

SEC v. ENI, S.p.A. and Snamprogetti Netherlands B.V. (S.D. Tex. 2010)

Nature of the Business.

Engineering, procurement, and construction (“EPC”) contracts for natural gas liquefaction facilities at Bonny Island in Nigeria (“Bonny Island Project”) as part of a four company joint venture. Snamprogetti Netherlands B.V. (“Snamprogetti”) is a corporation organized under the laws of the Netherlands and headquartered in Amsterdam. During the conduct at issue, Snamprogetti was a wholly owned subsidiary of ENI S.p.A. (“ENI”); it is currently a wholly owned subsidiary of Saipem S.p.A. (“Saipem”).

Influence to be Obtained.

Snamprogetti participated in a joint venture to obtain and perform EPC contracts to build and expand the Bonny Island Project for Nigeria LNG Limited, which is owned in part by the Nigerian National Petroleum Corporation. The joint venture was awarded four EPC contracts for the Bonny Island Project between 1995 and 2004. From August 1994 until June 2004, Snamprogetti and its partners in the joint venture allegedly authorized, promised, and paid bribes to Nigerian government officials, including officials in the executive branch, employees of the government owned Nigerian National Petroleum Corporation, and employees of government controlled Nigeria LNG Limited, to win and retain the EPC contracts to build the Bonny Island Project. To conceal the bribes, the joint venture allegedly entered into sham consulting or services agreements with intermediaries and held “cultural meetings” where the joint venture partners met with their agents to plan how to pay the bribes. Allegedly, the joint venture gave one consultant over \$130 million for use in paying bribes to high level Nigerian government officials. Another consultant, allegedly hired to bribe lower level Nigerian officials, received over \$50 million to use for that purpose.

Enforcement.

On July 7, 2010, Snamprogetti and ENI entered into consent agreements to settle civil claims brought by the SEC in a complaint filed the same day by jointly agreeing to pay \$125 million in disgorgement of the profits obtained as a result of the illicit payments. In its complaint, the SEC alleged that Snamprogetti violated the FCPA’s anti-bribery provisions, and that both Snamprogetti and ENI violated the books-and-records and internal controls provisions of the FCPA. Snamprogetti also settled a related criminal case with the DOJ by entering into a deferred prosecution agreement and agreeing to pay a \$240 million fine.

Key Facts

Citation. *SEC v. ENI, S.p.A., & Snamprogetti Netherlands B.V.*, No. 4:10-cv-02414 (S.D. Tex. 2010).

Date Filed. July 20, 2010.

Country. Nigeria.

Date of Conduct. 1995 – 2004.

Amount of the Value. Approximately \$180 million.

Amount of Business Related to the Payment. Over \$6 billion.

Intermediary. Agents.

Foreign Official. Officials in the executive branch of the Nigerian government, employees of Nigerian National Petroleum Corporation, and employees of Nigeria LNG Limited, controlled by the Nigerian government.

FCPA Statutory Provision.

- **ENI.** Books-and-Records; Internal Controls.
- **Snamprogetti.** Anti-Bribery; Circumventing Internal Controls/Falsifying Books and Records.

Other Statutory Provision. None.

Disposition. Consent Order.

Defendant Jurisdictional Basis. Issuer (ENI); Agent of Issuer (Snamprogetti).

Defendant’s Citizenship. Italian (ENI); Netherlands (Snamprogetti).

Total Sanction. \$125,000,000.

Compliance Monitor/Reporting Requirements. None.

Related Enforcement Actions. *United States v. Snamprogetti Netherlands B.V.*, No. 10-cr-460 (S.D. Tex July 7, 2010) (deferred prosecution agreement).

Total Combined Sanction. \$365,000,000.