



U.S. Securities and Exchange Commission

SEC Charges Former CEO of Kellogg, Brown & Root, Inc. with Foreign Bribery

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Washington, D.C., Sept. 3, 2008 — The Securities and Exchange Commission today charged former Kellogg, Brown & Root, Inc. (KBR) executive Albert Jackson Stanley with violating the anti-bribery provisions of the Foreign Corrupt Practices Act (FCPA) and related provisions of the federal securities laws. The Commission alleges that over a 10-year period, Stanley and others participated in a scheme to bribe Nigerian government officials in order to obtain construction contracts worth more than \$6 billion. The contracts were awarded to a four-company joint venture of which The M.W. Kellogg Company, and later KBR, was a member.

Additional Materials

- [Litigation Release No. 20700](#)
- [SEC Complaint](#)

"As this case demonstrates, the SEC is committed to holding violators accountable when they engage in illegal conduct to obtain business in foreign countries," said Linda Chatman Thomsen, Director of the SEC's Division of Enforcement.

The SEC alleges that beginning as early as 1994, Stanley and other members of the joint venture determined that it was necessary to pay bribes to individuals within the Nigerian government in order to obtain contracts to build liquefied natural gas facilities (LNG Trains) in Bonny Island, Nigeria. Stanley and others met with high-ranking Nigerian government officials and their representatives on at least four occasions to arrange the bribe payments. To conceal the illicit payments, Stanley and others approved entering into sham contracts with two "agents" to funnel money to the Nigerian officials. Thereafter, as the joint venture was paid for its work building the LNG Trains, the joint venture paid the agents more than \$180 million. In turn, substantial payments were made to various Nigerian government officials.

"This case demonstrates the Commission's continued vigorous enforcement of the Foreign Corrupt Practices Act," said Antonia Chion, an Associate Director of the SEC's Division of Enforcement. "The FCPA prohibits both direct bribes and those that are made through intermediaries."

Without admitting or denying the allegations in the complaint, Stanley has consented to the entry of a final judgment that permanently enjoins him from violating the anti-bribery, record-keeping and internal control provisions of Securities Exchange Act of 1934 (Sections 30A and 13(b)(5) and Rule 13b2-1). Stanley also has agreed to cooperate with the SEC's ongoing investigation. The proposed settlement with Stanley is subject to the court's approval.

In a related criminal proceeding announced today, the U.S. Department of Justice filed criminal charges against Stanley for conspiring to violate the

FCPA and conspiring to commit mail and wire fraud. Stanley has pleaded guilty to one count of conspiring to violate the FCPA and one count of conspiring to commit mail and wire fraud (unrelated to the FCPA charge). He faces seven years in prison and payment of \$10.8 million in restitution.

"The Department of Justice is committed to aggressively enforcing the Foreign Corrupt Practices Act," said Acting Assistant Attorney General Matthew Friedrich. "Today's plea demonstrates that corporate executives who bribe foreign government officials in return for lucrative business deals can expect to face prosecution."

The Commission's investigation is continuing. The Commission acknowledges the assistance of the Department of Justice, Criminal Division, Fraud Section as well as foreign authorities in the Commission's investigation.

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