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Stamp: **U.S. DISTRICT COURT**
EASTERN DISTRICT OF NEW YORK
DEC 22 2017 ★
BROOKLYN OFFICE

F. #2017R00353

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA

INFORMATION

- against -

Cr. No. 17-697 (KAM)
(T. 18, U.S.C., §§ 371 and 3551 et seq.)

KEPPEL OFFSHORE & MARINE LTD.,

Defendant.

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THE UNITED STATES CHARGES:

At all times relevant to this Information, unless otherwise stated:

I. The Foreign Corrupt Practices Act

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

II. Relevant Entities and Individuals

2. The defendant KEPPEL OFFSHORE & MARINE LTD. ("KOM"), a Singapore-based corporation, operated shipyards in Asia, the Americas and Europe. KOM's business consisted primarily of building mobile offshore drilling rigs and handling repairs, conversions and upgrades of shipping vessels.

3. Keppel Offshore & Marine, USA Inc. (“KOM USA”) was a wholly owned subsidiary of KOM based in Houston, Texas, and incorporated in Delaware, the executives of which supervised operations in, among other locations, Brazil. KOM USA was a “domestic concern,” as that term is defined in the FCPA, Title 15, United States Code, Section 78dd-2(h)(1).

4. Petróleo Brasileiro S.A. (“Petrobras”) was a Brazilian state-controlled oil company headquartered in Rio de Janeiro, Brazil, that operated to refine, produce and distribute oil, oil products, gas, biofuels and energy. The Brazilian government directly owned more than 50 percent of Petrobras’s common shares with voting rights. Petrobras was controlled by Brazil and performed government functions, and thus was an “agency” and “instrumentality” of a foreign government, as those terms are used in the FCPA, Title 15, United States Code, Sections 78dd-2 and 78dd-3.

5. Sete Brasil Participacoes S.A. (“Sete Brasil”) was a privately held corporation headquartered in Rio de Janeiro, Brazil, that specialized in portfolio management of assets related to the offshore oil and gas sector.

6. The Workers’ Party of Brazil (“Workers’ Party”) was a political party in Brazil that formed part of the federal government of Brazil in or about and between 2003 and 2016. The Workers’ Party was a “political party” as that term is used in the FCPA, Title 15, United States Code, Sections 78dd-2(a)(2) and 78dd-3(a)(2).

7. Consultant, a citizen of Brazil whose identity is known to the United States and KOM, was an agent of KOM in or about and between 2000 and 2016 who facilitated bribe payments from KOM to public officials of Brazil and the Workers’ Party.

8. KOM Executive 1, a citizen of Singapore whose identity is known to the United States and KOM, was a senior executive of KOM in or about and between 2002 and 2014.

9. KOM Executive 2, a citizen of Singapore whose identity is known to the United States and KOM, was a senior executive of a wholly owned, Singapore-based subsidiary of KOM in or about and between 1989 and 2009 and a senior executive of KOM in or about and between 2013 and 2017.

10. KOM Executive 3, a citizen of Singapore and legal permanent resident of the United States in or about and between 2002 and 2013, whose identity is known to the United States and KOM, was a senior executive of KOM USA in or about and between 2002 and 2011 and a senior executive of KOM in or about and between 2011 and 2017. Thus, in or about and between 2002 and 2011, KOM Executive 3 was an “employee” and “agent” of a domestic concern, as those terms are used in the FCPA, Title 15, United States Code, Section 78dd-2.

11. KOM Executive 4, a citizen of Singapore whose identity is known to the United States and KOM, was an executive at KOM in or about and between 2002 and 2017. He was an executive at KOM USA in or about and between 2011 and 2017. Thus, in or about and between 2011 and 2017, KOM Executive 4 was an “employee” and “agent” of a domestic concern, as those terms are used in the FCPA, Title 15, United States Code, Section 78dd-2.

12. KOM Executive 5, a legal permanent resident of the United States since 2015, whose identity is known to the United States and KOM, held executive positions at multiple KOM subsidiaries in Brazil in or about and between 2003 and 2017. He also held an executive position at KOM and at KOM USA in or about and between 2012 and 2017. Thus, in

or about and between 2012 and 2017, KOM Executive 5 was an “employee” and “agent” of a domestic concern, as those terms are used in the FCPA, Title 15, United States Code, Section 78dd-2.

13. KOM Executive 6, a United States citizen whose identity is known to the United States and KOM, held various senior positions in the legal department of KOM in or about and between 1990 and 2017. KOM Executive 6 was a “domestic concern,” as that term is defined in the FCPA, Title 15, United States Code, Section 78dd-2(h)(1).

