

## El Paso Corporation

**Case ID:**

ST-147

**Case Cluster :**

El Paso Corporation

**Jurisdiction of Settlement:**

United States

**Jurisdiction of Settlement / Enforcement Agency:**

United States Attorney for the Southern District of New York

**Jurisdiction of Foreign Public Official(s) :**

Iraq ("UN Oil-for-Food")

**Year of Settlement:**

2007

**Month/Day of Settlement (or Notes):**

02/05

**Other Jurisdictions of Settlement:**

Unknown

**Settlement with Individual or Legal Person?:**

Legal Person

**Type of Settlement:**

Criminal

**Legal Form of Settlement:**

Non-Prosecution Agreement

**Monetary Sanctions (Types):**

Criminal Forfeiture

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

\$5,482,363.00

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

\$0

**Criminal Forfeiture / Confiscation (US\$):**

\$5

482

363

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

\$5,482,363

**Monetary Sanctions Returned / Ordered Returned (Explanation):**

Restitution to Iraq via Development Fund for Iraq

**UNCAC Articles(s) Implicated:**

Art.16

Art.26

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

Art. 1, Art. 2, Art. 8

**Offenses - Alleged:**

Conspiracy to Defraud the United States, Wire Fraud

**Offenses - Settled:**

Failure to Maintain Internal Controls

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

Yes

**Summary:**

According to El Paso Corporation's Non-Prosecution Agreement with the United States Attorney for the Southern District of New York, following the merger between El Paso Corporation and The Costal Corporation, "EL PASO purchased Iraqi oil from third-party intermediaries and/or allocation holders. Although EL PASO took steps designed to prevent the purchase of Iraqi oil from third parties on which illegal surcharges had been paid, such procedures proved inadequate. The United States Government has represented to EL PASO that records maintained by the former Government of Iraq and its agents demonstrate that, from June 2001 until May 2002, EL PASO purchased Iraqi oil for which third-party intermediaries and/or allocation holders paid approximately \$5.48 million in illegal surcharges to the former Government of Iraq. These surcharge payments were not deposited into the Oil-for-Food Program's escrow account, which was established to purchase humanitarian goods for the Iraqi people. [ ] It is the intent of the United States Attorney's Office for the Southern District of New York to seek the transfer of these funds to the Development Fund for Iraq [ ] to be used as restitution to the Iraqi people as the intended beneficiaries of the proceeds of all Iraqi oil pursuant to the United Nations Oil-for-Food Program." (Source: In Re: El Paso Corporation, Non-Prosecution Agreement with the United States Attorney for the Southern District of New York, Department of Justice, February 5, 2007.)

**Sources :**

In Re: El Paso Corporation, Non-Prosecution Agreement with the United States Attorney for the Southern District of New York, February 5, 2007, accessed at <http://fcpa.shearman.com/files/82c/82c7a6a47d469bdfa8a7c6d82bf03737.pdf?i=dfef6d9305307bf27b82>  
United States Attorney for the Southern District of New York Press Release, "Texas Oil Executive and Two Corporations Sentenced on Charges Involving a Scheme to Pay Secret Kickbacks to the Former Government of Saddam Hussein," March 7, 2008, accessed at <http://www.justice.gov/usao/nys/pressreleases/March08/chalmersetalsentencingpr.pdf>

**Documents:**

<b>Attachment</b>	<b>Size</b>
 EI_Paso_SDNY_Non-Prosecution_Agreement_Feb_2007.pdf	252.89 KB