

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

UNITED STATES OF AMERICA)	
)	
v.)	CRIMINAL NO. 4:10-766-01 (LNH)
)	
PRIDE INTERNATIONAL, INC.,)	
)	
Defendant.)	

GOVERNMENT’S UNOPPOSED MOTION TO DISMISS CRIMINAL INFORMATION

Pursuant to Rule 48(a) of the Federal Rules of Criminal Procedure, the United States of America, by and through its undersigned counsel, hereby moves to dismiss the criminal information filed in the above-captioned case against defendant Pride International, Inc. (“Pride”). In support of this motion, the government states as follows:

1. On November 4, 2010, the United States filed a criminal information (Docket No. 1) charging Pride with conspiracy to violate the anti-bribery provisions of the Foreign Corrupt Practices Act of 1977 (“FCPA”), as amended, 15 U.S.C. § 78dd-1, *et seq.*, and the books and records provisions of the FCPA, 15 U.S.C. §§ 78m(b)(2)(A), 78m(b)(5) and 78ff(a), all in violation of 18 U.S.C. § 371; payment of bribes to foreign officials, in violation of the FCPA, 15 U.S.C. § 78dd-1; and falsification of books, records and accounts, in violation of 15 U.S.C. § 78m(b)(2)(A), 78m(b)(5) and 78ff(a).

2. On the same date, the United States also filed a three-year deferred prosecution agreement (“DPA”) it entered with Pride. (Docket No. 5.) While the DPA was for a three-year period, the DPA also provides that “in the event the Department finds . . . that there exists a

change in circumstances sufficient to eliminate the need for the corporate compliance reporting obligation” in the DPA, the DPA may be terminated early. (DPA ¶5.)

3. The DPA required, among other things, that Pride acknowledge responsibility for the actions of its employees and agents who agreed to pay at least \$294,000 to officials of a state-owned Venezuelan oil company to secure off-shore rig contracts; agreed to pay at least \$500,000 to an Indian administrative law judge to secure a favorable ruling regarding the payment of customs duties assessed for an offshore rig; agreed to pay approximately \$10,000 to a Mexican customs official to avoid taxes and penalties for alleged violations of Mexican customs regulations relating to a vessel leased by Pride; and falsely characterized these payments in Pride’s books and records. (DPA ¶ App. B (Statement of Facts).)

4. As part of the DPA, Pride agreed, among other things, to pay a \$32,625,000 monetary penalty. Pride also agreed to continue to cooperate with the United States and adhere to certain compliance undertakings. (DPA ¶¶ 7, 9 and 14.) Pride has fully met its obligation under the DPA of cooperating with the United States.

5. On November 4, 2010, the United States also filed a criminal information in a related action (Criminal No. 4:10-771-01) against Pride Forasol, S.A.S. (“Pride Forasol”), a subsidiary of Pride, charging it with violations of the FCPA in connection with the aforementioned scheme to bribe an Indian administrative law judge to secure a favorable ruling regarding the payment of customs duties assessed for an off-shore rig. On December 7, 2010, Pride Forasol entered a plea of guilty to the charges in the criminal information. That same day, the Court sentenced Pride Forasol to a three-year term of unsupervised probation and imposed a criminal fine of \$32,625,000 as part of the sentence.

6. On December 20, 2010, Pride paid to the U.S. District Court the entire sum of the criminal fine imposed against Pride Forasol. This payment satisfied Pride's obligation to pay a penalty to the United States under the DPA. (*See* DPA ¶10.)

7. Pride adhered to its compliance undertakings required by the DPA by, among other things, (a) instituting and maintaining a compliance and ethics program that is designed to prevent and detect violations of the FCPA, among other laws; (b) maintaining internal controls, policies and procedures to ensure that books, records and accounts are fairly and accurately made and kept; and (c) reducing its reliance on third-party business partners and subjecting third-party business partners to appropriate due diligence requirements pertaining to the retention and oversight of agents and business partners.

8. Prior to its entry into the DPA with the Department, Pride voluntarily initiated a comprehensive anti-bribery compliance review of its business operations in certain high-risk countries; reported its findings to the Department; and undertook, of its own accord, remedial measures, including enhancement of its FCPA compliance program and a review of its internal controls, policies and procedures regarding compliance with the FCPA. (*See* DPA ¶¶6,14,15 and 18.)

9. On or about May 31, 2011, Ensco plc ("Ensco") acquired Pride in a merger and assumed the obligations of Pride under the DPA. (*See* DPA ¶24.) Ensco has represented that after the merger, (a) Pride's business units have become subject to Ensco's compliance and ethics program, which is designed to prevent and detect violations of the FCPA, among other laws; (b) that Ensco maintains internal controls, policies and procedures to ensure that books, records and accounts are fairly and accurately made and kept; and (c) that Ensco conducts appropriate due diligence pertaining to the retention and oversight of agents and business

partners . Ensco has further represented that its General Counsel, its Chief Compliance Officer, and its Director of Internal Audit are responsible for the implementation and oversight of compliance with policies, procedures and internal controls regarding the FCPA and other applicable anti-corruption laws across the entire Ensco organization, and that these corporate officers report directly to the Chair of the Audit Committee of the Board of Directors.

10. In light of the foregoing circumstances, the government has determined that the continued deferred prosecution of Pride is no longer warranted. (See DPA ¶5.) Accordingly, the United States moves to dismiss the criminal information filed against Pride at this time. (See DPA ¶ 19.)

11. In a related motion filed today in Criminal Action No. 4:10-771-01, the United States is moving to terminate the term of unsupervised probation imposed on Pride Forasol.

12. The undersigned has spoken with counsel for Pride and Pride Forasol, and counsel agrees to this motion.

13. Accordingly, for the foregoing reasons, the government respectfully requests that the Court dismiss the criminal information filed against Pride in the above-captioned matter. For the Court's convenience, a proposed order is attached.

Respectfully submitted,

DENIS J. McINERNEY
Chief, Fraud Section

Dated: November 2, 2012

By: _____ /s/
Adam G. Safwat
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[PROPOSED] ORDER DISMISSING CRIMINAL INFORMATION

Upon the unopposed motion of the United States, dated November 2, 2012, pursuant to Rule 48(a) of the Federal Rules of Criminal Procedure, to dismiss the criminal information in this case, and the Court having fully considered the motion, it is hereby

ORDERED that the Government’s motion is granted and the criminal information in the above-captioned case is hereby dismissed with prejudice.

Dated: _____, 2012

HON. LYNN N. HUGHES
UNITED STATES DISTRICT JUDGE

CERTIFICATE OF SERVICE

I certify that on November 2, 2012, a copy of the foregoing Motion to Dismiss and Proposed Order were delivered via electronic mail to

Home E. Moyer, Esq.
Miller & Chevalier Chartered
655 Fifteenth Street NW, Suite 900
Washington, D.C., 20005,

attorney for the above-listed defendant.

/s/

Adam G. Safwat
Deputy Chief, Fraud Section