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Department of Justice

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**Former Chairman and CEO of Kellogg, Brown & Root Inc.
Sentenced to 30 Months in Prison for Foreign Bribery
and Kickback Schemes**

*U.K. Solicitor and Former Salesman Also Sentenced for Participation
in Scheme to Bribe Nigerian Government Officials*

WASHINGTON – Albert “Jack” Stanley, a former chairman and chief executive officer of Kellogg, Brown & Root Inc. (KBR), was sentenced today to 30 months in prison for conspiring to violate the Foreign Corrupt Practices Act (FCPA) by participating in a decade-long scheme to bribe Nigerian government officials to obtain engineering, procurement and construction (EPC) contracts and for conspiring to commit mail and wire fraud as part of a separate kickback scheme, the Justice Department’s Criminal Division today announced.

U.S. District Judge Keith P. Ellison for the Southern District of Texas also ordered Stanley to serve three years of supervised release following the prison term and to pay \$10.8 million in restitution to KBR, the victim of the separate kickback scheme. Stanley, 69, pleaded guilty on Sept. 3, 2008, to a two-count criminal information charging him with one count of conspiracy to violate the FCPA and one count of conspiracy to commit mail and wire fraud.

Two of Stanley’s co-conspirators also were sentenced by Judge Ellison. Today, Jeffrey Tesler, 63, a United Kingdom citizen and licensed solicitor, was sentenced to 21 months in prison, followed by two years of supervised release. Tesler also was ordered to pay a \$25,000 fine and previously was ordered to forfeit \$148,964,568. Yesterday, Wojciech J. Chodan, 74, a United Kingdom citizen and former salesman at KBR’s U.K. subsidiary, was sentenced to one year of probation and ordered to pay a \$20,000 fine. Chodan previously was ordered to forfeit \$726,885.

Tesler and Chodan were indicted on Feb. 17, 2009, and subsequently extradited to the United States from the United Kingdom. On Dec. 6, 2011, Chodan pleaded guilty to count one of the indictment charging him with conspiring to violate the FCPA. On March 11, 2011, Tesler pleaded guilty to one count of conspiracy to violate the FCPA and one count of violating the FCPA.

All three defendants fully cooperated with the department’s investigation, which resulted in more than \$1.7 billion in penalties, disgorgement and forfeitures. The defendants’ substantial assistance in the investigation and prosecution of other defendants was reflected in the sentences the court imposed.

“Today’s prison sentences for Mr. Stanley and Mr. Tesler mark another important step in our prosecution of those responsible for a massive bribery scheme involving engineering, procurement and construction contracts in Nigeria,” said Mythili Raman, Principal Deputy Assistant Attorney General for the Criminal Division. “These sentences reflect not only the defendants’ illegal acts, but also their substantial cooperation with the government. As a result of this investigation, three individuals have been convicted of FCPA-related crimes, and five companies in four countries have paid substantial penalties and undertaken significant efforts to enhance their compliance programs. This case shows the importance the department places on putting an end to foreign bribery.”

According to court documents, KBR was a member of the TSKJ joint venture (named for the first letters of the names of the companies involved), along with Technip S.A., Snamprogetti Netherlands B.V., and JGC Corporation. Between 1995 and 2004, TSKJ was awarded four EPC contracts, valued at more than \$6 billion, by Nigeria Liquefied Natural Gas (LNG) Ltd. to build the LNG facilities on Bonny Island.

The government-owned Nigerian National Petroleum Corporation was the largest shareholder of NLNG, owning 49 percent of the company.

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From approximately 1994 through June 2004, the joint venture companies, Stanley, Tesler, Chodan and others agreed to pay bribes to a wide range of Nigerian government officials in order to obtain and retain the EPC contracts. To pay the bribes, the joint venture hired two agents – Tesler and Marubeni Corporation, a Japanese trading company headquartered in Tokyo. The joint venture hired Tesler as a consultant to pay bribes to high-level Nigerian government officials, including top-level executive branch officials, and hired Marubeni to pay bribes to lower-level Nigerian government officials. At crucial junctures preceding the award of the EPC contracts, Stanley and other co-conspirators met with successive holders of a top-level office in the executive branch of the Nigerian government to ask the office holders to designate a representative with whom TSKJ should negotiate bribes to Nigerian government officials. TSKJ paid approximately \$132 million to a Gibraltar corporation controlled by Tesler and \$51 million to Marubeni during the course of the bribery scheme for use, in part, to pay bribes to Nigerian government officials.

In a related criminal case, KBR's successor company, Kellogg Brown & Root LLC, pleaded guilty in February 2009 to FCPA-related charges for its participation in the scheme to bribe Nigerian government officials. Kellogg Brown & Root LLC was ordered to pay a \$402 million fine and to retain an independent compliance monitor for a three-year period to review the design and implementation of its compliance program.

In another related criminal case, the department filed a deferred prosecution agreement and criminal information against Technip in June 2010. According to that agreement, Technip agreed to pay a \$240 million criminal penalty and to retain an independent compliance monitor for two years. In July 2010, the department filed a deferred prosecution agreement and criminal information against Snamprogetti, which also agreed to pay a \$240 million criminal penalty. In April 2011, the department filed a deferred prosecution agreement and criminal information against JGC, in which JGC agreed to pay a \$218.8 million criminal penalty and to retain an independent compliance consultant for two years. In January 2012, the department filed a deferred prosecution agreement and criminal information against Marubeni, in which Marubeni agreed to pay a \$54.6 million criminal penalty and to retain a corporate compliance consultant for two years.

The criminal cases were prosecuted by Assistant Chief William J. Stuckwisch and Deputy Chief Patrick F. Stokes of the Criminal Division's Fraud Section, with investigative assistance from the FBI-Houston Division. The Criminal Division's Office of International Affairs and the SEC's Division of Enforcement provided substantial assistance. Significant assistance was provided by authorities in France, Italy, Switzerland and the United Kingdom. Investigative assistance with the prosecution of Stanley was also provided by the Internal Revenue Service's Criminal Investigations Division in Houston.



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Criminal Division

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