UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 74112 / January 22, 2015

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 3620 / January 22, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16352

In the Matter of **Walid Hatoum** **Respondent.**	**ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING A CEASE-AND-DESIST ORDER**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 ("Exchange Act"), against Walid Hatoum ("Hatoum" or "Respondent").

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the "Offer"), which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order ("Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds[1] that:

Summary

1. These proceedings arise from violations of the Foreign Corrupt Practices Act of 1977 (the "FCPA") [15 U.S.C. 78dd] by Respondent Walid Hatoum concerning offers of payment and other benefits to foreign officials in Qatar in connection with the award of government contracts to PBS&J International, Inc. ("PBSJ&J Int'l"), a wholly-owned subsidiary of PBSJ Corporation ("PBSJ").

Respondent

2. Walid Hatoum ("Hatoum"), age 55, is a United States citizen who initially worked for PBSJ as an engineer from 1986 until 1990. In February 2009, Hatoum was rehired to join PBS&J Int'l as its Director of International Marketing, even though his prior employment file at PBSJ had been marked "Ineligible for Rehire." Although Hatoum did not formally join PBS&J Int'l until April 2009, he assisted PBS&J Int'l with identifying projects as early as November 2008. Hatoum was promoted to President of PBS&J Int'l in mid-June 2009, and became an officer of PBSJ at the same time.

Relevant Entities

3. The PBSJ Corporation ("PBSJ") was an employee-owned engineering and construction firm incorporated in Florida and headquartered in Tampa. Through the relevant period, PBSJ's common stock was registered pursuant to Section 12(g) of the Securities Exchange Act of 1934 ("Exchange Act") and PBSJ filed annual and quarterly reports as required under Section 13(a) of the Exchange Act and Rules thereunder.[2]

4. PBS&J International, Inc. ("PBS&J Int'l") was a wholly-owned subsidiary of PBSJ headquartered and incorporated in Florida. PBS&J Int'l was a provider of engineering,

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[1] The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

[2] On October 1, 2010, after the conduct at issue, WS Atkins plc ("Atkins"), a public limited engineering and design company based in the United Kingdom and organized under the laws of England and Wales, acquired PBSJ and all of its common stock. Atkins is traded on the London Stock Exchange under the symbol ATK.L. That day, PBSJ filed a Form 15 with the Commission, which terminated all offerings of its securities and removed all remaining securities from registration under Section 12(g). Post-acquisition, PBSJ became an indirect wholly-owned subsidiary of Atkins. On April 1, 2011, PBSJ changed its name to The Atkins North America Holdings Corporation.

architectural and planning services in international markets, including the Middle East. PBS&J Int'l currently is a subsidiary of Atkins.

Facts

5. During 2009, PBS&J Int'l won two multi-million dollar development contracts. One contract was for work in Qatar and the other was for work in Morocco. Both were competitively solicited and approved by the Qatari Diar Real Estate Investment Company ("Qatari Diar"). Qatari Diar was established by the Qatari government to coordinate the country's real estate development.

6. PBSJ and PBS&J Int'l, through Hatoum, offered bribes to the then-Director of International Projects at Qatari Diar ("Foreign Official"), to secure Qatari government contracts by planning to funnel funds to a local company the Foreign Official owned and controlled ("Local Partner"). Foreign Official, a former business colleague of Hatoum's at another U.S. engineering firm, worked for Qatari Diar throughout 2009, until his resignation from Qatari Diar on December 21, 2009. Prior to joining PBSJ, Hatoum and Foreign Official discussed directing business in the Middle East to Local Partner.

7. In return, Foreign Official provided PBS&J Int'l with access to confidential sealed-bid information and pricing information on the two government contracts that helped PBS&J Int'l tender bids that had a greater likelihood of being awarded, including a government contract for which the Foreign Official was the project manager.

Offers and Promises Made to Foreign Official

LRT Project in Qatar

8. In November and December 2008, Hatoum began discussing potential employment with PBSJ. Even before he received a formal employment contract, Hatoum met with PBS&J Int'l to discuss opportunities to grow PBS&J Int'l business in the Middle East. Hatoum discussed projects involving Qatari Diar, including a light rail transit project in Qatar ("the LRT Project").

