

SEC v. Albert Jackson Stanley (S.D. Tex. 2008)

Nature of the Business.

Engineering, procurement, and construction (“EPC”) contracts to build liquefied natural gas (“LNG”) facilities on Bonny Island, Nigeria. Albert “Jack” Stanley (“Stanley”) is a U.S. citizen and a former officer and director of Kellogg, Brown & Root, Inc. (“KBR”), which was a subsidiary of Halliburton during the relevant period.

Influence to be Obtained.

KBR participated in a joint-venture seeking EPC contracts to build LNG facilities on Bonny Island, Nigeria. Four EPC contracts were awarded to the joint venture by Nigeria LNG Ltd, the largest shareholder the Nigerian government-owned Nigerian National Petroleum Corporation. Stanley and others allegedly approved entering into sham transactions with two agents to pay bribes to Nigerian government officials. From 1995 to 2004, the joint venture paid the two agents a total of \$182 million. Stanley admitted that the agents’ fees were to be used in part to bribe government officials. The payments were allegedly falsely characterized as “commissions” or “services” fees in the company’s books and records, for example, in internal bid documents and in due diligence materials.

Enforcement.

Without admitting or denying the allegations, Stanley consented to an entry of final judgment in the SEC case enjoining him from committing further FCPA violations on September 3, 2008. He agreed to cooperate with the SEC’s ongoing investigations into the matter. Stanley also pleaded guilty in a related DOJ action on the same day, and was later sentenced to 30 months in prison and three years’ supervised release, as well as \$10.8 million in restitution set by the terms of Stanley’s plea agreement.

On February 11, 2009, KBR and Halliburton settled related actions with the DOJ and SEC. Two alleged co-conspirators, Wojciech Chodan and Jeffrey Tesler, were indicted on February 17, 2009, and they pleaded guilty on December 6, 2010 and March 11, 2011, respectively. They were sentenced in February 2012.

Key Facts

Citation. *SEC v. Stanley*, No. 08-cv-2680 (S.D. Tex. 2008).

Date Filed. September 25, 2008.

Country. Nigeria.

Date of Conduct. 1995 – 2004.

Amount of the Value. \$182 million.

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

Intermediary. Two agents.

Foreign Official. Officials of the Nigerian Government.

FCPA Statutory Provision. Anti-Bribery; Circumventing Internal Controls/Falsifying Books and Records.

Other Statutory Provision. None.

Disposition. Consent Order.

Defendant Jurisdictional Basis. Agent of Issuer.

Defendant’s Citizenship. United States.

Total Sanction. \$10.8 million.

Related Enforcement Actions. *United States v. Stanley*, No. 08-cr-597 (S.D. Tex. 2008) (plea agreement); *United States v. Kellogg Brown & Root LLC*, No. 4:090-cr-00071 (S.D. Tex. 2009); *United States v. Tesler et al.*, No. 4:09-cr-00098 (S.D. Tex. 2009); *SEC v. Stanley*, No. 08-cv-2680 (S.D. Tex. 2008); *SEC v. Halliburton Co., et al.*, No. 4:09-cv-00399 (S.D. Tex. 2009).