

## **Bonny Island Liquefied Natural Gas Bribe Scheme (TSKJ Consortium) / KBR - M.W. Kellogg Ltd.**

**Case ID:**

ST-74

**Case Cluster :**

Bonny Island Liquefied Natural Gas Bribe Scheme

**Jurisdiction of Settlement:**

United Kingdom

**Jurisdiction of Settlement / Enforcement Agency:**

Serious Fraud Office

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

Nigeria

**Year of Settlement:**

2011

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

02/11

**Other Jurisdictions of Settlement:**

Nigeria, United States

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

Legal Person

**Type of Settlement:**

Civil

**Legal Form of Settlement:**

Civil Recovery Order (Proceeds of Crime Act)

**Monetary Sanctions (Types):**

Civil Recovery Order

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

\$11,303,600.00

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

\$11,303,600

**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:**

Proceeds of Unlawful Conduct (Bribery by a Third Party)

**Offenses - Settled:**

Proceeds of Unlawful Conduct

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

Yes

**Summary:**

According to the UK Serious Fraud Office Press Release, "The Serious Fraud Office (SFO) has taken action in the High Court today which has resulted in an Order for the company, M.W. Kellogg Limited (MWKL), to pay just over £7 million in recognition of sums it is due to receive which were generated through the criminal activity of third parties. The High Court made the Order under Part 5 of the Proceeds of Crime Act 2002. The SFO recognised that MWKL took no part in the criminal activity which generated the funds. The funds due to MWKL are share dividends payable from profits and revenues generated by contracts obtained by bribery and corruption undertaken by MWKL's parent company and others. The agreement will lead to the payment of £7,028,077 within fourteen days in full and final settlement of the case. This sum represents the share dividends due and the interest which has accrued on these sums. The contracts were awarded to a company partly owned by MWKL on behalf of its US parent company. MWKL reported concerns to the SFO under the "self referral" scheme and fully co-operated with the subsequent investigation. The SFO, working in partnership with the US Department of Justice, reviewed the conduct of MWKL and decided that the most appropriate approach was to remove the funds which will become due to the company through the unlawful conduct. This reflects the finding that MWKL was used by the parent company and was not a willing participant in the corruption." (Source: UK Serious Fraud Office, "MW Kellogg Ltd to pay 7 million pounds in SFO High Court action," February 16, 2011.)

**Sources :**

UK Serious Fraud Office Press Release, "MW Kellogg Ltd to pay 7 million pounds in SFO High Court action," February 16, 2011, <http://www.sfo.gov.uk/press-room/press-release-archive/press-releases-2011/mw-kellogg-ltd-to-pay-7-million-in-sfo-high-court-action.aspx>; United Kingdom Report to the OECD, "Steps taken to implement and enforce the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (Information as of 16 August 2011), accessed at <http://www.oecd.org/dataoecd/17/30/48362318.pdf>