UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

UNITED STATES OF AMERICA	§	
	§	
v.	§	**CRIMINAL NO.** 20 CR 89
	§	
TULIO ANIBAL FARIAS-PEREZ	§	
	§	
DEFENDANT	§	

INFORMATION

THE UNITED STATES CHARGES:

Introduction

At all times material to this information:

1. Petroleos de Venezuela S.A. ("PDVSA") was the Venezuelan state-owned and state-controlled oil company. PDVSA and its subsidiaries were responsible for the exploration, production, refining, transportation, and trade in energy resources in Venezuela and provided funding for other operations of the Venezuelan government. Bariven, S.A. ("Bariven") was a wholly-owned subsidiary of PDVSA that at all relevant times was responsible for procuring goods and services on behalf of PDVSA. Citgo Petroleum Corporation ("Citgo") was a Houston-based subsidiary of PDVSA that acted primarily as a refiner, transporter, and marketer of petroleum-based products, but also procured goods and services on behalf of PDVSA through its Special Projects group.

2. PDVSA and its subsidiaries were "instrumentalities" of the Venezuelan government as that term is used in the Foreign Corrupt Practices Act ("FCPA"), Title 15, United States Code, Sections 78dd-2(h)(2)(A) and 78dd-3(f)(2)(A). PDVSA officers and employees were "foreign officials" as that term is used in the FCPA, Title 15, United States Code, Sections 78dd-2(h)(2)(A) and 78dd-3(f)(2)(A). PDVSA, Bariven, Citgo, and PDVSA's other affiliates and subsidiaries are hereinafter collectively referred to as "PDVSA."

3. Defendant **TULIO ANIBAL FARIAS PEREZ** ("**FARIAS**") was a Venezuelan citizen and, since August 2014, a resident of Texas. **FARIAS** was a partner with a fifty percent ownership stake in several closely held companies, including U.S. companies, that **FARIAS** controlled together with Jose Manuel Gonzalez Testino ("Gonzalez"), and that they used to secure contracts with PDVSA. **FARIAS** was thus a "domestic concern" and an officer, director, employee, and agent of a "domestic concern," and a stockholder thereof acting on behalf of a "domestic concern," as those terms are used in the FCPA, Title 15, United States Code, Section 78dd-2(h)(1).

4. At all relevant times, Gonzalez, who has been charged separately, was a U.S. citizen and resident of Florida. Gonzalez controlled a number of closely held companies, including U.S. companies, used to secure contracts with PDVSA. **FARIAS** was Gonzalez's business partner in some of these companies. Gonzalez

was thus a "domestic concern" and an officer, director, employee, and agent of a "domestic concern," and a stockholder thereof acting on behalf of a "domestic concern," as those terms are used in the FCPA, Title 15, United States Code, Section 78dd-2(h)(1).

5. "Employee A" was an individual who worked for Gonzalez, including one of his U.S.-based companies. Employee A's job responsibilities included handling PDVSA contracts for a logistics company controlled by Gonzalez, as well as tracking purchase orders and bribe payments related to multiple other companies, including those companies controlled by **FARIAS** and Gonzalez. Employee A was an employee of a "domestic concern" as that term is used in the FCPA, Title 15, United States Code, Section 78dd-2(h)(1).

6. "Official B" was employed by Citgo between approximately 2010 and February 2018. Between approximately 2012 and 2015, Official B worked in the Special Projects group. Official B's job responsibilities included supervising employees and contracting processes in the Special Projects group.

7. Official B was a "foreign official" as that term is used in the FCPA, Title 15, United States Code, Sections 78dd-2(h)(2)(A) and 78dd-3(f)(2)(A).

8. "Company A" was a company controlled by **FARIAS** and Gonzalez. Company A existed as a corporation under the laws of Florida, and later Panama and

Switzerland, and was used by **FARIAS** and Gonzalez to secure contracts with PDVSA.

