

UNITED STATES DISTRICT COURT
Southern District of Texas
Holding Session in Houston

UNITED STATES OF AMERICA
V.
KELLOGG BROWN & ROOT LLC,

JUDGMENT IN A CRIMINAL CASE
(For Organizational Defendants)

CASE NUMBER: 4:09CR00071-001

William F. Pendergrast
Defendant Organization's Attorney

See Additional Aliases.

THE DEFENDANT ORGANIZATION:

- pleaded guilty to count(s) 1, 2, 3, 4 and 5 on February 11, 2009
- pleaded nolo contendere to count(s) _____
which was accepted by the court.
- was found guilty on count(s) _____
after a plea of not guilty.

ACCORDINGLY, the court has adjudicated that the defendant organization is guilty of the following offenses:

<u>Title & Section</u>	<u>Nature of Offense</u>	<u>Date Offense Concluded</u>	<u>Count Number(s)</u>
18 U.S.C. § 371	Conspiracy to violate the Foreign Corrupt Practices Act	06/30/2004	1
15 U.S.C. § 78dd-2	Violation of the Foreign Corrupt Practices Act	05/30/2003	2

See Additional Counts of Conviction.

The defendant organization is sentenced as provided in pages 2 through 6 of this judgment.

- The defendant organization has been found not guilty on count(s) _____
- Count(s) _____ is are dismissed on the motion of the United States.

IT IS ORDERED that the defendant organization shall notify the United States Attorney for this district within 30 days of any change of name, principal business address, or mailing address until all fines, restitution, costs, and special assessments imposed by this judgment are fully paid. If ordered to pay restitution, the defendant organization shall notify the court and United States Attorney of any material change in the organization's economic circumstances.

February 11, 2009
Date of Imposition of Judgment

Keith P. Ellison
Signature of Judge

KEITH P. ELLISON
UNITED STATES DISTRICT JUDGE
Name and Title of Judge

12 February 2009
Date

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ADDITIONAL COUNTS OF CONVICTION

<u>Title & Section</u>	<u>Nature of Offense</u>	<u>Date Offense Concluded</u>	<u>Count Number(s)</u>
15 U.S.C. § 78dd-2	Violation of the Foreign Corrupt Practices Act	01/12/2004	3
15 U.S.C. § 78dd-2	Violation of the Foreign Corrupt Practices Act	04/30/2003	4
15 U.S.C. § 78dd-2	Violation of the Foreign Corrupt Practices Act	06/15/2004	5

DEFENDANT ORGANIZATION: **KELLOGG BROWN & ROOT LLC,**
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PROBATION

The defendant organization is hereby sentenced to probation for a term of 3 years.

This term consists of **THREE (3) YEARS** of unsupervised probation as to each of Counts 1, 2, 3, 4 and 5, to run concurrently.

The standard conditions of probation marked by an * are not applicable to the unsupervised probationary term.

See Additional Probation Terms Sheet.

The defendant organization shall not commit another federal, state or local crime.

See Additional Mandatory Conditions Sheet

If this judgment imposes a fine or a restitution obligation, it shall be a condition of probation that the defendant organization pay any such fine or restitution in accordance with the Schedule of Payments set forth in the Criminal Monetary Penalties sheet of this judgment.

The defendant organization shall comply with the standard conditions that have been adopted by this court (set forth below). The defendant organization shall also comply with the additional conditions on the attached page (if indicated below).

STANDARD CONDITIONS OF SUPERVISION

See Special Conditions of Supervision.

- 1) within thirty days from the date of this judgment, the defendant organization shall designate an official of the organization to act as the organization's representative and to be the primary contact with the probation officer;
- 2) the defendant organization shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer;
- 3) the defendant organization shall notify the probation officer ten days prior to any change in principal business or mailing address;
- 4)* the defendant organization shall permit a probation officer to visit the organization at any of its operating business sites;
- 5) the defendant organization shall notify the probation officer within seventy-two hours of any criminal prosecution, major civil litigation, or administrative proceeding against the organization;
- 6)* the defendant organization shall not dissolve, change its name, or change the name under which it does business unless this judgment and all criminal monetary penalties imposed by this court are either fully satisfied or are equally enforceable against the defendant's successors or assignees;
- 7)* the defendant organization shall not waste, nor without permission of the probation officer, sell, assign, or transfer its assets.

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SPECIAL CONDITIONS OF SUPERVISION

- A. The defendant organization must abide by the terms of the plea agreement as set forth, to include: retaining the independent corporate monitor, cooperating with the independent corporate monitor, and complying with any written recommendations made by the monitor as required by Exhibit 2 of the plea agreement.
- B. The defendant organization is to retain all documents and work papers related to any pending, threatened, or deferred civil, criminal or regulatory litigation or investigation.
- C. The defendant organization shall provide an email notice to the probation officer when the quarterly fine payments are submitted to the Clerk under the schedule noted above. If for any reason a scheduled payment is not submitted, then the defendant organization will be required to provide an annual report of its financial status to the probation officer, including a copy of its U.S. income tax return.

