

United States v. 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 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 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. One consultant hired to pay bribes to high-level Nigerian government officials received over \$132 million for use in bribing the officials. Another consultant, hired to bribe lower-level Nigerian officials, received over \$50 million to use for that purpose.

Enforcement.

On July 7, 2010, Snamprogetti, ENI, and Saipem entered into a deferred prosecution agreement with the DOJ. Snamprogetti agreed to pay a \$240 million fine and to cooperate with related investigations. ENI and Saipem each agreed to pay the fine if Snamprogetti defaulted and to cooperate with related investigations. In exchange, the DOJ agreed to defer prosecution of the two criminal counts that it brought against Snamprogetti: conspiracy to violate the FCPA and aiding and abetting violations of the FCPA. If Snamprogetti complies with the terms of the deferred prosecution agreement, the DOJ will drop the charges after two years. In a related civil case brought by the SEC, Snamprogetti and ENI jointly agreed to pay \$125 million in disgorgement of profits.

Key Facts

Citation. *United States v. Snamprogetti Netherlands B.V.*, No. 1:10-cr-00460 (S.D. Tex. 2010).

Date Filed. July 7, 2010.

Country. Nigeria.

Date of Conduct. 1994 – 2004.

Amount of the Value. Approximately \$182 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; Employees of Nigeria LNG Limited, controlled by the Nigerian government.

FCPA Statutory Provision. Conspiracy (Anti-Bribery); Aiding and Abetting (Anti-Bribery).

Other Statutory Provision. None.

Disposition. Deferred Prosecution Agreement.

Defendant Jurisdictional Basis. Conspiracy; Aiding and Abetting

Defendant’s Citizenship. Netherlands.

Total Sanction. \$240,000,000.

Compliance Monitor/Reporting Requirements. None.

Related Enforcement Actions. *SEC v. ENI, S.p.A., et al.*

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