

JUSTICE NEWS

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Snamprogetti Netherlands B.V. Resolves Foreign Corrupt Practices Act Investigation and Agrees to Pay \$240 Million Criminal Penalty

\$1.28 Billion in Total Penalties Obtained to Date for Scheme to Bribe Nigerian Government Officials to Obtain Contracts

WASHINGTON – Snamprogetti Netherlands B.V., (Snamprogetti) has agreed to pay a \$240 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 Department of Justice announced today. The EPC contracts to build liquefied natural gas (LNG) facilities on Bonny Island, Nigeria, were valued at more than \$6 billion.

The department filed a deferred prosecution agreement and a criminal information today against Snamprogetti in U.S. District Court for the Southern District of Texas. The two-count information charges Snamprogetti with one count of conspiracy and one count of aiding and abetting violations of the FCPA. During the relevant time period, Snamprogetti, a Dutch corporation headquartered in Amsterdam, The Netherlands, was a wholly owned subsidiary of Snamprogetti S.p.A., an Italian EPC company headquartered in Milan, Italy.

Snamprogetti, Kellogg Brown & Root Inc. (KBR), Technip S.A. (Technip) and an engineering and construction company headquartered in Yokohama, Japan, were part of a four-company joint venture that was awarded four EPC contracts by Nigeria LNG Ltd. (NLNG), between 1995 and 2004 to build LNG facilities on Bonny Island. The government-owned Nigerian National Petroleum Corporation (NNPC) was the largest shareholder of NLNG, owning 49 percent of the company.

According to court documents, Snamprogetti authorized the joint venture to hire two agents, Jeffrey Tesler and a Japanese trading company, to pay bribes to a range of Nigerian government officials, including top-level executive branch officials, to assist Snamprogetti and the joint venture in obtaining the EPC contracts. At crucial junctures preceding the award of EPC contracts, Snamprogetti's co-conspirators 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 the joint venture should negotiate bribes to Nigerian government officials. The joint venture paid approximately \$132 million to a Gibraltar corporation controlled by Tesler and more than \$50 million to the Japanese trading company during the course of the bribery scheme. According to court documents, Snamprogetti 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 Snamprogetti for two years. Snamprogetti, its current parent company, Saipem S.p.A., and its former parent company, ENI S.p.A. (ENI), agreed to ensure that their compliance programs satisfied certain standards and to cooperate with the department in ongoing investigations. If Snamprogetti and its current and former parent companies abide by the terms of the deferred prosecution agreement, the department will dismiss the criminal information when the term of the agreement expires.

In related 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, while KBR's successor company, Kellogg Brown & Root LLC, pleaded guilty in February 2009 to charges related to the FCPA 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 addition, Tesler and Wojciech Chodan, a former salesperson and consultant of a United Kingdom subsidiary of KBR, were indicted in February 2009 on charges related to the FCPA for their alleged participation in the bribery scheme. The United States has requested these defendants' extradition from the United Kingdom. In another related criminal case, the department filed a deferred prosecution agreement and criminal information against Technip on June 28, 2010. According to that agreement, Technip agreed to pay a \$240 million criminal penalty and to retain an independent compliance monitor for two years.

Today, Snamprogetti and ENI also reached a settlement of a related civil complaint filed by the U.S. Securities and Exchange Commission (SEC), charging Snamprogetti with violating the FCPA's anti-bribery provisions, falsifying books and records, and circumventing internal controls and charging ENI with violating the FCPA's books and records and internal controls provisions. As part of that settlement, Snamprogetti and ENI agreed jointly to pay \$125 million in disgorgement of profits relating to those violations.

"The resolutions in this investigation demonstrate the U.S. government's commitment to identifying and holding accountable all companies and individuals who scheme to bribe foreign government officials to win business," said Principal Deputy Assistant Attorney General Mythili Raman of the Criminal Division. "Snamprogetti and its joint-venture partners conspired to pursue lucrative contracts through a massive bribery scheme – a scheme that has led to more than \$1.28 billion in criminal and civil penalties to date. The monetary penalties and enforcement actions that have resulted from this investigation should send a clear message to companies and their employees that using foreign bribery as a means of winning contracts abroad will be punished."

"Today's resolution is yet another example of the FBI's willingness to aggressively investigate individuals and businesses that engage in corrupt conduct around the globe," said Kevin L. Perkins, assistant director of the FBI's Criminal Investigative Division. "Those who elect to expand or protect their business interests through the payment of illegal bribes to foreign public officials should know that they are not beyond the reach of the FBI. Together, with our law enforcement partners around the world, we will identify these bad actors and work with the Justice Department to prosecute them under the Foreign Corrupt Practices Act and other appropriate federal statutes."

The criminal case is being prosecuted by Acting 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 provided substantial assistance. Significant assistance was provided by the SEC's Division of Enforcement and by authorities in France, Italy, Switzerland and the United Kingdom.

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