COUNT ONE

(18 U.S.C. § 371 – Conspiracy)

9. Paragraphs 1 through 8 are realleged and incorporated by reference as though fully set forth herein.

10. Beginning in or around 2011 and continuing through at least 2018, in the Southern District of Texas, and elsewhere, the defendant,

TULIO ANIBAL FARIAS PEREZ,

did willfully, that is, with the intent to further the objects of the conspiracy, and knowingly conspire, confederate, and agree with Gonzalez, and other persons known and unknown to the United States, to commit offenses against the United States, that is:

a. to 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 a foreign official and to a person, while knowing that all and a portion of such money and thing of value would be and had been offered, given, and promised to a foreign official, for purposes of: (i) influencing acts and decisions of

such foreign official in his official capacity; (ii) inducing such foreign official to do and omit to do acts in violation of the lawful duty of such official; (iii) securing an improper advantage; and (iv) inducing such foreign official to use his influence with a foreign government and agencies and instrumentalities thereof to affect and influence acts and decisions of such government and agencies and instrumentalities, in order to assist **FARIAS**, Gonzalez, and their U.S. companies in obtaining and retaining business for and with, and directing business to, **FARIAS,** Gonzalez, their U.S. companies, and others, in violation of the FCPA, Title 15, United States Code, Section 78dd-2(a); and

b. while in the territory of the United States, willfully and corruptly to make use of the mails and means and instrumentalities of interstate commerce and to do any other act 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 a foreign official and to a person, while knowing that all and a portion of such money and thing of value would be and had been offered, given, and promised to a foreign official, for purposes of: (i) influencing acts and decisions of such foreign official in his or her official capacity; (ii) inducing such foreign official to do and omit to do acts in violation of the lawful duty of such

official; (iii) securing an improper advantage; and (iv) inducing such foreign official to use his or her influence with a foreign government and agencies and instrumentalities thereof to affect and influence acts and decisions of such government and agencies and instrumentalities, in order to assist **FARIAS** and Gonzalez's non-U.S. companies in obtaining and retaining business for and with, and directing business to, **FARIAS** and GONZALEZ's non-U.S. companies, and others, in violation of the FCPA, Title 15, United States Code, Section 78dd-3(a).

Purpose of the Conspiracy

11. The purpose of the conspiracy was for **FARIAS** and his co-conspirators to enrich themselves by obtaining and retaining lucrative contracts and other business advantages with PDVSA through corrupt and fraudulent means, including by paying bribes to PDVSA officials.

Manner and Means of the Conspiracy

12. The manner and means by which **FARIAS** and his co-conspirators sought to accomplish the purpose of the conspiracy included, among other things, the following, while in the Southern District of Texas and elsewhere:

13. **FARIAS**, Gonzalez, and their co-conspirators discussed in person, over email, and through encrypted messaging services how they would obtain and retain

contracts and other business advantages with PDVSA by providing things of value to PDVSA officials, including, but not limited to, Rincon and Official B.

14. **FARIAS** and Gonzalez paid bribes to PDVSA officials in order to influence acts and decisions of the PDVSA officials in their official capacities, to induce the PDVSA officials to do and omit to do certain acts, to secure improper business advantages, and to induce the PDVSA officials to use their influence with the Venezuelan government and agencies and instrumentalities thereof, including, but not limited to:

a. helping Company A win PDVSA contracts to supply equipment and services;

b. helping other companies owned by Gonzalez, either in partnership with **FARIAS** or with other business partners, win PDVSA contracts to supply equipment and services;

c. providing **FARIAS**, Gonzalez, and their co-conspirators with inside information about the PDVSA bidding process;

d. assisting **FARIAS**, Gonzalez, and their co-conspirators in receiving priority over other vendors to receive payment for previously awarded PDVSA contracts.

15. **FARIAS**, Gonzalez, and their co-conspirators paid bribes by giving PDVSA officials cash at in-person meetings; sending wire transfers to bank accounts

controlled by the PDVSA officials or their relatives and associates; and providing other things of value, including recreational travel such as plane tickets and hotel accommodations, Super Bowl and other sports tickets, meals including "team dinners" for members of **FARIAS** and Gonzalez's "team" of PDVSA officials in Houston, entertainment, original artwork, and luxury consumer goods including jewelry and watches.

16. Employee A, at Gonzalez's direction, maintained spreadsheets tracking the bribe amounts owed and paid to the PDVSA officials, including bribes owed for assistance to Company A. **FARIAS**, Gonzalez, and their co-conspirators paid some officials a percentage of contract amounts awarded to their companies, including Company A, and paid other officials a regular monthly amount; the actual amounts paid varied by individual official. Bribes were paid in connection with multiple PDVSA contracts awarded to Company A, including:

a. a contract to supply compressors to PDVSA, which was never fulfilled;

b. two contracts to supply electric submersible pumps to PDVSA, which were fulfilled;

c. multiple smaller contracts to supply parts to PDVSA for a Swiss company for whom Company A acted as the distributor.

17. **FARIAS**, Gonzalez, and their co-conspirators referred to various PDVSA officials by nicknames in these bribe tracking spreadsheets in order to conceal the officials' true identities.

