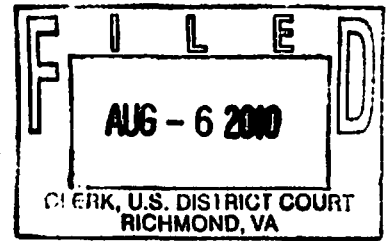


IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA

Richmond Division



|                               |   |                               |
|-------------------------------|---|-------------------------------|
| UNITED STATES OF AMERICA,     | ) | Criminal No. <u>3:10CR225</u> |
|                               | ) |                               |
|                               | ) | 18 U.S.C. § 371               |
|                               | ) | Conspiracy;                   |
| v.                            | ) |                               |
|                               | ) | 15 U.S.C. § 78dd-3            |
| UNIVERSAL LEAF TABACOS LTDA., | ) | Foreign Corrupt Practices Act |
|                               | ) |                               |
| Defendant.                    | ) |                               |

**INFORMATION**

The Chief of the United States Department of Justice, Criminal Division, Fraud Section and the United States Attorney for the Eastern District of Virginia charge that, at all times material to this Information, unless otherwise stated:

**GENERAL ALLEGATIONS**

1. The Foreign Corrupt Practices Act of 1977, as amended, Title 15, United States Code, Sections 78dd-1, *et seq.* ("FCPA"), was enacted by Congress for the purpose of, among other things, making it unlawful for certain classes of persons and entities to act corruptly in furtherance of an offer, promise, authorization, or payment of money or anything of value to a foreign government official to assist in obtaining or retaining business for or with, or directing business to, any person.

**Relevant Entities and Individuals**

2. Universal Corporation ("Universal") was a Virginia corporation headquartered in Richmond, Virginia. Universal, through its subsidiaries, was a worldwide purchaser and supplier of processed leaf tobacco. Universal issued and maintained a class of publicly traded securities

registered pursuant to Section 12(b) of the Securities Exchange Act of 1934, Title 15, United States Code, Section 78l, and publicly traded on the New York Stock Exchange. Universal was required to file periodic reports with the United States Securities and Exchange Commission (“SEC”) under Section 13 of the Securities Exchange Act, Title 15, United States Code, Section 78m. Accordingly, Universal was an “issuer” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(a). By virtue of its status as an issuer within the meaning of the FCPA, Universal was required to make and keep books, records, and accounts which, in reasonable detail, accurately and fairly reflected the transactions and disposition of assets of Universal and its subsidiaries, including those of Universal Leaf Tabacos Ltda.

3. Universal Leaf Tabacos Ltda. (“UNIVERSAL BRAZIL”), a wholly owned subsidiary of Universal, was a Brazilian corporation, headquartered in Santa Cruz do Sul, Brazil. UNIVERSAL BRAZIL was a “person” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3. As more fully described herein, individuals and entities affiliated with and acting on behalf of UNIVERSAL BRAZIL while in the territory of the United States, used and caused the use of the mails and means and instrumentalities of interstate commerce and performed other acts in furtherance of an offer, promise, authorization, or payment of money or anything of value to foreign government officials for the purpose of assisting in obtaining or retaining business for, or directing business to, any person all within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3.

4. Universal Leaf Tobacco Company, Incorporated (“Universal Leaf Tobacco”), a wholly owned subsidiary of Universal, was a Virginia corporation, headquartered in Richmond, Virginia. Universal Leaf Tobacco was a “domestic concern” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2.

5. LATCO, Inc. ("LATCO") was a Virginia corporation and a wholly owned subsidiary of Universal. LATCO was an entity used by UNIVERSAL BRAZIL to make commission payments to its sales agents, in addition to other purposes. LATCO's accounts were consolidated annually into Universal's year-end results. LATCO was a "domestic concern" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2.

6. The Thailand Tobacco Monopoly ("TTM") was a Thai government-owned tobacco monopoly located in Bangkok, Thailand. The Government of Thailand established the TTM, an agency and instrumentality of the government, to manage and control the government-owned tobacco industry in Thailand. The TTM supervised the cultivation of domestic tobacco crops, the purchase of tobacco imports and the manufacture of cigarettes and other tobacco products in Thailand. Employees and representatives of the TTM were "foreign officials" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3(f)(2)(A).

7. Employee A, a U.S. citizen, was the President of UNIVERSAL BRAZIL.

8. Employee B, a Brazilian citizen, was the Commercial Director for UNIVERSAL BRAZIL.

9. Employee C, a Brazilian citizen, was a Sales Manager for UNIVERSAL BRAZIL. Employee C was the account manager for the TTM account from 2000 to 2003.