14. KOM Sub Executive, a citizen of Singapore whose identity is known to the United States and KOM, was a senior executive of a wholly owned, Brazil-based subsidiary of KOM in or about and between 2000 and 2007.

15. Brazilian Official 1, a citizen of Brazil whose identity is known to the United States and KOM, was an employee of Petrobras in or about and between 2003 and April 2011. During that time, Brazilian Official 1 was a “foreign official,” as that term is defined in the FCPA, Title 15, United States Code, Sections 78dd-2(h)(2)(A) and 78dd-3(f)(2)(A). Brazilian Official 1 had responsibility for, among other things, the bidding process organized by a division of Petrobras. In or about and between April 2011 and August 2013, Brazilian Official 1 was an employee of Sete Brasil with responsibility for overseeing operations, during which time Brazilian Official 1 was not a “foreign official,” as that term is defined in the FCPA, Title 15, United States Code, Sections 78dd-2(h)(2)(A) and 78dd-3(f)(2)(A).

16. Brazilian Official 2, a citizen of Brazil whose identity is known to the United States and KOM, was an employee of Petrobras with responsibility over the bidding process for certain projects in or about and between 2003 and April 2012. During that time,

Brazilian Official 2 was a “foreign official,” as that term is defined in the FCPA, Title 15, United States Code, Sections 78dd-2(h)(2)(A) and 78dd-3(f)(2)(A).

17. Party Official, a citizen of Brazil whose identity is known to the United States and KOM, was a senior official in the Workers’ Party. Party Official was a “foreign official,” as that term is defined in the FCPA, Title 15, United States Code, Sections 78dd-2(h)(2)(A) and 78dd-3(f)(2)(A).

III. Overview of the Bribery Scheme

18. For a number of years, executives and employees of Petrobras with responsibility over the bidding process for certain large projects, including Brazilian Official 1 and Brazilian Official 2, and politicians and political parties in Brazil, including the Workers’ Party, administered a scheme to secure corrupt payments equal to a percentage of a contract’s value from the companies awarded those projects. In or around 2011, this scheme was extended to projects awarded by Sete Brasil, which commissioned a large fleet of rigs for Petrobras’s end use.

19. In or about and between 2001 and 2014, KOM, together with others, including executives of KOM USA, knowingly and willfully conspired to pay, and paid, bribes in connection with thirteen projects in Brazil tendered by Petrobras and Sete Brasil. These bribes amounted to approximately \$55 million paid corruptly for the benefit of foreign officials, including Brazilian Official 1 and Brazilian Official 2, and the Workers’ Party to secure improper advantages and to influence those foreign officials and the Workers’ Party to obtain and retain business in Brazil (the “Bribery Scheme”). KOM and its related entities, including

KOM USA, earned profits totaling approximately \$351.8 million from business in Brazil obtained through the Bribery Scheme.

IV. The Bribery Scheme

20. In or about and between 2001 and 2011, KOM and KOM USA executives created and executed agreements on behalf of KOM with consulting companies controlled by Consultant that were intended to facilitate bribe payments to obtain business from Petrobras and Sete Brazil and conceal their purpose.

21. In or about and between 2004 and 2014, under the guise of these consulting agreements, KOM effectuated the payment of bribes by making payments to bank accounts in the United States and elsewhere in the names of shell companies controlled by Consultant. Consultant then transferred money from those bank accounts in the United States to bank accounts outside the United States controlled by or for the benefit of Brazilian Official 1, Brazilian Official 2, Party Official and the Workers' Party to further the Bribery Scheme.

22. For example, in or about and between 2001 and 2002, KOM Executive 2 and KOM Sub Executive authorized the payment of bribes amounting to approximately \$300,000 to government officials in Brazil in connection with securing the subcontract for Petrobras's P-48 project, which involved converting a floating platform.

23. Additionally, in or about 2003, in connection with Petrobras's P-51 and P-52 projects, both of which involved the construction of floating production units, Consultant received authorization from KOM Executive 1, KOM Sub Executive and a joint venture partner to pay bribes equal to a percentage of the contracts' value, which amounted to approximately

\$13.3 million. Consultant then paid these bribes through an intermediary to Brazilian Official 1, who shared some of the bribe money with Brazilian Official 2 and the Workers' Party.

