

Technip Settles-the Nigerian Bribery Box Score Update

Today the Securities and Exchange Commission (SEC) and Department of Justice (DOJ) announced, in separate Press Releases, that they both has reached settlements with Technip S. A. (Technip) for multiple violations of the Foreign Corrupt Practices Act (FCPA) for its part in the Nigerian Bribery Scandal. The SEC also charged Technip with books and records and internal controls violations related to the bribery. Technip agreed to pay a fine to the SEC of \$98MM and a separate penalty to the DOJ of \$240MM.

Technip admitted that a consortium of which it was a member paid Nigerian officials up to \$180MM in bribes for engineering, procurement and construction contracts awarded between 1995 and 2004 to build liquefied natural gas facilities on Bonny Island, Nigeria. The consortium was named TSJK and consisted of subsidiaries of the following entities: Technip; KBR (then owned by Halliburton); ENI, an Italian company; and JGC, a Japanese company.

Technip also agreed to a Deferred Prosecution Agreement (DPA) and the filing of a Criminal Information. Under the terms of the DPA, the DOJ agreed to defer prosecution of Technip for two years. Technip agreed, among other things, to retain an independent compliance monitor for a two-year period to review the design and implementation of Technip's compliance program and to cooperate with the DOJ in ongoing investigations. If Technip abides by the terms of the deferred prosecution agreement, the DOJ will dismiss the criminal information when the term of the agreement expires. The Technip leads to a monetary count of the following:

SETTLEMENT (or RESERVED FOR SETTLEMENT) BOX SCORE

Entity	Fine, Penalty and Disgorgement of Profits (in \$ millions)	Amount Reserved for Resolution (app. in \$ millions)
Halliburton +KBR	\$579	
ENI		\$350
Technip	\$338	
JGC		None yet reported
Total	\$917	\$350

So for those of you keeping score at home, there has been and could be fines, penalties and profit disgorgement of over **\$1.2 billion**. This figure does not include any costs for reduction of credit ratings, the payment of monitor fees, including monitor law firm fees and any forensic accounting fees during the pendency of the DPA. The costs listed above do not include the total cost paid by Technip for its internal company investigation into this matter. However based upon the reported fees to date paid by Halliburton, these investigation fees will surely be in the tens of millions of \$\$.

We are now anxiously awaiting the settlement of the FCPA cases against both ENI and JGC to determine if the Nigerian Bribery Case will yield the largest total fine for one long series of FCPA violation. All we can say is *more will be revealed*.

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