9. In January 2009, Hatoum arranged for Foreign Official's brother, through Local Partner, to introduce PBS&J Int'l to Qatari Diar senior executives involved in the LRT Project. Soon after that meeting, PBS&J Int'l decided to bid on the LRT Project. PBS&J Int'l added Foreign Official's company, Local Partner, on its proposal team as a subcontractor to handle local operations such as hiring local labor, as well as complying with bonding and insurance requirements. In return, Hatoum and PBS&J Int'l agreed to pay the Foreign Official, through Local Partner, 40% of profits realized from any LRT Project contract as well as reimburse its direct costs. The remaining profits were to be split between PBS&J Int'l (40%) and another U.S.-based subcontractor (20%), which would perform all of the planning and engineering services for the LRT project.

10. At that time, Hatoum was the only person at PBS&J Int'l who had any knowledge about Foreign Official's ownership interest in Local Partner. Had PBSJ conducted meaningful due diligence at that time, it would have discovered the Foreign Official's dual role as both government official and third-party owner/operator of Local Partner.

11. During the bidding process, Foreign Official gave confidential sealed bid information to PBS&J Int'l to assist it in winning the LRT Project in return for promised payments. Foreign Official also made strategic and technical decisions on many aspects of the LRT Project that favored PBS&J Int'l with Hatoum's knowledge.

12. Foreign Official used a Local Partner alias to communicate that information to Hatoum and other PBSJ and PBS&J Int'l employees while disguising his involvement on multiple conference calls and in dozens of emails to the United States. Hatoum was aware that Foreign Official was using the alias in communications with PBSJ employees, officers, and directors and with Qatari Diar. Hatoum flew to the Middle East to meet with Qatari Diar officials, including Foreign Official, to discuss PBS&J Int'l's qualifications for the LRT Project. At the meeting, neither Foreign Official nor Hatoum informed Qatari Diar that Foreign Official was working for Local Partner and providing confidential information and other assistance to help PBS&J Int'l win the contracts.

13. Following its initial submission, PBS&J Int'l revised its bid, based on information and guidance provided by the Foreign Official, to best position itself to win the LRT Project and to withstand possible challenges from competitors. On or about August 3, 2009, Qatari Diar awarded the LRT Project contract worth approximately $35.6 million to PBS&J Int'l.

14. After the award, PBS&J Int'l opened a joint account with Local Partner that was accessible to Foreign Official's wife. PBS&J Int'l also authorized a four-year letter of credit relating to a bank guarantee in Qatar. The letter of credit was a precondition for receipt of the first contract payment by Qatari Diar to PBS&J Int'l, an upfront, 10% (approximately $3.6 million) payment, which was deposited into the joint account.

15. Once the award was received, Hatoum offered Foreign Official an "agency fee" to Local Partner for 1.8% of the LRT Project contract amount (equivalent to approximately $640,000). Additionally, PBS&J Int'l agreed to pay half of the salary of Foreign Official's wife, who worked for Local Partner.

<u>Design Contract in Morocco</u>

16. In addition to the LRT Project, Qatari Diar opened a Morocco hotel resort development ("Morocco Project") for competitive bid. On August 7, 2009, PBS&J Int'l emailed its Statement of Qualifications for the design contract to Foreign Official, the Qatari Diar project manager for the Morocco Project.

17. In October 2009, Hatoum offered payment to Foreign Official in the form of an agency fee to Local Partner to secure the Morocco Project. The Morocco Project was worth

approximately $25 million to PBSJ Int'l, of which the Foreign Official was offered an agency fee of 3% of the contract amount, which equates to approximately $750,000. Hatoum instructed a PBS&J Int'l employee to hide the agency fee within the company's bid proposal by inflating other components of the offer for the Morocco Project.

18. Foreign Official attended meetings with PBS&J Int'l employees to discuss the project but neither Foreign Official nor Hatoum told employees that he was working for Local Partner. At the same time, Foreign Official, using his Local Partner alias, reviewed and made changes to PBS&J Int'l's original bid offer via email and phone. He also made key technical and strategic proposal decisions throughout the bidding process and instructed PBS&J Int'l to lower its offer to a specific dollar amount. By doing so, he ensured PBS&J Int'l's final bid had a greater likelihood of being approved by Qatari Diar. On or around October 19, 2009, Qatari Diar informed PBS&J Int'l that it was awarded the Morocco Project.

