The African Development Bank Group on Friday, March 21st, 2014, announced the conclusion of Negotiated Resolution Agreements with Kellogg Brown & Root LLC, Technip S.A. and JGC Corp. following the companies’ admission of corrupt practices by affiliated companies in a Bank-financed project. As part of the Negotiated Resolution Agreement, the Bank’s **Integrity and Anti-Corruption Department (IACD)** levies financial penalties against the companies of US $6.5 million, US $ 5.3 million and US $5.2 million, respectively. The funds will flow to projects preventing and combating corruption in the Bank’s Member Countries on the African continent.

In addition to the payment of financial penalties, the Negotiated Resolution Agreements foresee the debarment for a period of three years of TSKJ – Serviços de Engenharia Lda; TSKJ II – Construções Internacionais Sociedade Unipessola Lda; and LNG – Serviços and Gestão de Projetos Lda., based in Madeira, Portugal. These companies are eligible for cross debarment under the April 2010 Agreement for Mutual Enforcement of Debarment Decisions entered into by the African Development Bank Group, the Asian Development Bank, the European Bank for Reconstruction and Development, the World Bank Group and the Inter-American Development Bank Group. The Portuguese entities affiliated to Kellogg Brown & Root LLC, Technip S.A. and JGC Corp. played an active role in funneling bribes to public officials.

“This settlement demonstrates a strong commitment from the African Development Bank to ensure that development funds are used for their intended purpose,” said Anna Bossman, Director of IACD. “At the same time, it is a clear signal to multinational companies that corrupt practices in Bank-financed projects will be aggressively investigated and severely sanctioned. These ground-breaking Negotiated Resolution Agreements substantially advance the Bank’s anti-corruption and governance agenda, a strategic priority of our institution.”

In 1990, Kellogg Brown & Root LLC, Technip S.A. and JGC Corp. formed the above companies as joint-ventures together with a fourth multinational engineering services provider for the purposes of bidding for engineering, procurement and construction services contracts for liquefied natural gas production plants on Bonny Island in Nigeria. From 1995 to 2004, the joint-venture companies made improper payments totaling US $180 million in return for the award of these services contracts. The African
Development Bank Group had contributed US $100 million in financing to the overall contract volume of US $6 billion.

Subscribe

- RSS feeds
- Email alerts
- E-newsletters

Related Sections

- Economic & Financial Governance
- Partnerships
- Environment

Contacts

- Johann Benohr

Submit your comments

No comments have yet been posted, be the first to comment by using the form below:

Please select a country