10. Employee D, a Zimbabwean citizen, was a Sales Director for UNIVERSAL BRAZIL. Employee D supported Employee C on the TTM account from 2000 to 2002.

11. Employee E, a Brazilian citizen, was the Finance Director for UNIVERSAL BRAZIL.

12. Employee F, a Brazilian citizen, was the Export Superintendent for UNIVERSAL BRAZIL.

13. Employee G, a Brazilian citizen, was a Sales Manager for UNIVERSAL BRAZIL. Employee G took over the TTM account from Employee C and was the TTM account manager from 2003 to 2004.

14. Employee H, a Zimbabwean citizen, was the Sales Director for Universal Leaf Asia. Employee H played a supporting role to UNIVERSAL BRAZIL for accounts in Asia, including the TTM account.

15. Employee I, a Brazilian citizen, was an account manager for UNIVERSAL BRAZIL.

16. Employee J, a U.S. citizen, was a Vice President of Universal Leaf Tobacco.

17. Employee K, a U.S. citizen, was the Controller of Universal.

18. Employee L, a U.S. citizen, was the Director of Financial Accounting for Universal Leaf Tobacco.

19. Agent X was a Thai national who was hired by UNIVERSAL BRAZIL in early 2000 as its sales agent to facilitate the company's sale of processed leaf tobacco to the TTM.

20. Corporation Y was a competitor of UNIVERSAL BRAZIL and Corporation Z. Corporation Y entered into an agreement with UNIVERSAL BRAZIL and Corporation Z to jointly pay kickbacks to representatives of the TTM in exchange for securing orders for the sale of processed leaf tobacco to the TTM for itself, UNIVERSAL BRAZIL, and Corporation Z.

21. Corporation Z was a competitor of UNIVERSAL BRAZIL and Corporation Y. Corporation Z entered into an agreement with UNIVERSAL BRAZIL and Corporation Y to jointly pay kickbacks to representatives of the TTM in exchange for securing orders for the sale of processed leaf tobacco to the TTM for itself, UNIVERSAL BRAZIL, and Corporation Y.

**COUNT 1**  
**Conspiracy to Violate the Foreign Corrupt Practices Act**  
**(18 U.S.C. § 371)**

22. Paragraphs 1 through 21 of this Information are re-alleged and incorporated by reference as if set out in full.

23. From at least in or around March 2000, to in or around July 2004, in the Eastern District of Virginia, and elsewhere, the defendant, UNIVERSAL LEAF TABACOS LTDA. (“UNIVERSAL BRAZIL”), did willfully, that is, with the intent to further the objects of the conspiracy, and knowingly combine, conspire, confederate and agree with others known and unknown to commit offenses against the United States, that is:

a. while in the territory of the United States, to willfully make use of the mails and means and instrumentalities of interstate commerce and to do other acts corruptly in furtherance of an offer, payment, promise to pay, and authorization of the payment of any money, offer, gift, promise to give, and authorization of the giving of anything of value to any foreign officials, and any person while knowing that all or a portion of such money or thing of value would be or had been offered, given, or promised, directly or indirectly, to foreign officials, for the purpose of: (i) influencing acts and decisions of such foreign officials in their official capacities; (ii) inducing such foreign officials to do and omit to do acts in violation of the lawful duties of such officials; (iii) securing an improper advantage; and (iv) inducing such foreign officials to use their influence with a foreign government and instrumentalities thereof to affect and influence acts and decisions of such government and instrumentalities, in order to assist UNIVERSAL BRAZIL, and others in obtaining and retaining business for and with, and directing business to, UNIVERSAL BRAZIL and others, in violation of Title 15, United States Code, Section 78dd-3; and

b. to knowingly falsify and cause to be falsified books, records, and accounts which in reasonable detail would accurately and fairly reflect the transactions and disposition of the assets of Universal, an issuer within the meaning of the FCPA, in violation of Title 15, United States Code, Sections 78m(b)(2)(A), 78m(b)(5) and 78ff(a).

**PURPOSE OF THE CONSPIRACY**

24. The purpose of the conspiracy was to secure the assistance of TTM representatives in obtaining and retaining contracts for the sale of Brazilian leaf tobacco, and to falsify books, records, and accounts of Universal and UNIVERSAL BRAZIL in connection with the corrupt payments, in order to make the payments appear as legitimate business expenses when, in fact, they were bribes to Thai government officials.

