

# CPIB opens investigation into Seatrium over alleged corruption in Brazil

**Colin Tan**  
Senior Correspondent

The Corrupt Practices Investigation Bureau (CPIB) announced that it has started investigations against Seatrium, formerly known as Sembcorp Marine.

The anti-corruption watchdog said on Wednesday it is “acting on

information received” and that it has commenced investigations against the offshore and marine engineering company, as well as individuals “on alleged corruption offences in Brazil”.

Seatrium is the entity formed by the merger of Sembcorp Marine and Keppel Offshore & Marine earlier this year. The combined group, described as one of the world’s largest O&M energy engineering

companies with a total order book of almost \$20 billion, was renamed in early April.

When contacted by The Straits Times, a CPIB spokesman declined to provide further details because investigations are ongoing.

In its statement, the bureau underlined Singapore’s strict zero tolerance towards corruption, adding that it will investigate “without fear or favour”. It will not hesitate

to take action against any parties involved in corrupt activities.

In March, Sembcorp Marine said its wholly-owned Brazilian subsidiary, Estaleiro Jurong Aracruz, was being probed for alleged “irregularities” by the authorities there.

The proceedings were related to past conduct linked to an ongoing probe into money laundering and graft activities in connection with Operation Car Wash, it added.

The nationwide criminal investigation was launched by the federal police of Brazil in 2014 to look into money laundering activities and was later expanded to include allegations of corruption.

In April, Seatrium said Brazil’s preliminary administrative proceedings against its subsidiary had been suspended.

Separately, six former senior management staff of Keppel O&M were given stern warnings by the CPIB in January over bribe payments related to Brazil’s Petrobras contracts.

The six allegedly conspired with one another to give bribes amounting to about US\$55 million (S\$73 million) to foreign consultants in-

volved in Keppel O&M’s business interests in Brazil.

The money was then used to pay bribes to officials of the Brazilian state-owned company, pertaining to rig-building contracts that it or its related firms awarded to Keppel O&M.

Keppel O&M also said in January that it had made full payment of the fines and damages payable worth 343.6 million reais (S\$88.3 million) to Brazil under a leniency agreement.

Seatrium’s share price closed at 12.3 cents on Wednesday, up 2.5 per cent, after 1.3 billion shares changed hands.

colinrt@sph.com.sg