

## JUSTICE NEWS

### Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Wednesday, November 29, 2017

## **SBM Offshore N.V. And United States-Based Subsidiary Resolve Foreign Corrupt Practices Act Case Involving Bribes in Five Countries**

### **Company Agrees to Pay \$238 Million; Subsidiary Pleads Guilty**

SBM Offshore N.V. (SBM), a Netherlands-based company specializing in the manufacture and design of offshore oil drilling equipment, and its wholly owned U.S. subsidiary, SBM Offshore USA Inc. (SBM USA), have agreed to resolve criminal charges and pay a criminal penalty of \$238 million in connection with schemes involving the bribery of foreign officials in Brazil, Angola, Equatorial Guinea, Kazakhstan and Iraq in violation of the Foreign Corrupt Practices Act (FCPA). SBM USA pleaded guilty today in connection with the resolution.

Acting Assistant Attorney General John P. Cronan of the Justice Department's Criminal Division, Acting U.S. Attorney Abe Martinez of the Southern District of Texas and Special Agent in Charge Mark Dawson of U.S. Immigration and Customs Enforcement's Homeland Security Investigations (ICE-HSI) Houston Field Office made the announcement.

"This corrupt scheme involved some of the highest-level executives within the company, spanned five countries, and lasted for more than a decade," said Acting Assistant Attorney General Cronan. "The resolution announced today demonstrates the Criminal Division's continuing commitment to work closely with our foreign partners to hold both companies and individuals accountable for their actions as we continue to level the playing field for ethical and honest businesses to compete in the marketplace."

"Deterring corporate crime requires enforcing the law on multiple fronts," said Acting U.S. Attorney Martinez. "These cases involve both individual and corporate misconduct, which the guilty pleas reflect. We will continue to aggressively investigate and prosecute individuals and corporations who violate the FCPA and those who misuse our financial system to do so."

"This case exemplifies how HSI works diligently with our foreign law enforcement partners to promote and protect international trade practices, ensuring a fair and equal playing field for U.S. companies and consumers," said HSI Special Agent in Charge Dawson.

SBM entered into a deferred prosecution agreement in connection with a criminal information filed today in the Southern District of Texas charging the company with conspiracy to violate the anti-bribery provisions of the FCPA. The case is assigned to U.S. District Judge David Hittner. In addition, SBM USA pleaded guilty and was sentenced by Judge Hittner on a one-count criminal information charging the company with

conspiracy to violate the anti-bribery provisions of the FCPA. Pursuant to its agreement with the Department, SBM agreed to pay a total criminal penalty of \$238 million to the United States, including a \$500,000 criminal fine and \$13.2 million in criminal forfeiture that SBM agreed to pay on behalf of SBM USA.

According to the companies' admissions and court documents, beginning by at least 1996 and continuing until at least 2012, SBM conspired to violate the FCPA by paying more than \$180 million in commissions to intermediaries, knowing that a portion of those commissions would be used to bribe foreign officials in Brazil, Angola, Equatorial Guinea, Kazakhstan and Iraq. SBM made these payments in order to influence those officials, for the purpose of securing improper advantages and obtaining or retaining business with state-owned oil companies in the five named countries. SBM acknowledged that it gained at least \$2.8 billion from projects it obtained from these state-owned oil companies.

The Justice Department resolution follows guilty pleas by two former SBM executives. On Nov. 9, Anthony Mace, the former CEO of SBM and a former member of the board of directors of SBM USA, pleaded guilty to one count of conspiracy to violate the FCPA. On Nov. 6, Robert Zubiate, a former SBM USA executive, pleaded guilty to one count of conspiracy to violate the FCPA. Mace and Zubiate are awaiting sentencing.

In 2014, SBM settled with the Dutch Public Prosecutor's Office (Openbaar Ministerie) over related conduct and paid the Netherlands a total \$200 million in disgorged profits and a \$40 million fine. SBM has paid a combined worldwide total in criminal penalties in excess of \$475 million.

The Department reached this resolution based on a number of factors, including the fact that while SBM brought the conduct to the attention of the Criminal Division's Fraud Section and Dutch authorities, it did not provide a complete disclosure for approximately one year; that SBM did cooperate with the Department's investigation, including an accelerated investigation into bribery conduct related to Kazakhstan and Iraq; and that SBM has undertaken significant remedial measures, including terminating and demoting employees who were involved in the criminal conduct, terminating longstanding agency agreements and implementing a new and enhanced system of internal controls to address and mitigate corruption and compliance risks. Therefore, SBM was entitled to a 25 percent reduction off of the bottom of the U.S. Sentencing Guidelines range. In addition, the Department considered SBM's inability to pay a fine.

In calculating its fine, the Department credited SBM's payment of penalties to the Openbaar Ministerie and the payment of penalties likely to be paid to the Brazilian Ministério Público Federal (MPF).

The Department of Justice is grateful to Brazil's MPF, the Netherlands' Dutch Public Prosecutor's Office (Openbaar Ministerie) and Switzerland's Office of the Attorney General and Federal Office of Justice for providing substantial assistance in gathering evidence during this investigation.

ICE-HSI investigated the case. Trial Attorney Dennis R. Kihm and Assistant Chief Tarek Helou of the Fraud Section and Assistant U.S. Attorney Suzanne Elmilady of the Southern District of Texas are prosecuting the case. The Criminal Division's Office of International Affairs also provided substantial assistance in this matter. The FBI's International Corruption Squad and the Internal Revenue Service's Criminal Investigation Division assisted with portions of the investigation of this case.

The Fraud Section is responsible for investigating and prosecuting all FCPA matters. Additional information about the Justice Department's FCPA enforcement efforts can be found at [www.justice.gov/criminal-fraud/foreign-corrupt-practices-act](http://www.justice.gov/criminal-fraud/foreign-corrupt-practices-act).

---

**Attachment(s):**

[Download Deferred Pro Agreement](#)

[Download SBM Offshore Plea Agreement](#)

[Download SBM Offshore NV Information](#)

[Download SBM Offshore USA Inc Information](#)

**Component(s):**

[Criminal Division](#)

[USAO - Texas, Southern](#)

**Press Release Number:**

17-1348

*Updated November 30, 2017*