**MANNER AND MEANS OF THE CONSPIRACY**

25. To accomplish the purposes and objects of the conspiracy, UNIVERSAL BRAZIL and its co-conspirators used the following manner and means, including:

a. It was part of the conspiracy that UNIVERSAL BRAZIL paid approximately \$697,800 in kickbacks to representatives of the TTM through Agent X in order to obtain orders for the sale of Brazilian leaf tobacco valued at over \$9 million.

b. It was further a part of the conspiracy that to generate the funds to pay the kickbacks to the TTM representatives, UNIVERSAL BRAZIL, Corporation Y, and Corporation Z, agreed that a specified amount would be added to their individual sales prices for processed leaf tobacco, with an understanding that all three companies would use the excess funds from the sales they secured from the TTM to remit payments to their respective agents who would then pay the kickbacks to the TTM representatives.

c. It was further a part of the conspiracy that each year between 2000 and 2004, after the TTM purchased tobacco from UNIVERSAL BRAZIL, UNIVERSAL BRAZIL sent Agent X multiple commission payments, including: (i) standard commission payments relating to the assistance Agent X provided in finalizing the order, which were paid to accounts in Thailand and Germany that included (or were associated with) Agent X's name; and (ii) additional payments to be used to pay the kickbacks to the TTM representatives, which were paid to accounts in Thailand and Hong Kong that were not associated with Agent X's name.

d. It was further a part of the conspiracy that to process the payment, internally at UNIVERSAL BRAZIL, each year the account manager would prepare a cost sheet which outlined the sales expenses for each order and contained a separate line items for "commission" payments and "special expenses."

e. It was further a part of the conspiracy that "special expenses" were included in the costs for the sales to the TTM.

f. It was further part of the conspiracy that after the sales to the TTM were finalized and money was received from the customer, the TTM account manager would submit a form to Employee E, the Financial Director of Universal Brazil, who reviewed and authorized the standard commission payments and the kickback payments to Agent X.

g. It was further a part of the conspiracy that after Employee E authorized the payments, Employee F sent instructions to individuals in Richmond, Virginia, who processed and recorded payments from LATCO to pay Agent X described in the instructions as "sales commissions" or "special expenses."

h. It was further a part of the conspiracy that Employee E, Employee J, Employee K, and Employee L, and others, characterized UNIVERSAL BRAZIL's kickback

payments to TTM representatives in UNIVERSAL BRAZIL's books, records, and accounts as "commission payments" to Agent X when, in truth and in fact, some or all of these payments were bribes, paid through Agent X, intended to be transferred to TTM representatives.

i. UNIVERSAL BRAZIL's kickback payments to TTM representatives were falsely characterized in UNIVERSAL BRAZIL's books, records, and accounts as "commission payments" to Agent X when, in truth and in fact, some or all of these payments were bribes, paid through Agent X, intended to be transferred to TTM representatives.

j. It was further a part of the conspiracy that at the end of Universal's fiscal years 2000 through 2004, the books, records and accounts of Universal's wholly owned subsidiaries, including those of UNIVERSAL BRAZIL containing the false characterizations of the kickback payments to TTM representatives, were incorporated into the books, records and accounts of Universal for purposes of preparing Universal's consolidated year-end financial statements that were filed with the U.S. Securities and Exchange Commission (SEC).

#### **OVERT ACTS**

26. In furtherance of the conspiracy and to achieve its purpose and objects, at least one of the co-conspirators committed or caused to be committed, in the Eastern District of Virginia, and elsewhere, the following overt acts, among others:

##### ***2000 Sales Contract***

a. On or about March 23, 2000, Employee C sent a facsimile to Agent X confirming that UNIVERSAL BRAZIL would pay the kickbacks and providing a chart breaking down the price of the sales offer to the TTM, which included kickbacks or "special charges," that UNIVERSAL BRAZIL and Corporation Y would pay to the TTM representatives.



b. Between on or about June 12 and July 6, 2000, Employee C and Employee E signed an internal document authorizing the payment of a commission payment, which included the “special expense” payment, to Agent X.

c. On or about June 12, 2000, Employee B and Employee E sent a facsimile to Employee J, located in Richmond, Virginia, within the Eastern District of Virginia, directing Employee J to wire transfer Agent X \$50,000, described as a “commission payment,” from LATCO to a Bangkok bank account that was not in Agent X’s name or associated with Agent X’s business. The \$50,000 was to be used to pay part of the kickback payment to the TTM representatives.

