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Department of Justice

U.S. Attorney's Office

Eastern District of New York

FOR IMMEDIATE RELEASE

Tuesday, June 25, 2019

**Technipfmc PLC and U.S.-Based Subsidiary Agree to Pay
Over \$296 Million in Global Criminal Fines to Resolve
Foreign Bribery Case**

Technip's Former Consultant Pleads Guilty to Conspiracy to Violate the FCPA

TechnipFMC plc (TFMC), a publicly traded company in the United States and a global provider of oil and gas services, and its wholly-owned U.S. subsidiary, Technip USA, Inc. (Technip USA), have agreed to pay a combined total criminal fine of more than \$296 million to resolve foreign bribery charges brought by law enforcement authorities in the United States and Brazil. TFMC is the product of a 2017 merger between two predecessor companies, Technip S.A. (Technip) and FMC Technologies, Inc. (FMC). The charges arose from two independent bribery schemes: a scheme by Technip to pay bribes to Brazilian officials, and a scheme by FMC to pay bribes to Iraqi officials. In addition, Technip's former consultant, Zwi Skornicki, pleaded guilty today in connection with the resolution. In 2010, Technip entered into a \$240 million resolution with the Department of Justice over bribes paid in Nigeria. Today's proceedings took place in federal court in Brooklyn before United States District Judge Kiyo A. Matsumoto.

Richard P. Donoghue, United States Attorney for the Eastern District of New York (EDNY), Brian A. Benczkowski, Assistant Attorney General of the Justice Department's Criminal Division, Robert Johnson, Assistant Director, Federal Bureau of Investigation, Criminal Investigative Division (FBI) and Charles A. Dayoub, Acting Special Agent-in-Charge, FBI, Washington Field Office Criminal Division, made the announcement.

"Today's resolutions are the result of a continuing multinational effort to hold accountable corporations and individuals who seek to win business through corrupt payments to foreign officials, and who attempt to use the U.S. financial system to carry out those crimes," said U.S. Attorney Donoghue. "We will continue to prioritize identifying and bringing to justice those who would corrupt the legitimate functions of government for personal financial gain."

“The conduct admitted to in today’s resolutions was egregious, lasting for years and putting millions into the hands of corrupt officials,” said Assistant Attorney General Benczkowski. “The message sent by this prosecution is that the United States, working with its law enforcement partners abroad, will not hesitate to hold responsible those corporations and individuals who seek to enrich themselves through corruption.”

“Today’s charges demonstrate not only the capabilities of the FBI personnel who investigate international corruption, but the successful results of strong partnerships in the international community,” said Assistant Director Johnson. “In attempting to cheat the system, Technip violated the FCPA. Through the collaboration and dedicated efforts of the FBI and our foreign partners, Technip is being held accountable for perpetrating illegal schemes and justice is served.”

“This case shows the FBI will continue to work tirelessly to hold those accountable who treat corruption and bribery as a common business practice,” said FBI Acting Special Agent-in-Charge Dayoub. “Today’s agreement is the culmination of the hard work of the FBI and Department of Justice and our international partners.”

TFMC entered into a deferred prosecution agreement with the DOJ in connection with a criminal information filed today in the EDNY charging the company with two counts of conspiracy to violate the anti-bribery provisions of the Foreign Corrupt Practices Act (FCPA). In addition, Technip USA pleaded guilty and was sentenced on a one-count criminal information charging it with conspiracy to violate the anti-bribery provisions of the FCPA. Pursuant to its agreement with the DOJ, TFMC will pay a total criminal fine of over \$296 million. As part of the deferred prosecution agreement, TFMC committed to implementing rigorous internal controls and to cooperating fully with the DOJ’s ongoing investigation.

In connection with his role in the scheme to bribe Brazilian officials, Skornicki pleaded guilty in the EDNY to a one-count criminal information charging him with conspiracy to violate the FCPA. He is awaiting sentencing.

In related proceedings, TFMC settled with the Advogado-Geral da União (AGU), the Controladoria-Geral da União (CGU) and the Ministério Público Federal (MPF) in Brazil over bribes paid there. The United States will credit the amount the company pays to the Brazilian authorities under their respective agreements, with TFMC paying Brazil approximately \$214 million in penalties.

According to admissions and court documents, beginning as early as 2003 and continuing until at least 2013, Technip conspired with others, including Singapore-based Keppel Offshore & Marine Ltd. (KOM), an attorney for KOM, and Skornicki, who served as a consultant to both Technip and KOM, to violate the FCPA by making more than \$69 million in corrupt payments to companies associated with Skornicki. Skornicki passed along portions of these payments as bribes to officials at the Brazilian state-owned oil company, Petrobras, to win lucrative contracts. In addition, Technip made more than \$5 million in corrupt payments directly to the Workers’ Party in Brazil and Workers’ Party officials in furtherance of the bribery scheme.

The admissions and court documents also establish that beginning as early as 2008 and continuing until at least 2013, FMC conspired to violate the FCPA by paying bribes to at least

seven government officials in Iraq, including at the Ministry of Oil, the South Oil Company and the Missan Oil Company, through a Monaco-based intermediary company, to win valuable projects in Iraq.

In the resolutions, TFMC received credit for its substantial cooperation with the DOJ's investigation and for taking extensive remedial measures. For example, the company separated from, or took disciplinary action against, former and current employees in relation to the misconduct described in the statement of facts to which it admitted as part of the resolution; made changes to its business operations in Brazil to no longer retain commercial consultants; required that certain employees and third parties undergo additional compliance training; and made specific enhancements to the company's internal controls and compliance program. Accordingly, the criminal fine reflects a 25 percent reduction from the applicable U.S. Sentencing Guidelines fine for the company's full cooperation and remediation.

In a related enforcement action, in December of 2017, KOM and its U.S. subsidiary, Keppel Offshore & Marine USA, Inc., agreed to pay a combined total criminal fine of more than \$422 million to resolve charges with law enforcement authorities in the United States, Brazil and Singapore on related conduct. A former senior member of KOM's legal department also pleaded guilty in the EDNY and is awaiting sentencing.

The case is being investigated by the FBI's International Corruption Squad in Washington, D.C. Assistant United States Attorneys Alixandra Smith and Patrick Hein of the Business and Securities Fraud Section of the Eastern District of New York, and Trial Attorneys Dennis R. Kihm, Derek J. Ettinger and Gerald M. Moody, Jr. of the Criminal Division's Fraud Section, are prosecuting the case.

The governments of Brazil, the United Kingdom, Monaco, Italy, Australia, France and Switzerland provided significant assistance in this matter, as did the Criminal Division's Office of International Affairs.

The Defendants:

TechnipFMC PLC

TECHNIP USA, INC

ZWI SKORNICKI

Age: 69

Country of Origin: Brazil

Topic(s):

Foreign Corruption

Component(s):

Criminal Division

Federal Bureau of Investigation (FBI)

USAO - New York, Eastern

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