

Willbros Group Inc. / Gerald Jansen

Case ID:

ST-386

Case Cluster :

Willbros Group Inc.

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Securities and Exchange Commission

Jurisdiction of Foreign Public Official(s) :

Nigeria

Year of Settlement:

2008

Month/Day of Settlement (or Notes):

05/14

Other Jurisdictions of Settlement:

Unknown

Settlement with Individual or Legal Person?:

individual

Type of Settlement:

Civil

Legal Form of Settlement:

Consent to Permanent Injunction

Monetary Sanctions (Types):

Civil Penalty

Total Monetary Sanctions (US\$):

\$30,000.00

Civil Disgorgement of Profits (US\$) :

\$0

Civil Prejudgment Interest (US\$) :

\$0

Civil Fine / Penalty (US\$):

\$30,000

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

\$0

UNCAC Articles(s) Implicated:

Art.16

OECD Anti-Bribery Convention Articles Implicated:

Art. 1, Art. 8

Offenses - Alleged:

False Accounting Violations, Aiding and Abetting Willbros' Bribery of Foreign Officials, Aiding and Abetting Willbros' Internal Controls Violations, Aiding and Abetting Willbros' Falsification of Books and Records

Offenses - Settled:

No admission or denial of alleged offenses

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the United States Securities and Exchange Commission Litigation Release, on May 14, 2008, the Commission "filed a settled civil action against Willbros Group, Inc. and several former employees alleging that they violated, among other things, the anti-bribery provisions of the Foreign Corrupt Practices Act (FCPA) and the antifraud provisions of the federal securities laws. The complaint also names Jason Steph, a former supervisory employee in Nigeria, Gerald Jansen, a former administrative supervisor in Nigeria, Lloyd Biggers, a former employee in Nigeria and Carlos Galvez, a former accounting employee in Bolivia. According to the complaint, the company also violated the reporting, books and records and internal controls provisions of the Securities Exchange Act. Willbros Group, Steph, Jansen, Biggers and Galvez have agreed to settle the charges against them, without admitting or denying the Commission's allegations. The Commission alleges in its complaint that Willbros Group, through the actions of others acting on its behalf, engaged in multiple schemes to bribe foreign officials. First, the complaint alleges that, beginning by at least 2003, Willbros Group, through the conduct of a former executive officer, Steph and others, engaged in a scheme to pay over \$6 million in bribes to Nigerian government officials and to employees of an operator of a joint venture majority-owned by the Nigerian government in order to obtain a significant contract. A similar scheme was used to help obtain a second significant contract. Together, these contracts resulted in net profits of approximately \$8,900,000. In 2005, according to the complaint, Steph assisted in the payment of \$850,000 to satisfy a portion of these earlier commitments. The complaint further alleges that Willbros Group, through acts by a former executive officer, Steph, Jansen, Biggers and others, employed a long-running scheme using fabricated invoices to procure cash from the company's administrative headquarters in Houston to, among other things, bribe Nigerian tax and court officials. This fraudulent cash abuse was also used to fund in part the bribes paid in 2005. Second, Willbros Group, through the conduct of the same former executive officer and others schemed to pay a \$300,000 bribe to officials of an oil and gas company owned by the Ecuador government in order to obtain a \$3 million contract. Finally, Willbros Group, through the actions of the same former executive officer, an outside consultant and Galvez implemented a fraudulent tax avoidance scheme in Bolivia. This fraudulent scheme resulted in material misstatements in Willbros Group's financial statements." (Source: US Securities and Exchange Commission Litigation Release No. 20571 / May 14, 2008, SEC v. Willbros Group, Inc., et al., Civil Action No. 4:08-CV-01494 U.S.D.C./Southern District of Texas (Houston Division), "SEC Files Settled FCPA Action Against Willbros Group, Inc. and Several Former Employees.")

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), Willbros Group, Inc. Case Summary at 79-81, accessed at <http://www.oecd.org/dataoecd/18/8/42103833.pdf>. US Securities and Exchange Commission Litigation Release No. 20571 / May 14, 2008, SEC v. Willbros Group, Inc., et al., Civil Action No. 4:08-CV-01494 U.S.D.C./Southern District of Texas (Houston Division), "SEC Files Settled FCPA Action Against Willbros Group, Inc. and Several Former Employees," accessed at <http://www.sec.gov/litigation/litreleases/2008/lr20571.htm>; Complaint in SEC v. Willbros et al. [Willbros Group, Inc, Jason Steph, Gerald Jansen, Lloyd Biggers, Carlos Galvez], Case No. 4:08-cv-01494 (S.D. Tex.) filed May 14, 2008, accessed at www.sec.gov/litigation/complaints/2008/comp20571.pdf