

[Home](#) > [Litigation](#) > [Litigation Releases](#) > 2010

U.S. SECURITIES AND EXCHANGE COMMISSION

Litigation Release No. 21578 / June 28, 2010

Accounting and Auditing Enforcement Release No. 3147 / June 28, 2010

Securities and Exchange Commission v. Technip, Case No. 4:10-cv-02289, S.D. Tex. (Houston)

SEC Charges Technip with Foreign Bribery and Related Accounting Violations – Technip to Pay \$98 Million in Disgorgement and Prejudgment Interest; Company Also to Pay a Criminal Penalty of \$240 Million

The Securities and Exchange Commission today announced a settlement with Technip for multiple violations of the Foreign Corrupt Practices Act (FCPA). The SEC alleged that Technip, a global engineering, construction and services company based in Paris, France, was part of a four-company joint venture that bribed Nigerian government officials over a 10-year period in order to win construction contracts in Nigeria worth more than \$6 billion. The SEC also charged that Technip engaged in books and records and internal controls violations related to the bribery.

As part of the settlement, Technip will pay \$98 million in disgorgement and prejudgment interest. The company will also pay an additional \$240 million penalty in separate criminal proceedings announced today by the U.S. Department of Justice. Previously, one of Technip's joint venture partners, KBR, Inc., and its former parent Halliburton Co., settled to similar charges. Together with Technip's payment, the combined sanctions of \$917 million represent the largest combined settlements ever paid to date to the U.S. resulting from an FCPA violation. Technip's American Depository Shares traded on the New York Stock Exchange from August 2001 to November 2007.

According to the SEC's complaint, between at least 1995 and 2004, senior executives at Technip and other members of TSKJ, a four-company joint venture that includes KBR, Inc., devised and implemented a scheme to bribe Nigerian government officials to obtain multi-billion dollar contracts to build liquefied natural gas (LNG) production facilities. The complaint alleges that from the inception of the joint venture, Technip and the other joint venture partners paid bribes to assist in obtaining the LNG contracts. The joint venture partners formed a "cultural committee," comprised of senior sales executives at each company, to consider how to carry out the bribery scheme. To conceal the illicit payments, the joint venture entered into sham contracts with a shell company controlled by a U.K. solicitor and a Japanese trading company as conduits for the bribes. Total payments to the two agents exceeded \$180 million.

The SEC's complaint also alleges that Technip's internal controls failed to detect or prevent the bribery, and that the company's records were falsified as a result of the bribery scheme. After Technip became a U.S. issuer in August 2001, it became subject to the FCPA, including the FCPA's prohibitions on the payment of anything of value to foreign government officials in order to obtain or retain business. The complaint alleges that although Technip was aware of these prohibitions, it did not implement adequate controls to ensure compliance with the FCPA. Instead, its due diligence was a "perfunctory exercise" conducted so that Technip would have some documentation in its files.

Without admitting or denying the SEC's allegations, Technip has consented to the entry of a court order permanently enjoining it from violating Sections 30A, 13(b)(2)(A) and 13(b)(2)(B) of the Securities Exchange Act of 1934, and ordering Technip to disgorge \$98 million in ill-gotten profits derived from the scheme and prejudgment interest. The proposed settlement is subject to court approval.

In the related criminal proceeding announced today, the U.S. Department of Justice filed a criminal action against Technip, charging one count of conspiring to violate the FCPA and one count of violating the anti-bribery provisions of the FCPA. Technip has entered into a deferred prosecution agreement with the DOJ and agreed to pay a criminal penalty of \$240 million.

The Commission acknowledges the assistance of the U.S. Department of Justice, Fraud Section; the Federal Bureau of Investigation; and foreign authorities in Europe, Asia, Africa and the Americas. The SEC's investigation is continuing.

Prior Related Press Releases:

SEC Charges KBR and Halliburton for FCPA Violations

<http://sec.gov/news/press/2009/2009-23.htm>

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

<http://sec.gov/news/press/2008/2008-189.htm>

See Also: [SEC Complaint](#)

<http://www.sec.gov/litigation/litreleases/2010/lr21578.htm>

Last modified: 6/28/2010