

¹ Includes \$214,000,000 in criminal penalties to be paid to the Ministerio Publico Federal in Brazil, which the DOJ will credit.