

## **Bribery by Oil Services and Freight Forwarding Companies / Noble Corporation**

**Case ID:**

ST-88

**Case Cluster :**

Bribery by Oil Services and Freight Forwarding Companies

**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):**

11/04

**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, Prejudgment Interest

**Total Monetary Sanctions (US\$):**

\$5,576,998.00

**Criminal Fine / Penalty (Explanation):**

NA

**Civil Disgorgement of Profits (US\$) :**

\$4,294,933

**Civil Prejudgment Interest (US\$) :**

\$1,282,065

**Civil Fine / Penalty (US\$):**

\$0

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

\$0

**UNCAC Articles(s) Implicated:**

Art.16

Art.26

**OECD Anti-Bribery Convention Articles Implicated:**

Art. 1, Art. 2, Art. 8

**Offenses - Alleged:**

Bribery of foreign officials, Falsification of books and records, Internal controls violations

**Offenses - Settled:**

No admission or denial of alleged offenses

**Public Procurement Contract / SOE Involved?:**

No (Customs)

**Summary:**

According to the US Securities and Exchange Commission Litigation Release, on November 4, 2010, the Commission "announced a settlement with Noble Corporation (Noble) for violations of the Foreign Corrupt Practices Act (FCPA). The SEC alleged that Noble, an offshore drilling contractor headquartered in Switzerland with an office in Sugarland, Texas, made improper payments through its custom agents to officials of the Nigeria Customs Service to obtain permits and permit extensions necessary for operating offshore oil rigs in Nigeria. As part of the settlement, Noble will pay \$5,576,998 in disgorgement and prejudgment interest. [ ] The Commission's complaint, filed today in federal court in Houston, alleges that from January 2003 through May 2007, Noble authorized payments by its Nigerian subsidiary to its customs agent, believing that the agent would give portions of the payments to Nigerian government officials to induce them to grant temporary importation permits (TIPs) and TIP extensions for Noble's drilling rigs. Although Noble was required to move its rigs out of Nigeria when TIPs and any extensions had expired, it did not do so in order to avoid the costs of moving the rigs, the potential loss of profits, and the break in performance of rigs under contract. Noble used the customs agents to submit false documents to Nigerian Customs Service showing export and re-import of its drilling rigs when in fact the rigs never moved. Noble paid its customs agents to present these false documents to the Nigeria Customs Service (NCS) and, through the customs agents, made improper payments to officials of the NCS to process the false documents and issue new TIPS. Noble obtained eight TIPs with false documentation." (Source: US Securities and Exchange Commission, Litigation Release No. 21728/ November 4, 2010, Securities and Exchange Commission v. Noble Corporation, Case No. 4:10-cv-4336 (S.D. Tex.), "SEC Charges Noble with FCPA Violations.")

**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), Bribery by Oil Services and Freight Forwarding Companies Case Summary at 32-37, accessed at <http://www.oecd.org/dataoecd/18/8/42103833.pdf>. US Securities and Exchange Commission, Litigation Release No. 21728/ November 4, 2010, Securities and Exchange Commission v. Noble Corporation, Case No. 4:10-cv-4336 (S.D. Tex.), "SEC Charges Noble with FCPA Violations," accessed at [www.sec.gov/litigation/litreleases/2010/lr21728.htm](http://www.sec.gov/litigation/litreleases/2010/lr21728.htm); Complaint filed November 4, 2010, accessed at [www.sec.gov/litigation/complaints/2010/comp21728](http://www.sec.gov/litigation/complaints/2010/comp21728).