

## **Berger Group / Louis Berger International Inc.**

**Case ID:**

ST-414

**Case Cluster :**

Berger Group Holdings Inc.

**Jurisdiction of Settlement:**

United States

**Jurisdiction of Settlement / Enforcement Agency:**

Department of Justice

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

India, Indonesia, Kuwait, Vietnam

**Year of Settlement:**

2015

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

7/17

**Other Jurisdictions of Settlement:**

Unknown

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

Legal Person

**Type of Settlement:**

Criminal

**Legal Form of Settlement:**

Deferred Prosecution Agreement

**Monetary Sanctions (Types):**

Criminal Fine

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

\$17,100,000

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

\$17,100,000

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

\$0

**Criminal Restitution / Reparation (US\$):**

\$0

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

\$0

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

NA

**UNCAC Articles(s) Implicated:**

Art.16

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

Art. 1

**Offenses - Alleged:**

Bribery of Foreign Officials

**Offenses - Settled:**

Bribery of Foreign Officials

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

Yes

### **Summary:**

According to the US Department of Justice, "Louis Berger International, Inc. a New Jersey-based construction management company admitted to violations of the Foreign Corrupt Practices Act (FCPA) and agreed to pay a \$17.1 million criminal penalty to resolve charges that it bribed foreign officials in India, Indonesia, Vietnam and Kuwait to secure government construction management contracts. Two of the company's former executives also pleaded guilty to conspiracy and FCPA charges in connection with the scheme. [ ] LBI entered into a deferred prosecution agreement (DPA) today and admitted its criminal conduct, including its conspiracy to violate the antibribery provisions of the FCPA. Pursuant to the DPA, LBI has agreed to pay a \$17.1 million criminal penalty, to implement rigorous internal controls, to continue to cooperate fully with the department and to retain a compliance monitor for at least three years. Richard Hirsch [ ] and James McClung [ ], each pleaded guilty to one count of conspiracy to violate the FCPA and one substantive count of violating the FCPA. Hirsch previously served as the Senior Vice President responsible for the company's operations in Indonesia, Thailand, the Philippines and Vietnam. McClung previously served as the Senior Vice President responsible for the company's operations in India and, subsequent to Hirsch, in Vietnam. [As of April 18, 2016, the sentencing in Mr.Hirsch and Mr. McClung's cases had been set for May 12, 2016.] According to admissions in the DPA and statements in the charging documents, from 1998 through 2010, the company and its employees, including Hirsch and McClung, orchestrated \$3.9 million in bribe payments to foreign officials in various countries in order to secure government contracts. To conceal the payments, the co-conspirators made payments under the guise of "commitment fees," "counterpart per diems," and other payments to third-party vendors. In reality, the payments were intended to fund bribes to foreign officials who had awarded contracts to LBI or who supervised LBI's work on contracts." (Source:: US Department of Justice Press Release, "Louis Berger International Resolves Foreign Bribery Charges," July 17, 2015; US v. James McClung, Case No. 15-cr-00357 and US v. Richard Hirsch, Case No. 15-cr-00358 (D. NJ), Court Docket Report as of April 18, 2016.)

### **Sources :**

US v. Louis Berger international Inc., Case No. 15-mj-3624 (D. NJ), Criminal Complaint and Deferred prosecution Agreement filed July 7, 2015; Department of Justice Press Release, "Louis Berger International Resolves Foreign Bribery Charges," July 17, 2015, at <https://www.justice.gov/criminal-fraud/fcpa/cases/louis-berger-international>; US v. Hirsch, Case No. 15-cr-00358 and US v. McClung, Case No. 15-cr-00357 (D. NJ), Court Docket Report as of April 18, 2016; and other related court documents at <https://www.justice.gov/criminal-fraud/fcpa/cases/james-mcclung> and <https://www.justice.gov/criminal-fraud/fcpa/cases/richard-hirsch>