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USAID INVESTIGATION LEADS TO GUILTY PLEA IN BID RIGGING
*Recent Judgement results in \$63 million in fines to the U.S. government
bringing total recovered funds to more than \$100 million*

WASHINGTON, D.C. – The U.S. Agency for International Development (USAID) announced today that \$63 million in fines and restitution will be paid to the U.S. government as a result of an Inspector General investigation by USAID into a bid rigging conspiracy on a construction contract in Egypt.

Evertt L. Mosley, USAID Inspector General made the announcement today from the agency's headquarters in Washington. He said ABB Middle East and Africa Participations, AG, a Milan-Based, subsidiary of ABB Asea Brown Boveri, Ltd., pled guilty today to participating in a conspiracy to suppress and eliminate competition by rigging bids on the USAID contract in violation of the Sherman Antitrust Act.

The one-count felony judgement was entered in the U.S. District Court in Birmingham, Ala.

As part of its plea agreement with the Department of Justice, Antitrust Division, ABB will pay a criminal fine in the amount of \$53 million. A separate civil restitution payment of \$10 million was negotiated with the Department of Justice, Civil Division, and paid last week to settle civil false claims liability of the company and its parent.

“Today's conviction of another major multi-national corporation makes it plain to all that the USAID Office of the Inspector General has the expertise and the determination to protect the integrity of the USAID foreign assistance programs from such exploitation,” said Mosely. “We will continue to vigorously pursue and prosecute anyone who attempts to unjustly enrich themselves at the expense of the U.S. taxpayers.”

Today's action is the latest in a series of convictions arising out of the on-going investigation in the Northern District of Alabama conducted by the Justice Department's Antitrust Division, Atlanta Field Office, working in concert with USAID's OIG. Previous criminal convictions arising out of this investigation were against Phillipp Holzman AG, a German construction company in August 2000, and American International Contractors, Inc. (AICI), in September 2000. Holzman was required at that time to pay a criminal fine of \$30 million and AICI was required to pay a criminal fine of \$4.2 million and to make a civil restitution payment in the amount of \$500,000. A related \$3.2 million civil recovery was obtained in December 2000 from Bilfinger & Berger AG, bringing the total recovery to the U.S. government investigation to more than \$100 million.

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