Red Flags

19. PBSJ and PBS&J Int'l officers and employees ignored multiple red flags that should have led them to uncover the payment scheme. For example, PBS&J Int'l and PBSJ employees knew that Local Partner was providing them with confidential sealed bid information. Hatoum also informed the employees that he was obtaining information from someone that Hatoum described as a "good friend" and "top executive" at Qatari Diar. Before PBS&J Int'l submitted its bid for the Morocco Project, a PBS&J Int'l officer learned that the husband of one of the Local Partner employees was a government official working on the Morocco Project. The PBS&J Int'l officer learned of Foreign Official's role while attending dinner with Hatoum, Foreign Official and the Foreign Official's wife. In addition, a PBSJ employee knew that "agency fees" to Local Partner were disguised as legitimate costs within the Morocco Project bid.

Discovery of the Payment Scheme

20. Shortly after PBS&J Int'l was awarded the Morocco Project contract, PBSJ's former Chief Operating Officer commented to PBSJ's then-general counsel that PBS&J Int'l was successful in winning two contracts in the Middle East within a fairly short period of time. PBSJ's then-general counsel asked Hatoum how he was able to win the LRT and Morocco Project contracts over companies with far more international experience. Hatoum told PBSJ's then-general counsel PBSJ offered "agency fees" in order to win the projects and, when asked, admitted there "would be a problem" if the agency fees were not paid. PBSJ's then-general counsel immediately launched an investigation of this issue.

21. Three weeks later, in November 2009, a Qatari government official informed Hatoum and the then-President of PBSJ that Qatari Diar had discovered Foreign Official's involvement in Local Partner and was rescinding PBS&J Int'l's contract for the Morocco Project. Hatoum then secretly made an offer of employment to a second Qatari foreign official in return for influencing Qatari Diar to reinstate the contract. However, Qatari Diar refused to

reinstate the contract and did not provide PBS&J Int'l any proceeds for the project. PBSJ suspended Hatoum in December 2009. Hatoum also began deleting emails and other records.

22. PBS&J Int'l and Qatari Diar negotiated a termination of the LRT Project contract effective December 31, 2009. In January 2010, Qatari Diar entered into a bridge contract with PBS&J Int'l to continue work on the LRT Project (the "Bridge Contract") until a replacement company could be found. Ultimately, the period of performance on the Bridge Contract was 16 ½ months. PBS&J Int'l earned $2,892,504 in profits on the Bridge Contract. PBSJ and Qatari Diar caught Hatoum's scheme before any of the offered and authorized amounts were paid.

Hatoum Caused PBSJ's Inaccurate Books and Records

23. Hatoum authorized illicit payments to Foreign Official that were not accurately and fairly reflected on PBSJ's books and records. Hatoum directed subordinates to conceal some of the payments he offered and authorized to Foreign Official within bids. Other offers and promises to pay authorized by Hatoum to Foreign Official were improperly described in the books and records as legitimate transaction costs with his knowledge.

Hatoum Caused PBSJ's Internal Accounting Control Failure

24. On April 22, 2009, Hatoum signed a "Business Conduct Standards" agreement for PBSJ employees in which he agreed that "I will neither accept nor give bribes or kickbacks of any value for services or favorable treatment for contracts." As a high level manager at PBS&J Int'l and later as an officer of PBSJ, Hatoum was responsible for maintaining and ensuring compliance with PBSJ's internal accounting controls at PBS&J Int'l. Hatoum, however, repeatedly exploited the company's internal accounting control deficiencies to offer and authorize payments to Foreign Official through Local Partner totaling approximately $1,390,000 to secure the LRT and Morocco Projects, plus 40% of any profits realized from the LRT Project and partial salary to Foreign Official's wife. Hatoum instructed subordinates to inflate PBS&J Int'l bids by concealing payments to Local Partner intended for Foreign Official. Hatoum took advantage of PBSJ's accounting controls system by introducing Local Partner as a "legitimate" potential partner for the LRT Project and authorized a subordinate to execute an agreement to pay Local Partner 40% of the LRT Project profits without subjecting Local Partner or its employees to any meaningful due diligence. Hatoum also knowingly executed - and caused a PBS&J Int'l employee to send a questionnaire requesting advocacy assistance from the United States Department of Commerce that included false representations about Local Partner and PBS&J Int'l. Although Hatoum did not participate in PBSJ's FCPA training until after the scheme was uncovered, Hatoum was aware of the prohibitions of the FCPA from annual FCPA training that he received from his former employer.