24. In or about 2007, during a meeting with KOM Sub Executive and an executive at KOM's joint venture partner regarding Petrobras's P-56 project, another project involving the construction of a floating production unit, Consultant received authorization to pay bribes equal to a percentage of the value of that project's contract to Brazilian Official 1 and the Workers' Party in order to obtain business related to that project, which resulted in the payment of approximately \$14.2 million in bribes.

25. Furthermore, in or about 2005 and in or about 2009, in relation to the P-53 and P-58 projects, both of which involved hull conversions of floating production storage and offloading units, executives of KOM and a KOM subsidiary in Singapore, including KOM Executive 1, authorized Consultant to pay bribes equal to a percentage of the value of both projects' contracts to Brazilian Official 1 and the Workers' Party in order to obtain business related to those projects, which resulted in the payment of approximately \$4.4 million in bribes.

26. In or about 2009, in relation to Petrobras's P-61 project, which involved the construction of a tension leg platform, Consultant received authorization from KOM Executive 3 and an executive at a KOM subsidiary in Brazil to pay bribes equal to a percentage of the value of that project's contract to Brazilian Official 1 and the Workers' Party in order to obtain business related to those projects, which resulted in the payment of \$8.8 million in bribes to Brazilian Official 1, who shared some of the bribe money with Brazilian Official 2.

27. In or about and between 2011 and 2012, Sete Brasil contracted with five companies to commission the construction of a fleet of ultra deepwater rigs for which Petrobras

would be the end user. KOM executives, including KOM Executive 1 and KOM Executive 3, as well as an executive of a KOM subsidiary in Brazil, authorized Consultant during several telephone calls to pay one percent of the contract value as bribes in response to a demand from Brazilian Official 1. Accordingly, Consultant paid approximately \$14.4 million in bribes to Brazilian Official 1, Brazilian Official 2 and the Workers' Party.

CONSPIRACY TO BRIBE FOREIGN OFFICIALS

28. The allegations contained in paragraphs one through 27 are realleged and incorporated as if fully set forth in this paragraph.

29. In or about and between 2001 and 2014, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant KEPPEL OFFSHORE & MARINE LTD., together with others, did knowingly and willfully conspire to commit offenses against the United States, to wit: being a person other than an issuer or domestic concern, through its employees and agents, while in the territory of the United States, corruptly to make use of the mails or any means or instrumentality of interstate commerce or to do any 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, a foreign political party, a foreign political party official, a foreign political candidate and to a person, while knowing that all or a portion of such money and thing of value would be and had been offered, given, and promised to a foreign official, a foreign political party, a foreign political party official and a foreign political candidate for purposes of: (a) influencing acts and decisions of such foreign official, foreign political party, foreign political party official and foreign political candidate in his or her official capacity; (b) inducing such

foreign official, foreign political party, foreign political party official and foreign political candidate to do and omit to do acts in violation of the lawful duty of such official; (c) securing any improper advantage; and (d) inducing such foreign official, foreign political party, foreign political party official and foreign political candidate 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 KOM and its employees and agents in obtaining and retaining business for and with, and directing business to, KOM and others, contrary to Title 15, United States Code, Section 78dd-3.

30. In furtherance of the conspiracy and to effect its objects, the defendant KOM, together with others, committed and caused to be committed, within the Eastern District of New York and elsewhere, the following:

OVERT ACTS

a. On or about June 7, 2001, in relation to the P-48 project, KOM Executive 2 sent an email to the financial controller of a KOM subsidiary, copying KOM Sub Executive, stating:

[T]here is a commitment to pay US\$300k for some governmental guy(s) to help us put pressure for the [P-48 project] to be carried out in Brazil. [KOM Sub Executive] and myself have discussed this and decided to keep to the commitment. Pls make arrangement for the first US\$50k to be paid accordingly”¹

¹ Unless bracketed, all quotations appear as in the original document, without corrections or indications of misspellings or typographical errors.

b. On or about October 18, 2001, KOM Executive 2 sent an email to the financial controller regarding the P-48 project in which he stated: “[t]ime has come for making another 2 payment for friends . . . similar to previous 3 payments. Pls proceed to make payment for US\$100k After this we will have only one payment of US\$50k left.”

c. On or about February 12, 2004, Consultant sent an email to KOM Sub Executive and a KOM joint venture employee, advising them that Brazilian Official 2 told him how KOM would need to alter its bid in order for Brazilian Official 2 to ensure that KOM won the contract for the P-51 project. Consultant stated that KOM should, in part:

Drop our today price in US\$ 2 Million . . . with help again to compensate during the term of the contract.

