



U.S. Securities and Exchange Commission

SEC Charges Technip with FCPA Violations

Technip to Pay \$338 Million to Settle SEC and DOJ Charges; Brings Total Sanctions Against Joint Venture Partners to \$917 Million

**FOR IMMEDIATE RELEASE
2010-110**

Washington, D.C., June 28, 2010 — 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.

Additional Materials

- [Litigation Release No. 21578](#)
 - [SEC Complaint](#)
 - [Department of Justice Press Release](#)
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Technip will pay \$98 million to settle the SEC's charges and deprive the company of its ill-gotten gains. The firm will 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.

"Bribery was such an accepted practice that the joint venture had a euphemistically-named 'Cultural Committee' where bribes were openly discussed, approved and memorialized," said Robert Khuzami, Director of the SEC's Division of Enforcement. "All U.S. issuers must comply with anti-bribery laws."

Antonia Chion, Associate Director of the SEC's Division of Enforcement, added, "When Technip became a U.S. issuer in 2001, it had an obligation to comply with the FCPA. Instead, the complaint alleges that the company continued with its brazen plan to make bribery payments."

The SEC alleges that 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. According to the SEC's complaint, 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. 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 the anti-bribery, recordkeeping and internal controls provisions in 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. Robert Wilson, Ansu Banerjee, and Stanley Cichinski conducted the SEC's investigation, which is continuing.

See previous related press releases:

- [SEC Charges KBR and Halliburton for FCPA Violations](#) (SEC)
- [SEC Charges Former CEO of Kellogg, Brown & Root, Inc. With Foreign Bribery](#) (SEC)
- [Two UK Citizens Charged by United States with Bribing Nigerian Government Officials to Obtain Lucrative Contracts as Part of Joint Venture Scheme](#) (DOJ)
- [Kellogg Brown & Root LLC Pleads Guilty to Foreign Bribery Charges and Agrees to Pay \\$402 Million Criminal Fine](#) (DOJ)
- [Former Officer and Director of Global Engineering and Construction Company Pleads Guilty to Foreign Bribery and Kickback Charges](#) (DOJ)

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Modified: 06/28/2010