Legal Standards and Violations

25. Under Section 21C(a) of the Exchange Act, the Commission may impose a cease-and-desist order upon any person who is violating, has violated, or is about to violate any

provision of the Exchange Act or any rule or regulation thereunder, and upon any other person that is, was, or would be a cause of the violation, due to an act or omission the person knew or should have known would contribute to such violation.

FCPA Violations

26. As a result of the conduct described above, Hatoum violated Section 30A of the Exchange Act, which prohibits any issuer, officer, director, employee, or agent of such issuer or any stockholder thereof acting on behalf of the issuer, to make use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift, promise to give, or authorization of the giving of anything of value to any foreign official or any person, while knowing that all or a portion of such money or thing of value will be offered, given, or promised, directly or indirectly, to any foreign official for the purposes of (i) influencing any act or decision of such foreign official in his official capacity, (ii) inducing such foreign official to do or omit to do any act in violation of the lawful duty of such official, or (iii) securing any improper advantage in order to assist such issuer in obtaining or retaining business for or with, or directing business to, any person.

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27. As a result of the conduct described above, Hatoum caused violations of Section 13(b)(2)(A) of the Exchange Act by PBSJ, which requires reporting companies to make and keep books, records, and accounts which, in reasonable detail, accurately and fairly reflect their transactions and dispositions of their assets.

28. Lastly, as a result of the conduct described above, Hatoum caused violations of Section 13(b)(2)(B) of the Exchange Act by PBSJ, and violated Section 13(b)(5) and Rule 13b2-1 thereunder, which requires all reporting companies to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles; and prohibit persons from knowingly circumventing or knowingly failing to implement a system of internal accounting controls, knowingly falsifying any book, record or account, and directly or indirectly falsifying or causing to be falsified any book, record, or account.

Undertaking

29. Respondent undertakes to do the following: in connection with this action and any related judicial or administrative proceeding or investigation commenced by the Commission or to which the Commission is a party, Respondent (i) agrees to appear and be interviewed by Commission staff at such times and places as the staff requests upon reasonable notice; (ii) will accept service by mail or facsimile transmission of notices or subpoenas issued by the Commission for documents or testimony at depositions, hearings, or trials, or in connection with any related investigation by Commission staff; (iii) appoints Respondent's undersigned attorney as agent to receive service of such notices and subpoenas; (iv) with respect

to such notices and subpoenas, waives the territorial limits on service contained in Rule 45 of the Federal Rules of Civil Procedure and any applicable local rules, provided that the party requesting the testimony reimburses Respondent's travel, lodging, and subsistence expenses at the then-prevailing U.S. Government per diem rates; and (v) consents to personal jurisdiction over Respondent in any United States District Court for purposes of enforcing any such subpoena.

30. In determining whether to accept the Offer, the Commission has considered these undertakings.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent Walid Hatoum's Offer.

Accordingly, it is hereby ORDERED that**:**

A. Pursuant to Section 21C of the Exchange Act, Respondent cease and desist from committing or causing any violations and any future violations of Sections 13(b)(2)(A), 13(b)(2)(B), 13(b)(5), and 30A of the Exchange Act [15 U.S.C. §§ 78m(b)(2)(A), 78m(b)(2)(B), 78m(b)(5), and 78dd-1] and Rule 13b2-1 thereunder [17 C.F.R. § 240.13b2-1].

B. Respondent shall, within fourteen days of the entry of this Order, pay a civil money penalty in the amount of $50,000 to the Securities and Exchange Commission. If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. 3717. Payment must be made in one of the following ways:

(1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;

(2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at http://www.sec.gov/about/offices/ofm.htm; or

(3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Walid Hatoum as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Tracy L. Price, Assistant Director, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549-5631.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Brent J. Fields
Secretary