



Department of Justice

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WILLBROS GROUP INC. ENTERS DEFERRED PROSECUTION AGREEMENT AND AGREES TO PAY \$22 MILLION PENALTY FOR FCPA VIOLATIONS

WASHINGTON – Willbros Group Inc. (Willbros Group), a publicly-traded company that provides construction, engineering and other services in the oil and gas industry, and Willbros International Inc. (Willbros International), the wholly owned subsidiary through which it conducts international operations, have agreed to pay a \$22 million criminal penalty in connection with corrupt payments to Nigerian and Ecuadoran government officials in violation of the Foreign Corrupt Practices Act (FCPA), the Department of Justice announced today.

The Department filed a deferred prosecution agreement with Willbros Group and Willbros International, as well as criminal information against both entities (collectively referred to as Willbros) in the U.S. District Court for the Southern District of Texas. The six-count criminal information charges Willbros with one count of conspiring to make bribe payments to Nigerian and Ecuadoran officials, two counts of violating the FCPA in connection with the authorization of specific corrupt payments to officials in those countries and three counts of violating the FCPA by falsifying books and records relating to corrupt payments and a tax fraud scheme.

According to the criminal information, from late 2003 through March 2005, Willbros employees agreed to make corrupt payments totaling more than \$6.3 million to Nigerian government officials to assist in obtaining and retaining a \$387 million contract for work on a major engineering, procurement and construction gas pipeline project known as the Eastern Gas Gathering System (EGGS). In exchange for the EGGS project, the conspirators corruptly paid, promised to pay and authorized payments to officials of the Nigerian National Petroleum Corporation (NNPC), the state-owned oil company in Nigeria; NNPC's subsidiary, the National Petroleum Investment Management Services (NAPIMS); a senior official in the executive branch of the Nigerian federal government; officials of a multinational oil company serving as the operator of the EGGS joint venture; and a political party.

NNPC is responsible for developing Nigeria's oil and gas wealth and regulating the industry, and is the majority shareholder in certain joint ventures with multinational oil companies. NAPIMS manages NNPC's investments in the joint ventures. Among other functions, NAPIMS and NNPC approve the award of major oil and gas construction projects to private contractors, such as Willbros Group.

The criminal information further alleges that certain Willbros employees based in South America agreed to make approximately \$300,000 in corrupt payments to Ecuadoran government officials of the state-owned oil company PetroEcuador and its subsidiary, PetroComercial, to assist in obtaining the Santo Domingo project, which involved the rehabilitation of approximately sixteen kilometers of a gas pipeline in Ecuador, running from Santo Domingo to El Beaterio.

In a related matter, Willbros Group reached a settlement today with the Securities and Exchange Commission (SEC) in which the company agreed to pay \$10.3 million in disgorgement of all profits and pre-judgment interest in connection with the corrupt payments to the Nigerian government officials. In total, Willbros agreed to pay more than \$32 million in penalties, disgorgement and interest in the criminal and SEC cases.

In recognition of Willbros' thorough review of the improper payments, the companies' exemplary cooperation, the companies' implementation of enhanced compliance policies and procedures, and the companies' engagement of an independent corporate monitor, the Department has agreed to defer prosecution of these companies for three years. If Willbros Group and Willbros International abide by the terms of the agreement, the Department will dismiss the criminal information when the term of the agreement ends.

This case is being prosecuted by Deputy Chief Mark F. Mendelsohn and Trial Attorney Stacey K. Luck of the Criminal Division's Fraud Section. It was previously handled by former Trial Attorney Thomas E. Stevens, also with the Criminal Division's Fraud Section. This case is being investigated by the FBI's Washington Field Office, and Internal Revenue Service-Criminal Investigation Division. Substantial assistance was provided by the Criminal Division's Office of International Affairs. The investigation is ongoing.

The Fraud Section acknowledges the assistance of the Fort Worth Regional Office of the SEC. In addition, the Department acknowledges the help provided, in the form of mutual legal assistance, by Nigeria's Economic and Financial Crimes Commission (EFCC).

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