

United States v. Willbros Group, Inc., and Willbros Int'l, Inc. (S.D. Tex. 2008)

Nature of the Business.

Procurement of contracts for oil and gas construction projects by Willbros International Inc., a wholly-owned subsidiary of Willbros Group, Inc., both Panama corporations.

Influence to be Obtained.

The DOJ alleged that Willbros Group and Willbros International used contractual payments, fraudulent loans, and petty cash obtained by fraudulent invoices to funnel money to two “consultants” for the purposes of bribing foreign officials from Nigeria to pursue contracts associated with the Eastern Gas Gathering Systems (“EGGS”), a project building a natural gas pipeline system in the Niger Delta designed to relieve existing pipeline capacity constraints and contracts to repair offshore oil platforms along the Nigerian coast. In addition, from December 2003 through the first half of 2004, Willbros International pursued contracts to refurbish a pipeline in Ecuador with PetroComercial, a subsidiary of state-owned PetroEcuador. In addition, the DOJ alleged that Willbros International and Willbros Group violated the books and records provision by recording all of the above payments as contract costs. In addition, a subsidiary of Willbros International devised a scheme to buy false invoices through a consultant to fraudulently claim VAT tax credits to reduce tax liability in violation of books and records requirements.

Enforcement.

On May 14, 2008, Willbros Group and Willbros International entered into a three-year deferred prosecution agreement, pursuant to which they agreed, jointly and severally, to a fine of \$22 million payable in four installments. In addition, Willbros Group and Willbros International agreed to engage an independent corporate monitor for a period of three years.

Key Facts

Citation. *United States v. Willbros Grp., Inc., et al.*, No. 4:08-cr-0287 (S.D. Tex. 2008).

Date Filed. May 14, 2008.

Country. Nigeria; Ecuador; Bolivia.

Date of Conduct. 2003 – 2005.

Amount of the Value. Approximately \$10.8 million.

Amount of Business Related to the Payment. Approximately \$390 million.

Intermediary. Outside Consultants.

Foreign Official. Nigerian National Petroleum Corporation (“NNPC”) officials; Officials of NNPC’s wholly-owned subsidiary National Petroleum Investment Management Services (“NAPIMS”); Officials of NNPC’s majority-owned joint venture operator, Shell Petroleum Development Company of Nigeria (“SPDC”); A senior official in the Nigerian federal government; Officials in the dominant political party in Nigeria; Officials of PetroEcuador and PetroComercial in Ecuador.

FCPA Statutory Provision.

- **Willbros Group.** Conspiracy (Anti-Bribery); Anti-Bribery; Books-and-Records.
- **Willbros Int’l.** Conspiracy (Anti-Bribery); Anti-Bribery; Books-and-Records.

Other Statutory Provision. None.

Disposition.

- **Willbros Group.** Deferred Prosecution Agreement.
- **Willbros Int’l.** Deferred Prosecution Agreement.

Defendant Jurisdictional Basis.

- **Willbros Group.** Issuer.
- **Willbros Int’l.** Domestic Concern.

Defendant’s Citizenship.

- **Willbros Group.** United States.
- **Willbros Int’l.** United States.

Total Sanction. \$22,000,000.

Compliance Monitor/Reporting Requirements. Compliance Monitor.

Related Enforcement Actions. *SEC v. Willbros*

Group, Inc.

Total Combined Sanction. \$32,300,000.