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CRIMINAL MONETARY PENALTIES

The defendant organization shall pay the following total criminal monetary penalties in accordance with the schedule of payments set forth on Sheet 3, Part B.

	<u>Assessment</u>	<u>Fine</u>	<u>Restitution</u>
TOTALS	\$ 2,000	\$ 402,000,000	\$

A \$400 special assessment is ordered as to each of Counts 1, 2, 3, 4 and 5, for a total of \$2,000. A \$402,000,000 fine is ordered as to each of Counts 1, 2, 3, 4 and 5, for a total of \$402,000,000.

- See Additional Terms for Criminal Monetary Penalties Sheet.
- The determination of restitution is deferred until _____. An Amended Judgment in a Criminal Case (AO 245C) will be entered after such determination.
- The defendant organization shall make restitution (including community restitution) to the following payees in the amount listed below.

If the defendant organization makes a partial payment, each payee shall receive an approximately proportioned payment, unless specified otherwise in the priority order or percentage payment column below. However, pursuant to 18 U.S.C. § 3664(i), all nonfederal victims must be paid in full prior to the United States receiving payment.

<u>Name of Payee</u>	<u>*Total Amount of Loss</u>	<u>Amount of Restitution Ordered</u>	<u>Priority Order or Percentage of Payment</u>
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- See Additional Restitution Payees Sheet.

TOTALS	\$0.00	\$0.00
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- If applicable, restitution amount ordered pursuant to plea agreement \$ _____
- The defendant organization shall pay interest on any fine or restitution of more than \$2,500, unless the fine or restitution is paid in full before the fifteenth day after the date of the judgment, pursuant to 18 U.S.C. § 3612(f). All of the payment options on Sheet 5, Part B may be subject to penalties for delinquency and default, pursuant to 18 U.S.C. § 3612(g).
- The court determined that the defendant organization does not have the ability to pay interest, and it is ordered that:
 - the interest requirement is waived for the fine and/or restitution.
 - the interest requirement for the fine and/or restitution is modified as follows:
- Based on the Government's motion, the Court finds that reasonable efforts to collect the special assessment are not likely to be effective. Therefore, the assessment is hereby remitted.

* Findings for the total amount of losses are required under Chapters 109A, 110, 110A, and 113A of Title 18, United States Code, for offenses committed on or after September 13, 1994 but before April 23, 1996.

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SCHEDULE OF PAYMENTS

Having assessed the organization's ability to pay, payment of the total criminal monetary penalties shall be due as follows:

- A Lump sum payment of \$2,000 due immediately, balance due
 - not later than _____, and/or
 - in accordance with C, D, and/or E, below; or
- B Payment to begin immediately (may be combined with C, D, or E below); or
- C Payment in _____ (e.g., equal, weekly, monthly, quarterly) installments of _____ over a period of _____ (e.g., months or years), to commence _____ (e.g., 30 or 60 days) after the date of this judgment; or
- D Payment in _____ (e.g., equal, weekly, monthly, quarterly) installments of _____ over a period of _____ (e.g., months or years), to commence _____ (e.g., 30 or 60 days) after release from imprisonment to a term of supervision; or
- E Special instructions regarding the payment of criminal monetary penalties:
 The organization shall make a payment of \$52,000,000 within five (5) business days after the imposition of sentence in this matter; and seven (7) installments of \$50,000,000, each due on the first day of each quarter beginning April 1, 2009, and ending October 1, 2010. Make all payments payable to: U.S. District Clerk, Attn: Finance, P.O. Box 61010, Houston, TX 77208

All criminal monetary penalties are made to the clerk of the court, unless otherwise directed by the court, the probation officer, or the United States attorney

The defendant organization shall receive credit for all payments previously made toward any criminal monetary penalties imposed.

Joint and Several

<u>Case Number</u> <u>(Including Defendant Number)</u>	<u>Defendant Name</u>	<u>Joint and Several</u> <u>Amount</u>
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See Additional Defendants Held Joint and Several sheet.

The defendant organization shall pay the cost of prosecution.

The defendant organization shall pay the following court cost(s):

The defendant organization shall forfeit the defendant organization's interest in the following property to the United States:

See Additional Forfeited Property Sheet.

Payments shall be applied in the following order: (1) assessment, (2) restitution principal, (3) restitution interest, (4) fine principal, (5) community restitution, (6) fine interest, (7) penalties, and (8) costs, including cost of prosecution and court costs.