

Indian bribe takers not named in \$3.9 mn Louis Berger bribery scam

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Washington: Louis Berger International Inc. (LBI), a New Jersey-based construction management company, has admitted it bribed officials in India and three other countries to secure government construction management contracts.

But neither the company which last week agreed to pay a \$17.1 million criminal penalty to resolve charges of bribing officials in India, Indonesia, Vietnam and Kuwait, nor the Justice Department has disclosed the names of the bribe takers.

Two of the company's former executives also pleaded guilty to conspiracy and charges under the Foreign Corrupt Practices Act (FCPA) in connection with the scheme.

Louis Berger has entered into a deferred prosecution agreement (DPA) and admitted its criminal conduct, including its conspiracy to violate the anti-bribery provisions of the FCPA, according to the Justice Department.

The company has also agreed to implement rigorous internal controls, to continue to cooperate fully with the department and to retain a compliance monitor for at least three years.

Richard Hirsch, 61, of Makaati, Philippines, and James McClung, 59, of Dubai, United Arab Emirates, each pleaded guilty to one count of conspiracy to violate the FCPA and one substantive count of violating the FCPA.

Hirsch previously served as the Senior Vice President responsible for the company's operations in Indonesia, Thailand, the Philippines and Vietnam.

McClung previously served as the Senior Vice President responsible for the company's operations in India and, subsequent to Hirsch, in Vietnam.

The sentencing hearings for Hirsch and McClung are scheduled for Nov 5.

According to the charging documents, from 1998 through 2010, the company and its employees, including Hirsch and McClung, orchestrated \$3.9 million in bribe payments to foreign officials in various countries in order to secure government contracts.

To conceal the payments, the co-conspirators made payments under the guise of "commitment fees," "counterpart per diems," and other payments to third-party vendors.

In reality, the payments were intended to fund bribes to foreign officials who had awarded contracts to Louis Berger or who supervised the firm's work on contracts.

A Louis Berger statement said "in total, the company self-identified and self-reported findings of misconduct in Vietnam, Indonesia, India and Kuwait between 1998 and 2010 totaling \$3.9 million in bribes."

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