

Former Willbros International Consultant Pleads Guilty to \$6 Million Foreign Bribery Scheme

WASHINGTON – A former consultant for Willbros International Inc. (WII), a subsidiary of Houston-based Willbros Group Inc. (Willbros), pleaded guilty today to engaging in a conspiracy to pay more than \$6 million in bribes to government officials of the Federal Republic of Nigeria and officials from a Nigerian political party, announced Assistant Attorney General Lanny A. Breuer of the Criminal Division and Assistant Director Joseph Persichini Jr., of the FBI's Washington Field Office.

Paul G. Novak, 43, pleaded guilty before U.S. District Judge Simeon T. Lake III in Houston to one count of conspiracy to violate the Foreign Corrupt Practices Act (FCPA) and one substantive count of violating the FCPA. Sentencing has been scheduled for Feb. 19, 2010.

"The use of intermediaries to pay bribes will not escape prosecution under the FCPA," said Assistant Attorney General Lanny A. Breuer. "The Department will continue to hold accountable all the players in an FCPA scheme – from the companies and their executives who hatch the scheme, to the consultant they retain to carry it out."

"The FBI is committed to investigating and weeding out corruption that inhibits honest business practices around the globe," said Assistant Director Persichini.

In his plea, Novak admitted that from approximately late-2003 to March 2005, he conspired with others to make a series of corrupt payments totaling more than \$6 million to various Nigerian government officials and officials from a Nigerian political party to assist Willbros in obtaining and retaining the Eastern Gas Gathering System (EGGS) Project, which was valued at approximately \$387 million. The EGGS project was a natural gas pipeline system in the Niger Delta designed to relieve existing pipeline capacity constraints.

According to information contained in plea documents, Novak, along with alleged co-conspirators Kenneth Tillery, Jason Steph, Jim Bob Brown, three employees from a German construction company based in Mannheim, Germany agreed to make the corrupt payments to, among others, government officials from the Nigerian National Petroleum Corporation (NNPC), the National Petroleum Investment Management Services (NAPIMS), a senior official in the executive branch of the federal government of Nigeria, members of a Nigerian political party and officials from the Shell Petroleum Development Company of Nigeria Ltd. (SPDC). According to court documents, the bribes were paid to assist in obtaining and retaining the EGGS project and additional optional scopes of work.

According to information contained in plea documents, to secure the funds for those corrupt payments, Steph and others caused Willbros West Africa Inc. (WWA), a subsidiary of Willbros, to enter into so-called "consultancy agreements" with two consulting companies Novak represented in exchange for purportedly legitimate consultancy services. In reality, those consulting companies were used to facilitate the payment of bribes. Specifically, the consulting companies would invoice WWA for purported consulting services and would receive payment from WII's bank account in Houston to the consulting companies' bank accounts in Lebanon. Novak would then use money from the Lebanese bank accounts to pay bribes to the various Nigerian officials.

In addition to Novak, to date, two Willbros employees have pleaded guilty for their roles in the EGGS bribery scheme and Willbros has entered into a deferred prosecution agreement:

On Sept. 14, 2006, Jim Bob Brown, a former Willbros executive, pleaded guilty to one count of conspiracy to violate the FCPA, in connection with his role in making corrupt payments to Nigerian government officials to obtain and retain the EGGS contract and in connection with his role in making corrupt payments in Ecuador. Brown's sentencing is currently scheduled for Jan. 28, 2010.

On Nov. 5, 2007, Jason Steph, also a former Willbros executive, pleaded guilty to one count of conspiracy to violate the FCPA, in connection with his role in making corrupt payments to Nigerian government officials to obtain and retain the EGGS contract. Steph's sentencing is also scheduled for Jan. 28, 2010.

On May 14, 2008, Willbros Group Inc. and Willbros International Inc. entered into a deferred prosecution agreement and agreed to pay a \$22 million criminal penalty, in connection with the company's payment of bribes to government officials in Nigeria and Ecuador.

Kenneth Tillery was charged, along with Novak, for his alleged role in the bribery scheme in an indictment unsealed on Dec. 19, 2008. According to the indictment, Tillery was a WII employee and executive from the 1980s through January 2005. From 2002 until January 2005, Tillery served as executive vice president and, later, as president of WII. Tillery remains a fugitive. The charges against Tillery are merely accusations, and he is presumed innocent unless and until proven guilty.

This case is being prosecuted by Assistant Chief Hank Bond Walther and Trial Attorney Laura N. Perkins of the Criminal Division's Fraud Section and investigated by the FBI's Washington Field Office.