



# Department of Justice

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## **FORMER WILLBROS INTERNATIONAL EXECUTIVE AND CONSULTANT CHARGED IN \$6 MILLION FOREIGN BRIBERY CONSPIRACY**

WASHINGTON – A former executive and a consultant of Willbros International Inc. (WII), a subsidiary of Houston-based Willbros Group Inc. (Willbros), have been charged in connection with a conspiracy to pay more than \$6 million in bribes to government officials in Nigeria and Ecuador, Acting Assistant Attorney General Matthew Friedrich of the Criminal Division announced today.

James K. Tillery, 49, a former executive of WII, and Paul G. Novak, 41, a former consultant to WII, were charged in an indictment unsealed today in U.S. District Court in Houston with conspiring to make more than \$6 million in corrupt payments to Nigerian and Ecuadorian government officials. The bribes were allegedly paid in order to obtain and retain gas pipeline construction and rehabilitation business from state-owned oil companies in Nigeria and Ecuador in violation of the Foreign Corrupt Practices Act (FCPA). The four-count indictment charges Tillery and Novak with one count of conspiracy to violate the FCPA, two counts of violating the FCPA in connection with the authorization of specific corrupt payments to officials in Nigeria and Ecuador, and one count of conspiring to launder the bribe payments through purported consulting companies controlled by Novak.

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. Novak was an employee of WII in the mid-1990s, according to the indictment, who later worked as an oil and gas consultant in Nigeria, purporting to provide consulting services to companies in that field.

The indictment alleges that from late 2003 through March 2005, Tillery, Novak, a Nigerian national working with Novak as a “consultant” to Willbros, Nigeria-based employees of a major German engineering and construction company, and other WII employees conspired to make millions of dollars in corrupt payments to assist in obtaining and retaining a major gas pipeline engineering, procurement and construction project known as the Eastern Gas Gathering System (EGGS). Willbros and its German consortium partner offered to perform the work related to the EGGS project for approximately \$387 million. In exchange for being awarded the EGGS project, the indictment alleges that Tillery, Novak, and others corruptly paid, promised to pay and authorized payments to officials of the Nigerian National Petroleum Corporation

(NNPC), the state-owned oil company in Nigeria; the Nigerian National Petroleum Investment Management Services (NAPIMS), NNPC's subsidiary that manages NNPC's investments in its joint ventures; a senior official in the executive branch of the Nigerian federal government; officials of a Nigerian political party; and officials of the company that operated the EGGG joint venture. The indictment alleges that most of the bribe payments were laundered through Novak and his Nigerian consulting company partner.

The indictment also alleges that Tillery, Novak, and other WII employees based in South America agreed to make approximately \$300,000 in corrupt payments to officials of state-owned PetroEcuador and its subsidiary, PetroComercial, to assist in obtaining a project that involved the rehabilitation of approximately 16 kilometers of a gas pipeline running from Santo Domingo to El Beaterio, Ecuador. PetroComercial was WII's client on the \$3 million project.

If convicted of all charges, Tillery and Novak each face sentences of up to 35 years in prison and fines of \$250,000, or twice the pecuniary gain or loss from the offense, whichever is greater, for conspiring to violate the FCPA and for each violation of the FCPA; and \$500,000 or twice the value of the funds involved in the transfer, whichever is greater, for the money laundering conspiracy.

Willbros, a publicly-traded company that provides construction, engineering and other services in the oil and gas industry, conducts international operations through WII. On May 14, 2008, Willbros and WII entered into a deferred prosecution agreement with the Department of Justice and agreed to pay a \$22 million criminal penalty in connection with corrupt payments to Nigerian and Ecuadorian government officials in violation of the FCPA. As part of the agreement, Willbros and WII agreed to cooperate, and have been cooperating, with the Department in its ongoing investigation.

The indictment was unsealed today after Novak was arrested upon his arrival into George Bush Intercontinental Airport in Houston. Novak returned to the United States from Constantia, South Africa, after his U.S. passport was revoked. Tillery remains at large.

The case is being prosecuted by Assistant Chief Hank Bond Walther and Trial Attorney Laura N. Perkins of the Criminal Division's Fraud Section. It was previously handled by former Fraud Section Trial Attorney Thomas E. Stevens. The case is being investigated by the FBI and Internal Revenue Service, Criminal Investigations. Additional assistance was provided by the Criminal Division's Office of International Affairs, the Fort Worth, Texas, Regional Office of the U.S. Securities and Exchange Commission and Nigeria's Economic and Financial Crimes Commission (EFCC).

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.

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