

Bonny Island Liquefied Natural Gas Bribe Scheme (TSKJ Consortium) / KBR Inc & Halliburton Co.

Case ID:

ST-75

Case Cluster :

Bonny Island Liquefied Natural Gas Bribe Scheme

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Securities and Exchange Commission

Jurisdiction of Foreign Public Official(s) :

Nigeria

Year of Settlement:

2009

Month/Day of Settlement (or Notes):

02/11

Other Jurisdictions of Settlement:

Nigeria

Settlement with Individual or Legal Person?:

Legal Person

Type of Settlement:

Civil

Legal Form of Settlement:

Consent to Permanent Injunction

Monetary Sanctions (Types):

Disgorgement of Profits

Total Monetary Sanctions (US\$):

\$177,000,000.00

Civil Disgorgement of Profits (US\$) :

\$177,000,000

Civil Prejudgment Interest (US\$) :

\$0

Civil Fine / Penalty (US\$):

\$0

Monetary Sanctions Returned / Ordered Returned (US\$):

\$0

UNCAC Articles(s) Implicated:

Art.16

Art.23

Art.26

OECD Anti-Bribery Convention Articles Implicated:

Art. 1, Art. 2, Art. 7, Art. 8

Offenses - Alleged:

Bribery of foreign officials (KBR), Internal controls violations (Halliburton), Falsification of books and records (Halliburton), False accounting (KBR), Aiding and Abetting Halliburton's

Internal Controls Violations (KBR), Aiding and Abetting Halliburton's Falsification of Books and Records (KBR)

Offenses - Settled:

No admission or denial of alleged offenses

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the June 2011 Report by the United States to the OECD, "From 1995-2004, Kellogg Brown & Root Inc. (KBR), Technip S.A. (Technip), Snamprogetti Netherlands B.V. (Snamprogetti), and JGC were each part of the TSKJ joint venture that was awarded four EPC contracts by Nigeria LNG Ltd. (NLNG), which is 49 percent owned by the government-owned Nigerian National Petroleum Corporation (NNPC). These contracts, which were valued at more than \$6 billion, were part of a four-company joint venture that was awarded four EPC contracts by Nigeria LNG Ltd. (NLNG), which is 49 percent owned by the government-owned Nigerian National Petroleum Corporation (NNPC). These contracts, which were valued at more than \$6 billion, were for the construction of LNG facilities on Bonny Island. In exchange for being awarded these EPC contracts, the joint-venture partners used two agents to pay bribes totaled in excess of \$182 million to a range of Nigerian government officials, including officials of the executive branch of the Nigerian government and officials at NNPC and NLNG." (Source: Report by the United States to the OECD, "Steps taken to implement and enforce the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions" (June 2011), Bonny Island Liquefied Gas Bribe Scheme Case Summary at 17-19.)

Sources :

Report by the United States to the OECD, "Steps taken to implement and enforce the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions" (June 2011), Bonny Island Liquefied Gas Bribe Scheme Case Summary at 17-19, accessed at <http://www.oecd.org/dataoecd/18/8/42103833.pdf>. US Securities and Exchange Commission Litigation Release No. 20897 / February 11, 2009, Securities and Exchange Commission v. Halliburton Company, 4:09-CV-399, S.D. Tex. (Houston), "SEC Charges KBR, Inc. with Foreign Bribery; Charges Halliburton Co. and KBR, Inc. with Related Accounting Violations ? Companies to Pay Disgorgement of \$177 Million; KBR Subsidiary to Pay Criminal Fines of \$402 Million; Total Payments to be \$579 Million," accessed at <http://www.sec.gov/litigation/litreleases/2009/lr20897.htm>; Complaint filed February 11, 2009, accessed at <http://www.sec.gov/litigation/complaints/2009/comp20897.pdf>