d. On or about July 6, 2000, Employee F sent a facsimile, from Brazil, to Employee J, located in Richmond, Virginia, within the Eastern District of Virginia, directing Employee J to wire transfer another \$50,000 to Agent X, described as a “sales commission,” into the same Bangkok bank account as the prior \$50,000 payment. The second \$50,000 payment was to be used to pay the remainder of the kickback payment to the TTM representatives in exchange for the award of the sales contract.

e. On or about June 15, 2000, Employee J, located in Richmond, Virginia, within the Eastern District of Virginia, directed the payments requested on or about June 12, 2000, to be transferred to the Bangkok bank account.

f. On or about July 10, 2000, Employee J, located in Richmond, Virginia, within the Eastern District of Virginia, directed the payments requested on or about July 6, 2000, to be transferred to the Bangkok bank account.

***2001 Sales Contract***

g. On or about April 2, 2001, Employee C sent a facsimile from UNIVERSAL BRAZIL's office to the TTM Managing Director in Thailand providing a bid for the sale of processed leaf tobacco for the 2001 crop which included an amount intended to be paid to TTM's Managing Director and other TTM representatives to secure the sales contract.

h. On or about June 28, 2001, Agent X emailed Employee C and Employee H asking that the 50 percent "prepayment" of special expenses be remitted to an account in Hong Kong.

i. On or about July 5, 2001, Employee F sent a facsimile to Employee J directing Employee J to pay Agent X \$110,000, described as a "commission payment," from LATCO to a Hong Kong bank account that was not in Agent X's name or associated with Agent X's business.

j. On or about August 20, 2001, Employee I sent a facsimile to Employee J, located in Richmond, Virginia, within the Eastern District of Virginia, directing Employee J to pay Agent X \$110,000 from LATCO to the same Hong Kong bank account as the prior \$110,000 payment to pay the balance of the "special expenses" that were owed to the TTM representatives.

k. On or about July 10, 2001 Employee J, located in Richmond, Virginia, within the Eastern District of Virginia, directed the payment requested on July 5, 2001, be transferred to the Hong Kong bank account.

l. On or about August 23, 2001, Employee J, located in Richmond, Virginia, within the Eastern District of Virginia, directed the payment requested on August 20, 2001, be transferred to the Hong Kong bank account.

***2002 Sales Contract***

m. On or about April 24, 2002, Agent X sent Employee C and Employee H an email stating that the agents for UNIVERSAL BRAZIL, Corporation Y, Corporation Z, and the Managing Director of the TTM had agreed that the special expenses would be 45 cents per kilogram of the processed leaf tobacco purchased by the TTM.

n. On or about September 4, 2002, Agent X sent an email to Employee G and Employee H asking to be paid the kickback payments.

o. On or about September 17, 2002, Employee F sent an email to Employee K, located in Richmond, Virginia, requesting that Agent X be paid \$86,400 from LATCO to a Hong Kong bank account that was not in Agent X's name or associated with Agent X's business. In the email, Employee F instructed that "no reference should be made" regarding Agent X when the money was transferred.

p. On or about September 20, 2002, Employee K, located in Richmond, Virginia, within the Eastern District of Virginia, directed the payment requested on September 17, 2002, be transferred to the Hong Kong bank account.

***2003 Sales Contract***

q. Between in or about January 2003 and April 2003, Employee G, with the assistance of Agent X, negotiated UNIVERSAL BRAZIL's tobacco sale to the TTM for the 2003 crop.

r. On or about September 1, 2003, Employee F sent an email to Employee L requesting that Agent X be paid \$96,000 for "special expenses" from LATCO to a Hong Kong bank account that was not in Agent X's name or associated with Agent X's business.

s. On or about September 5, 2003, Employee L, located in Richmond, Virginia, within the Eastern District of Virginia, directed the payment requested on September 1, 2003, be transferred to the Hong Kong bank account.

*2004 Sales Contract*

t. In or about July 2004, Employee G, with the assistance of Agent X, negotiated UNIVERSAL BRAZIL's tobacco sale to the TTM for the 2004 crop.

u. On or about July 13, 2004, during the negotiations, Employee G sent Agent X an email stating that he wanted the same "special expenses" to be maintained.

v. On or about November 25, 2004, Agent X sent an email to Employee G advising that the "special expenses" had increased from the prior year and would be paid as part of the sale.

w. On or about December 7, 2004, Employee F sent an email to Employee L requesting that Agent X be paid \$195,040 for "special expenses" from LATCO to a Hong Kong bank account that was not in Agent X's name or associated with Agent X's business.

x. On or about December 10, 2004, Employee L, located in Richmond, Virginia, within the Eastern District of Virginia, directed the payment requested on December 7, 2004, be transferred to the Hong Kong bank account.

