

Key Takeaways from the FCPA Enforcement Action Involving Halliburton Company

Enforcement Actions: SEC Administrative Proceeding (Halliburton Co. & Jeannot Lorenz) – July 27, 2017

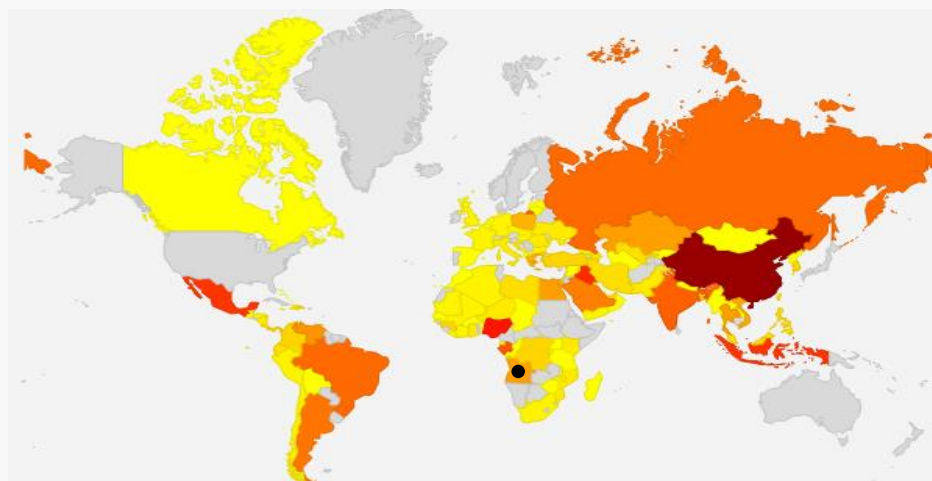
Total Sanctions: \$29,200,000

\$0 | **\$29.2 million** | **\$1.7 billion**

39th highest monetary sanction (of 191 total monetary sanctions against corporations in FCPA Groups to date)

Type of Bribery: N/A

Geography: Angola



Industry: Oil & Gas - the 42nd FCPA Group involving the Oil & Gas industry

Implicated Companies: Halliburton Company (ticker: HAL, exchange: NYSE)

Individuals Prosecuted: Jeannot C. Lorenz (former Halliburton Vice-President)

Description & Notes on the Resolutions:

According to the SEC Cease and Desist Order, from April 2010 through April 2011 Halliburton paid approximately \$3.7 million to a local Angolan company owned by a former Halliburton employee who was a friend and neighbor of the Angolan government official with authority to veto or reduce subcontracts awarded to Halliburton. The payments to the local Angolan company were ostensibly made to fulfill certain local content obligations, and at least some of the payments were made in advance of Halliburton obtaining lucrative oilfield services contracts. Halliburton's then Vice-President, Jeannot Lorenz, negotiated the contracts with the local Angolan company. The SEC alleged that because the contracts were entered into for the purpose of satisfying the local content requirement rather than for the stated scope of work in the contracts and because of the connection with the Sonangol official, the contracts were made in violation of Halliburton's internal accounting controls and were thus not properly recorded in the company's books and records. In all, Halliburton made approximately \$14 million in profits from these contracts. The \$29.2 million in sanctions imposed by the SEC included disgorgement of \$14 million plus \$1.2 million prejudgment interest and a civil penalty of \$14 million.

Mitigating / Aggravating Factors:

Self-Reported	Cooperation	Voluntary Remediation
No	Yes	Yes

Compliance / Reporting:

Compliance Obligation	Monitor Ordered	Length of Reporting
Yes	Independent Monitor	18 months