

No. 87-01

Date: December 17, 1987

#### Review Procedure Releases

The Department of Justice has received a review request from Lantana Boatyard, Inc. (Lantana), which is attempting to sell military patrol boats to Milverton Holdings, Ltd. (Milverton), a foreign corporation that expects to resell these boats to the Nigerian government. Milverton is organized under the laws of England and is wholly owned and controlled by Mr. Tayo Amusan, a Nigerian national.

The proposed transaction requires an advance payment to Lantana when the sales contract is signed, and progress payments to be made as the boats are being built and tested. The progress payments would be fully secured by an irrevocable letter of credit or confirmed by a U.S. bank in

a form acceptable to Lantana. Lantana would thus be fully paid before any of the boats were delivered to Milverton. Milverton has indicated that it plans to resell the boats to the Nigerian government, but the terms and conditions of that transaction, including price, will be negotiated without any involvement by Lantana, except to the extent that Lantana has been requested to send a representative to Lagos in order to provide technical briefing on its boats to Nigerian officials. Lantana would agree to do so at Milverton's expense.

The sales contract between Lantana and Milverton will include provisions to the effect that neither Milverton nor any of its shareholders, directors, officers, employees or agents will perform any act in violation of the Foreign Corrupt Practices Act (FCPA). In addition, Lantana will obtain a written certificate from each of its officers, directors and employees who has been involved in this transaction, stating in substance that he or she has no knowledge that Mr. Amusan, or any entity which he controls, has done or will do any act in violation of the FCPA.

Lantana has represented that, if requested, it will disclose to any authorized official of the Nigerian government the price and term of the sales contract with Milverton, and that it has not made and will not make any agreement with Milverton which would preclude such disclosure.

Lantana will pay a 10% commission to an international marketing organization with which it has worked for the past two years, in consideration of the organization's having brought this business opportunity to Lantana's attention. The commission will be paid at the organization's principal place of business. This payment is consistent with previous business practices followed by Lantana in paying fees to this organization for international sales opportunities.

Lantana will obtain a written certificate signed by the marketing organization, and also the responsible officials, to the effect that the commission would not be used for any activity or purpose that would violate the FCPA or that might expose Lantana to liability under the FCPA.

Based on the facts and circumstances disclosed to us by the requestor, the Department of Justice does not presently intend to take an enforcement action based on the requestor's proposed conduct.

The FCPA Review Letter and this Release have no application to any parties which did not join in the request, and can be relied upon by the requesting party only to the extent that the disclosure of facts and circumstances accurately and completely reflects such facts and circumstances.