18. To conceal the nature, source, and ownership of the bribe payments, **FARIAS**, Gonzalez, and their co-conspirators:

a. created false justifications, including false invoices for equipment not provided and for services never rendered;

b. sent and directed bribe payments from bank accounts held in the names of companies other than the companies being awarded PDVSA contracts and receiving payments from PDVSA;

c. requested the PDVSA officials identify bank accounts into which the PDVSA officials could receive bribe payments that were in the names of companies, intermediaries, relatives, friends, and close personal associates of the PDVSA officials.

Overt Acts

In furtherance of the conspiracy and to achieve the objects thereof, at least one of the conspirators committed or caused to be committed, in the Southern District of Texas and elsewhere, at least one of the following overt acts, among others:

Payments and Other Things of Value Provided to Official B

19. On or about the dates below, in exchange for Official B's assistance with their PDVSA-related business, including assistance to Company A and the electric submersible pump contracts referred to in Paragraph 16(b), **FARIAS** and Gonzalez caused the following bribe payments to be sent to a Panamanian bank account in the name of a company controlled by Official B (the "Panama Account"):

Overt Act	Date	Official B Beneficiary Bank Account	Amount
19(a)	12/19/2013	Panama Account	$15,000.00
19(b)	1/2/2014	Panama Account	$15,000.00
19(c)	1/15/2014	Panama Account	$15,000.00
19(d)	1/31/2014	Panama Account	$15,000.00
19(e)	2/14/2014	Panama Account	$15,000.00
19(f)	3/6/2014	Panama Account	$15,000.00
19(g)	3/18/2014	Panama Account	$15,000.00
19(h)	4/1/2014	Panama Account	$15,000.00
19(i)	4/15/2014	Panama Account	$15,000.00
19(j)	4/30/2014	Panama Account	$15,000.00
19(k)	6/6/2014	Panama Account	$30,000.00
19(l)	6/19/2014	Panama Account	$15,000.00
19(m)	12/2/104	Panama Account	$100,000.00
19(n)	12/10/2014	Panama Account	$100,000.00

Overt Act	Date	Official B Beneficiary Bank Account	Amount
19(o)	1/5/2015	Panama Account	$180,000.00

20. In or about October 2014, **FARIAS** took Official B to a World Series game in San Francisco, California between the Kansas City Royals and San Francisco Giants. **FARIAS** and Gonzalez paid for the tickets to the game and other associated expenses.

21. On or about February 1, 2015, **FARIAS** and another co-conspirator took Official B to Super Bowl XLIX in Glendale, Arizona. **FARIAS** and Gonzalez paid for the tickets to the game and other associated expenses.

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

NOTICE OF CRIMINAL FORFEITURE
(28 U.S.C. § 2461(c); 18 U.S.C. § 981(a)(1)(C))

22. Pursuant to Title 28, United States Code, Section 2461(c) and Title 18, United States Code, Section 981(a)(1)(C), the United States gives notice to **TULIO ANIBAL FARIAS PEREZ** that in the event of his conviction of the offense charged in Count 1 of the Information, the United States intends to seek forfeiture of all property, real or personal, which constitutes or is derived from proceeds traceable to such offenses.

Money Judgment and Substitute Assets

23. The United States will seek the imposition of a money judgment against the defendant. In the event that a condition listed in Title 21, United States Code, Section 853(p) exists, the United States will seek to forfeit any other property of the defendant in substitution up to the amount of the money judgment.

RYAN K. PATRICK
UNITED STATES ATTORNEY

BY: _____
JOHN P. PEARSON
ROBERT S. JOHNSON
ASSISTANT UNITED STATES ATTORNEYS

ROBERT ZINK
CHIEF, FRAUD SECTION
CRIMINAL DIVISION
DEPARTMENT OF JUSTICE

BY: _____ for:
SARAH E. EDWARDS
SONALI D. PATEL
TRIAL ATTORNEYS

UNITED STATES DISTRICT COURT

Southern **DISTRICT OF** Texas

WAIVER OF INDICTMENT

United States of America

V.

Case Number: 20CR89

TULIO ANIBAL FARIAS-PEREZ

Defendant(s)

I, TULIO ANIBAL FARIAS-PEREZ, the above-named defendant, who is accused of Conspiracy [18 USC § 371].

Being advised of the nature of the charge(s), the proposed information, and of my rights, hereby waived in open court on _____ prosecution by indictment and consent
Date
that the proceeding may be by information rather than by indictment.

_____
Defendant

_____
Counsel for Defendant

Before: _____
Judicial Officer