

JUSTICE NEWS

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Marubeni Corporation Resolves Foreign Corrupt Practices Act Investigation and Agrees to Pay a \$54.6 Million Criminal Penalty

\$1.7 Billion in Total Penalties and Forfeiture Orders Obtained for Scheme to Bribe Nigerian Government Officials to Obtain Contracts

WASHINGTON – Marubeni Corporation has agreed to pay a \$54.6 million criminal penalty to resolve charges related to the Foreign Corrupt Practices Act (FCPA) for its participation in a decade-long scheme to bribe Nigerian government officials to obtain engineering, procurement and construction (EPC) contracts, the Justice Department's Criminal Division announced today.

The department filed a deferred prosecution agreement and a criminal information today against Marubeni in U.S. District Court for the Southern District of Texas. The two-count information charges Marubeni with one count of conspiracy and one count of aiding and abetting violations of the FCPA. Marubeni is a Japanese trading company headquartered in Tokyo.

According to court documents, Marubeni was hired as an agent by the four-company TSKJ joint venture to help TSKJ obtain and retain EPC contracts to build liquefied natural gas (LNG) facilities on Bonny Island, Nigeria, by offering to pay and paying bribes to Nigerian government officials, among other means. TSKJ was comprised of Technip S.A., Snamprogetti Netherlands B.V., Kellogg Brown & Root Inc. (KBR) and JGC Corporation. Between 1995 and 2004, TSKJ was awarded four EPC contracts, valued at more than \$6 billion, by Nigeria LNG Ltd. to build the LNG facilities on Bonny Island. The government-owned Nigerian National Petroleum Corporation was the largest shareholder of NLNG, owning 49 percent of the company.

According to court documents, to assist in obtaining and retaining the EPC contracts, the joint venture hired two agents – Marubeni and Jeffrey Tesler, a U.K. solicitor – to pay bribes to a wide range of Nigerian government officials. The joint venture hired Tesler as a consultant to pay bribes to high-level Nigerian government officials, including top-level executive branch officials, and hired Marubeni to pay bribes to lower-level Nigerian government officials. At crucial junctures preceding the award of EPC contracts, a number of co-conspirators, including on two occasions an employee of Marubeni, met with successive holders of a top-level office in the executive branch of the Nigerian government to ask the office holders to designate a representative with whom TSKJ should negotiate bribes to Nigerian government officials. TSKJ paid approximately \$132 million to a Gibraltar corporation controlled by Tesler and \$51 million to Marubeni during the course of the bribery scheme and intended for these payments to be used, in part, for bribes to Nigerian government officials.

Under the terms of the deferred prosecution agreement, the department agreed to defer prosecution of Marubeni for two years. Marubeni agreed to retain a corporate compliance consultant for a term of two years to review the design

and implementation of its compliance program, to enhance its compliance program to ensure that it satisfies certain standards and to cooperate with the department in ongoing investigations. If Marubeni abides by the terms of the deferred prosecution agreement, the department will dismiss the criminal information when the term of the agreement expires.

"With today's resolution, the department has held accountable all five of the corporations that participated in the massive, decade-long scheme to bribe Nigerian government officials in connection with the so-called Bonny Island project," said Mythili Raman, Principal Deputy Assistant Attorney General of the Justice Department's Criminal Division. "As a result of this extensive investigation, the department and our partners have obtained more than \$1.7 billion in penalties and forfeiture orders from the joint venture partners, their agents and individuals who sought illegally to obtain the Bonny Island contracts. Several individuals also have pleaded guilty for their roles in the scheme. Our FCPA enforcement efforts are an essential part of our comprehensive approach to rooting out corruption across the globe."

In a related criminal case, KBR's successor company, Kellogg Brown & Root LLC, pleaded guilty in February 2009 to FCPA-related charges for its participation in the scheme to bribe Nigerian government officials. Kellogg Brown & Root LLC was ordered to pay a \$402 million fine and to retain an independent compliance monitor for a three-year period to review the design and implementation of its compliance program. In another related criminal case, the department filed a deferred prosecution agreement and criminal information against Technip in June 2010. According to that agreement, Technip agreed to pay a \$240 million criminal penalty and to retain an independent compliance monitor for two years. In July 2010, the department filed a deferred prosecution agreement and criminal information against Snamprogetti, which also agreed to pay a \$240 million criminal penalty. In April 2011, the department filed a deferred prosecution agreement and criminal information against JGC, in which JGC agreed to pay a \$218.8 million criminal penalty and to retain an independent compliance consultant for two years.

In other related criminal cases, KBR's former CEO, Albert "Jack" Stanley, pleaded guilty in September 2008 to conspiring to violate the FCPA for his participation in the bribery scheme. Tesler and Wojciech J. Chodan, a former salesperson and consultant of a United Kingdom subsidiary of KBR, were indicted in February 2009 on FCPA-related charges for their participation in the bribery scheme. In March 2011, Tesler was extradited from the United Kingdom and subsequently pleaded guilty to conspiring to violate and violating the FCPA and agreed to forfeit \$148,964,568. In December 2010, Chodan was extradited from the United Kingdom and subsequently pleaded guilty to conspiring to violate the FCPA and agreed to forfeit \$726,885.

The criminal case is being prosecuted by Assistant Chief William J. Stuckwisch and Deputy Chief Patrick F. Stokes of the Criminal Division's Fraud Section, with investigative assistance from the FBI-Houston Division. The Criminal Division's Office of International Affairs and the SEC's Division of Enforcement provided substantial assistance. Significant assistance was provided by authorities in France, Italy, Switzerland and the United Kingdom.

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