

## JUSTICE NEWS

### Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

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## **Technip S.A. Resolves Foreign Corrupt Practices Act Investigation and Agrees to Pay \$240 Million Criminal Penalty**

Technip S.A., a global engineering, construction and services company based in Paris, 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 against Technip in the U.S. District Court for the Southern District of Texas. The two-count information charges Technip with one count of conspiracy and one count of violating the FCPA. Technip's American Depository Shares traded on the New York Stock Exchange from 2001 until 2007.

Technip, Kellogg Brown & Root Inc. (KBR), and two other companies 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, Technip 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 Technip and the joint venture in obtaining the EPC contracts. At crucial junctures preceding the award of EPC contracts, a senior executive of Technip, KBR's former CEO, Albert "Jack" Stanley, and others 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, Technip 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 Technip for two years. Technip agreed, among other things, to retain an independent compliance monitor for a two-year period to review the design and implementation of Technip's compliance program and to cooperate with the department in ongoing investigations. If Technip abides by the terms of the deferred prosecution agreement, the department will dismiss the criminal information when the term of the agreement expires.

In a related criminal case, Stanley pleaded guilty in September 2008 to conspiring to violate the FCPA for his participation in the bribery scheme. In another related criminal case, 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 another related criminal case, 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.

Today, Technip also reached a settlement of a related civil complaint filed by the Securities and Exchange Commission (SEC) charging Technip with violating the FCPA's anti-bribery, books and records, and internal controls provisions. As part of that settlement, Technip agreed to pay \$98 million in disgorgement of profits relating to those violations.

Including today's resolutions, a total of \$917 million in criminal and civil penalties have been obtained to date as a result of the ongoing Department of Justice and SEC investigations of the scheme to bribe Nigerian government officials in order to win the Bonny Island EPC contracts.

"The resolutions announced today demonstrate once again the department's commitment to aggressively investigate and prosecute international bribery by U.S. and foreign corporations alike," said Principal Deputy Assistant Attorney General Mythili Raman of the Criminal Division. "Together with KBR and others, the French company Technip engaged in a sophisticated, decade-long scheme to bribe a wide array of Nigerian government officials in order to win and retain billions of dollars in contracts. The fact that Technip now must pay criminal penalties and civil disgorgement totaling \$338 million should make clear that, in the end, bribery of foreign officials will have consequences."

"Today's criminal penalty is an example of how companies that intentionally bribe foreign government officials for their own gain will be prosecuted. The FBI is committed to pursuing those who disrupt the level playing field to which companies in the U.S. and around the world are entitled," said FBI Assistant Director Kevin L. Perkins. "This case demonstrates the FBI's commitment to aggressively investigate violations of this law. We will continue to investigate FCPA matters by working in partnership with other law enforcement agencies, both foreign and domestic, to ensure that both corporations and executives who bribe foreign officials in return for lucrative business contracts are punished."

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 in gathering evidence abroad and facilitating international cooperation. Significant assistance was provided by the SEC's Division of Enforcement and by the authorities in France, Italy, Switzerland and the United Kingdom.

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**Component(s):**

Criminal Division

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