

Bonny Island Nigeria / Parker Drilling Company

Case ID:

ST-424

Case Cluster :

Bonny Island Nigeria

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Department of Justice

Jurisdiction of Foreign Public Official(s) :

Nigeria

Year of Settlement:

2013

Month/Day of Settlement (or Notes):

4/16

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\$):

\$11,760,000

Criminal Fine/Penalty (US\$) :

\$11,760,000

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, Art. 2

Offenses - Alleged:

Bribery of Foreign Officials

Offenses - Settled:

Bribery of Foreign Officials

Public Procurement Contract / SOE Involved?:

No (Customs)

Summary:

According to the US Department of Justice, "Parker Drilling Company, a publicly listed drilling-services company, headquartered in Houston, has agreed to pay an \$11.76 million penalty to resolve charges related to the Foreign Corrupt Practices Act (FCPA) for authorizing payment to an intermediary, knowing that the payment would be used to corruptly influence the decisions of a Nigerian government panel reviewing Parker Drilling's adherence to Nigerian customs and tax laws. [] The investigation of Parker Drilling stemmed from the Justice Department's Panalpina-related investigations, which previously yielded criminal resolutions with Panalpina and five oil and gas service companies and subsidiaries and resulted in more than \$156 million in criminal penalties. [] According to court documents, in 2001 and 2002, Panalpina World Transport (Nigeria) Limited, working on Parker Drilling's behalf, avoided certain costs associated with complying with Nigeria's customs laws by fraudulently claiming that Parker Drilling's rigs had been exported and then re-imported into Nigeria. In late 2002, Nigeria formed a government commission, commonly called the Temporary Import (TI) Panel, to examine whether Nigeria's Customs Service had collected certain duties and tariffs that Nigeria was due. In December 2002, the TI Panel commenced proceedings against Parker Drilling. The TI Panel later determined that Parker Drilling had violated Nigeria's customs laws and assessed a \$3.8 million fine against Parker Drilling. According to court documents, rather than pay the assessed fine, Parker Drilling contracted indirectly with an intermediary agent to resolve its customs issues. From January to May 2004, Parker Drilling transferred \$1.25 million to the agent, who reported spending a portion of the money on various things including entertaining government officials. Emails in which the agent requested additional money from Parker Drilling referenced the agent's interactions with Nigeria's Ministry of Finance, State Security Service, and a delegation from the president's office. Two senior executives within Parker Drilling at the time reviewed and approved the agent's invoices, knowing that the invoices arbitrarily attributed portions of the money that Parker Drilling transferred to the agent to various fees and expenses. The agent succeeded in reducing Parker Drilling's TI Panel fines from \$3.8 million to just \$750,000." (Source: DOJ Press Release, "Parker Drilling Company Resolves FCPA Investigation and Agrees to Pay \$11.76 Million Penalty," April 16, 2013.)

Sources :

US v. Parker Drilling Company, Case No. 13-cr-176 (EDVA), Information and Deferred Prosecution Agreement filed April 16, 2013 and DOJ Press Release, "Parker Drilling Company Resolves FCPA Investigation and Agrees to Pay \$11.76 Million Penalty," April 16, 2013, at <https://www.justice.gov/criminal-fraud/case/united-states-v-parker-drilling-company-court-docket-number-13-cr-176>