

JUSTICE NEWS

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UK Solicitor Pleads Guilty for Role in Bribing Nigerian Government Officials as Part of KBR Joint Venture Scheme

WASHINGTON – Jeffrey Tesler, a former consultant to Kellogg, Brown & Root Inc. (KBR) and its joint venture partners, pleaded guilty today in Houston to conspiring to violate the Foreign Corrupt Practices Act (FCPA) and to violating the FCPA for his participation in a decade-long scheme to bribe Nigerian government officials to obtain engineering, procurement and construction (EPC) contracts, the Criminal Division of the Department of Justice announced. The EPC contracts to build liquefied natural gas (LNG) facilities on Bonny Island, Nigeria, were valued at more than \$6 billion.

Tesler, 62, a United Kingdom citizen and licensed solicitor, was extradited on March 10, 2011, from the United Kingdom to the United States. Tesler pleaded guilty today before U.S. District Judge Keith P. Ellison to one count of conspiracy to violate the FCPA and one count of violating the FCPA contained in a Feb. 17, 2009, indictment.

KBR, Technip S.A., Snamprogetti Netherlands B.V. and a Japanese engineering and construction company 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. Tesler admitted that from approximately 1994 through June 2004, he and his co-conspirators agreed to pay bribes to Nigerian government officials, including top-level executive branch officials, in order to obtain and retain the EPC contracts. The joint venture hired Tesler as a consultant to pay bribes to high-level Nigerian government officials and hired a Japanese trading company to pay bribes to lower-level Nigerian government officials. During the course of the bribery scheme, the joint venture paid approximately \$132 million in consulting fees to a Gibraltar corporation controlled by Tesler and more than \$50 million to the Japanese trading company. Tesler admitted that he used the consulting fees he received from the joint venture, in part, to pay bribes to Nigerian government officials.

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 FCPA-related charges 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, 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. On July 7, 2010, the department filed a deferred prosecution agreement and criminal information against Snamprogetti Netherlands BV, which also agreed to pay a \$240 million criminal penalty. Tesler's co-defendant, Wojciech J. Chodan, was extradited from the United Kingdom on Dec. 3, 2010, and pleaded guilty on Dec. 6, 2010, to conspiring to violate the FCPA.

As part of his plea agreement, Tesler agreed to forfeit \$148,964,568. At sentencing, scheduled for June 22, 2011, Tesler faces a maximum penalty of five years in prison on the conspiracy charge, and five years in prison on the FCPA violation charge.

The case is being prosecuted by 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 the authorities in France, Italy, Switzerland and the United Kingdom, including in particular the Crown Prosecution Service, the Serious Fraud Office's International Assistance and Anti-Corruption Units, the London Metropolitan Police and the City of London Police in the United Kingdom.

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