

Bonny Island Liquefied Natural Gas Bribe Scheme (TSKJ Consortium) / Snamprogetti Netherlands B.V. and ENI, S.p.A.

Case ID:

ST-79

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:

2010

Month/Day of Settlement (or Notes):

07/07

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\$):

\$125,000,000.00

Civil Disgorgement of Profits (US\$) :

\$125,000,000

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, Internal controls violations, Falsification of books and records

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.) According to the SEC Litigation Release, "The SEC 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." (Source: US Securities and Exchange Commission Litigation Release No. 21588 / July 7, 2010, Securities and Exchange Commission v. ENI, S.p.A. and Snamprogetti Netherlands, B.V., Case No. 4:10-cv-02414, S.D. Tex. (Houston), "SEC Charges Snamprogetti Netherlands, B.V. with Foreign Bribery and Related Accounting Violations and ENI, S.p.A. with Books and Records and Internal Controls Violations -- ENI and Snamprogetti to Pay Jointly \$125 Million in Disgorgement; Snamprogetti Also to Pay a Criminal Penalty of \$240 Million.")

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. 21588 / July 7, 2010, Securities and Exchange Commission v. ENI, S.p.A. and Snamprogetti Netherlands, B.V., Case No. 4:10-cv-02414, S.D. Tex. (Houston), "SEC Charges Snamprogetti Netherlands, B.V. with Foreign Bribery and Related Accounting Violations and ENI, S.p.A. with Books and Records and Internal Controls Violations -- ENI and Snamprogetti to Pay Jointly \$125 Million in Disgorgement; Snamprogetti Also to Pay a Criminal Penalty of \$240 Million," accessed at www.sec.gov/litigation/litreleases/2010/lr21588.htm; Complaint filed July 7, 2010, accessed at www.sec.gov/litigation/complaints/2010/comp-pr2010-119.pdf.