



# Department of Justice

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## **FORMER EXECUTIVE OF WILLBROS GROUP INC. INDICTED ON FOREIGN CORRUPT PRACTICES ACT CHARGES**

WASHINGTON – A federal grand jury in Houston has indicted a former executive of a subsidiary of Houston-based Willbros Group Inc., on charges of conspiring to make corrupt payments to Nigerian officials in violation of the Foreign Corrupt Practices Act (FCPA), the Department of Justice announced today.

The four-count indictment unsealed today charges Jason Edward Steph, 37, a U.S. citizen residing in Kazakhstan, with conspiring to make over \$6 million in bribe payments to Nigerian officials in order to obtain and retain gas pipeline construction business from a joint venture majority-owned and controlled by the Nigerian state oil company. Steph was also charged with money laundering based upon the international transfer of some of the bribe money.

Willbros, a publicly-traded company that provides construction, engineering and other services in the oil and gas industry, conducts international operations through a subsidiary known as Willbros International Inc. (WII). Steph was a WII employee from 1998 to April 2005. From 2002 until April 2005, he served as general manager of WII's on-shore operations in Nigeria.

The Nigerian National Petroleum Corporation (NNPC), the state-owned oil company in Nigeria, is responsible for developing Nigeria's oil and gas wealth and regulating the industry. NNPC is the majority shareholder in certain joint ventures with multinational oil companies. The multinational oil companies often serve as the operators of the joint ventures. NNPC's subsidiary, National Petroleum Investment Management Services (NAPIMS), manages NNPC's investments in the joint ventures. Among other functions, NNPC and NAPIMS approve the award of major oil and gas construction projects to private contractors such as Willbros.

The indictment alleges a conspiracy from late 2003 through March 2005 that included Steph, a former senior Willbros executive officer, two individuals acting in Nigeria as purported consultants to Willbros, Nigeria-based employees of a major German engineering and construction company, and others, to make millions of dollars in corrupt payments to assist in obtaining a major gas pipeline engineering, procurement and construction project known as the Eastern Gas Gathering System (EGGS), which Willbros and its German consortium partner bid to perform for approximately \$387 million. In exchange for the award of the EGGS project, the conspirators allegedly paid, promised to pay, and authorized payments to officials of NNPC, NAPIMS, a senior official in the executive branch of the Nigerian federal government, and to political party, as well as to officials of the operator of the EGGS joint venture. Most of the payments were allegedly laundered through the consultants, who typically received 3 percent of Willbros' contract revenue by wire transfer from Houston to a foreign bank, and transferred some or all of the funds to Nigerian officials.

The maximum sentence for a charge of conspiring to violate the FCPA is five years in prison and a fine of up to \$250,000, or twice the gross gain or loss. Each of the money laundering charges carries a maximum sentence of 20 years in prison and a fine of up to \$500,000 or twice the value of the funds involved in the transfer, whichever is greater.

An indictment is merely an accusation. A defendant is presumed innocent of the charges and it is the government's burden to prove a defendant's guilt beyond a reasonable doubt at trial.

The case is being prosecuted by Deputy Chief Mark F. Mendelsohn and Trial Attorney Thomas E. Stevens of the Fraud Section, Criminal Division at the U.S. Department of Justice. The case is being investigated by the Federal Bureau of Investigation's Washington Field Office and the Internal Revenue Service, Criminal Investigation Division. The Fraud Section also acknowledges the assistance of the Fort Worth Regional Office of the Securities and Exchange Commission. The criminal investigation is ongoing.

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