

## United States v. Parker Drilling Company (E.D. Va. 2013)

### Nature of the Business.

Parker Drilling Company is a publicly listed drilling-services company headquartered in Houston, Texas, with subsidiaries operating throughout the world, including Parker Drilling (Nigeria) Limited, a wholly-owned subsidiary incorporated in Cayman Islands.

### Influence to be Obtained.

According to the criminal Information filed by the DOJ, in 2001 and 2002 Parker Drilling failed to pay certain tariffs and duties associated with Nigeria's Customs & Excise Management Act of 1958. When the Nigerian government formed a panel to investigate companies' compliance to the Act, it found that Parker Drilling had violated Nigeria's laws and assessed a fine of \$3.8 million against the company. During these proceedings, Parker Drilling allegedly retained a Nigerian agent to help resolve the customs issues. Parker Drilling authorized payments to this Nigerian agent totaling \$1.25 million, most of which were paid through Parker Drilling's U.S. law firm. The Nigerian agent used those funds, in part, to entertain Nigerian government officials involved with the customs issues. Subsequently, Parker Drilling's fine was reduced to \$750,000—a reduction of \$3.05 million, or approximately 80 percent.

### Enforcement.

On April 16, 2013, the DOJ filed a criminal information against Parker Drilling, charging the company with violating the anti-bribery provision of the FCPA. On the same day, the DOJ entered into a three-year deferred prosecution agreement, under which Parker Drilling agreed to pay a monetary penalty of \$11,760,000.

In a related settlement with the SEC, Parker Drilling agreed to pay approximately \$4.1 million in disgorgement and prejudgment interest.

### Key Facts

**Citation.** *United States v. Parker Drilling Co.*, No. 1:13-cr-00176 (E.D. Va. 2013).

**Date Filed.** April 16, 2013.

**Country.** Nigeria.

**Date of Conduct.** 2001 – 2004.

**Amount of the Value.** \$1.25 million.

**Amount of Business Related to the Payment.** \$3.05 million in fines.

**Intermediary.** Nigerian agent, U.S. law firm.

**Foreign Official.** Officials and employees of the Nigerian Minister of Finance, Nigeria State Security Service, Nigeria Customs Service; Nigerian President-appointed "Panel of Inquiry for the Investigation of All Cases of Temporary Import Permits."

**FCPA Statutory Provision.** Anti-Bribery.

**Other Statutory Provision.** None.

**Disposition.** Deferred Prosecution Agreement.

**Defendant Jurisdictional Basis.** Issuer.

**Defendant's Citizenship.** United States.

**Total Sanction.** \$11,760,000.

**Compliance Monitor/Reporting Requirements.** Reporting Requirements.

**Related Enforcement Actions.** *SEC v. Parker Drilling Co.*

**Total Combined Sanction.** \$15,850,818.