

JUSTICE NEWS

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Louis Berger International Resolves Foreign Bribery Charges

Two Former Company Executives Plead Guilty to Participating In Bribery Scheme

Louis Berger International Inc. (LBI), a New Jersey-based construction management company admitted to violations of the Foreign Corrupt Practices Act (FCPA) and agreed to pay a \$17.1 million criminal penalty to resolve charges that it bribed foreign officials in India, Indonesia, Vietnam and Kuwait to secure government construction management contracts. Two of the company's former executives also pleaded guilty to conspiracy and FCPA charges in connection with the scheme.

Assistant Attorney General Leslie R. Caldwell of the Justice Department's Criminal Division, U.S. Attorney Paul J. Fishman of the District of New Jersey and Special Agent in Charge Richard M. Frankel of the FBI's Newark Division made the announcement.

LBI entered into a deferred prosecution agreement (DPA) today and admitted its criminal conduct, including its conspiracy to violate the anti-bribery provisions of the FCPA. Pursuant to the DPA, LBI has agreed to pay a \$17.1 million criminal penalty, 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, 2015.

According to admissions in the DPA and statements in 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 LBI or who supervised LBI's work on contracts.

Among other factors, in entering into a DPA in this case, the government considered: (1) LBI's self-reporting of the misconduct; (2) the company's cooperation, including voluntarily making both U.S. and foreign employees available for interviews, and collecting, analyzing and organizing evidence and information for federal investigators; (3) the company's extensive remediation, including terminating the officers and employees responsible for the corrupt payments; and (4) the company's demonstrated commitment to improving its compliance program and internal controls.

This case was investigated by the FBI's Newark Division. This is being prosecuted by Trial Attorney John W. Borchert of the Criminal Division's Fraud Section and Assistant U.S. Attorneys Thomas J. Eicher and Scott B. McBride of the District of New Jersey. The Criminal Division's Office of International Affairs also provided assistance.

Additional information about the Justice Department's FCPA enforcement efforts can be found at www.justice.gov/criminal/fraud/fcpa.

[Louis Berger International Complaint](#)

[Louis Berger International Continuance & DPA](#)

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[Criminal Division](#)

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