(All in violation of Title 18, United States Code, Section 371.)

**COUNT 2**  
**Foreign Corrupt Practices Act Violation**  
**(15 U.S.C. § 78dd-3)**

27. Paragraphs 1 through 21 and 24 through 26 above are re-alleged and incorporated by reference as though fully set forth herein.

28. Between in or about March 2000, to in or around July 2004, in the Eastern District of Virginia and elsewhere, the defendant, UNIVERSAL BRAZIL, being a “person” under the FCPA, while in the territory of the United States, did willfully make use of the mails and means and instrumentalities of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, and authorization of the payment of any money, offer, gift, promise to give, and authorization of the giving of anything of value to any foreign officials, and any person while knowing that all or a portion of such money or thing of value would be offered, given, or promised, directly or indirectly, to foreign officials, for the purposes of: (i) influencing acts and decisions of such foreign officials in their official capacities; (ii) inducing such foreign officials to do and omit to do acts in violation of the lawful duties of such officials; (iii) securing an improper advantage; and (iv) inducing such foreign officials to use their influence with a foreign government and instrumentalities thereof to affect and influence acts and decisions of such government and instrumentalities, in order to assist UNIVERSAL BRAZIL and others in obtaining and retaining business for and with, and directing business to, UNIVERSAL BRAZIL, to wit, in order to obtain orders for the sale of Brazilian tobacco to the TTM, and to secure an improper advantage in connection with the sale of Brazilian tobacco to the TTM for UNIVERSAL BRAZIL, the defendant made and caused to be made payments totaling approximately \$697,800 to Agent X with the intent that some or all of the payments would be paid to TTM officials.

(All in violation of Title 15, United States Code, Section 78dd-3(a), and Title 18, United States Code, Section 2.)

DATED: August 6, 2010

NEIL H. MACBRIDE  
United States Attorney

DENIS J. MCINERNEY  
Chief, Fraud Section

By: Jessica D. Brunning  
for Michael S. Dry  
Assistant United States Attorney

By: Stacey K. Luck  
Stacey K. Luck  
Senior Trial Attorney

Place of Offense:

3:10CR225

City: Richmond, Virginia

County/Parish \_\_\_\_\_

Related Case Information:

Criminal Information  Docket No. \_\_\_\_\_

Same Defendant \_\_\_\_\_ New Defendant

Magistrate Judge Case No. \_\_\_\_\_

Search Warrant Case No. \_\_\_\_\_

R 20/R 40 from District of \_\_\_\_\_

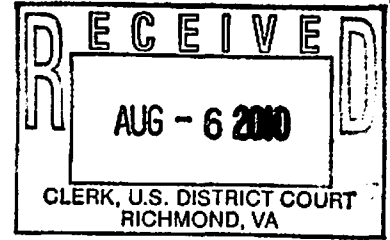
Defendant Information:

This case is related to other proceedings in this Court: YES \_\_\_ NO  If yes, docket No. \_\_\_\_\_

Defendant Name: Universal Leaf Tabacos LTDA

Alias Name: NONE

Address: 



Birth Date: N/A SSN: N/A Sex: N/A Race: N/A

Counsel for Defendant: Patrick R. Hanes, Esquire,  
Williams Mullen, 200 South 10<sup>th</sup> St, Richmond, VA 23219

U.S. Attorney Information:

AUSA: Jessica A. Brumburg Bar #: \_\_\_\_\_

Interpreter: \_\_\_ No \_\_\_ Yes List language and/or dialect: \_\_\_\_\_

Location Status:

- Has Not Been Arrested
- Already in Federal Custody
- Already in State Custody \_\_\_\_\_ Defendant is available for court proceedings in this District
- On Pretrial Release
- Fugitive
- Unknown
- Bond
- Issue Summons

U.S.C. Citations

Total # of Counts: 2 \_\_\_ Petty \_\_\_ Misdemeanor  Felony

| Statute                                  | Description of Offense Charged | Count(s) |
|--|--------------------------------|----------|
| In violation of Title 18 U.S.C. § 371    | Conspiracy                     | <u>1</u> |
| In violation of Title 15 U.S.C. § 78dd-3 | Foreign Corrupt Practices Act  | <u>2</u> |

Date: 08/06/2010 Signature of AUSA Jessica A. Brumburg

District Court Case No. (to be filled in by deputy clerk): \_\_\_\_\_