Reduce our delivery time in 2 months . . . and looking in my face, he promised me the two months will be give us back before the first year of the contract (we need to believe in him). This agreement will be straight with him, jointly with Brazilian Official 1 and [another Brazilian official], but we cannot ask them officially, please believe him and me.

d. On or about April 1, 2004, Consultant sent an email to KOM Executive 5, copying KOM Sub Executive, urging that the consulting agreement with Consultant needed to be signed and commissions be paid because “our friends already lost patience, special after knowing, two payments was made and nothing to them or to us.”

e. On or about August 11, 2005, Consultant sent an email to an executive of a KOM subsidiary in Singapore asking that he not disclose that the KOM subsidiary was paying above the regular commission to Consultant “because this portion just [KOM Sub Executive], you, [another executive of a KOM subsidiary in Singapore] and I knows, and also, is to protect our friends (you know what I mean) . . . We need be very careful on this issue.”

f. On or about March 28, 2007, KOM Executive 2 sent an email to KOM Executive 4 and KOM Executive 6, copying KOM Executive 3, with the subject line “Vetting process for [Consultant] – Brazil,” in which he stated:

I spoke to [Consultant]....he does not want to be tied in with any agency for US company (can understand why), He suggests way forward is that he is working on behalf of [a KOM subsidiary in Brazil] for these projects and any fees be built into [the KOM subsidiary's] price to the joint venture on the subcontract fabrication. In this way, in every meeting [the KOM subsidiary] is also present, so he can be present.

g. On or about November 25, 2008, Consultant sent an email to KOM Executive 2, KOM Executive 3, KOM Executive 4, KOM Executive 5 and KOM Executive 6, copying KOM Executive 1, seeking confirmation that, “based on our telecom, some days ago,” Consultant would be paid his regular commission, referred to as “rates actually used in the existing contract,” for his work regarding the P-61 project, plus an additional two percent comprised of 0.5 percent for “the party,” 0.5 percent for “Group A” and one percent for “Group B.” “The party” referred to the Workers’ Party, “Group A” referred to Brazilian Official 1 and affiliated persons and “Group B” referred to Consultant himself.

h. On or about November 25, 2008, KOM Executive 4 wrote to KOM Executive 2, KOM Executive 3, KOM Executive 5 and KOM Executive 6 in regard to Consultant’s email referenced in Paragraph 30(g): “The problem is that when broken down the parts look reasonable, but the whole is something else ... how to deal with this? We have to get this past our partner somehow, else it will remain a matter of we stand alone (too risky) or no bid???”

i. On or about November 30, 2008, in relation to the P-61 project, KOM Executive 5 emailed KOM Executive 2, KOM Executive 3, KOM Executive 4 and KOM Executive 6, stating that “[Consultant] also mentioned that [the joint venture] was originally not invited for this project until much lobbying with his friends help. And the fees were told to us sometime ago. If they perceive us as not honoring our commitment, it may be bad for future business.”

j. On or about April 26, 2009, in connection with a discussion about whether Consultant would represent KOM on the P-58 project, Consultant wrote to an executive of a KOM subsidiary in Singapore, stating, “[y]ou known my commitments and with whom. Please advise asap your decision, because if you decide to go with [the other consultant], I need to advise my partners to cancel the commitments.”

k. On or about November 1, 2009, a KOM subsidiary entered into a Marketing and Sales Representation Agreement with Consultant (the “November 2009 contract”) in connection with the contemplated P-61 project. While knowing that Consultant would pay bribes on behalf of KOM from commissions paid pursuant to the November 2009 contract, KOM Executive 2 signed and KOM Executive 3 witnessed the agreement in Houston, Texas.

l. In or about and between July 2010 and September 2014, a KOM subsidiary based in Singapore made seven payments totaling approximately \$17.6 million to a bank account in Miami, Florida controlled by Consultant pursuant to the November 2009 contract. Consultant subsequently transferred funds from that bank account in Florida to at least one bank account outside the United States in order to further the Bribery Scheme, as follows:

Payment Date	Transaction Amount
July 8, 2010	\$2,996,160.00
February 23, 2011	\$1,015,840.00
July 21, 2011	\$1,988,000.00
February 14, 2012	\$4,660,000.00
July 3, 2012	\$2,346,552.67
March 18, 2013	\$3,583,407.32
September 2, 2014	\$971,780.00

m. On or about September 19, 2011, KOM Executive 6 sent an email to his secretary stating:

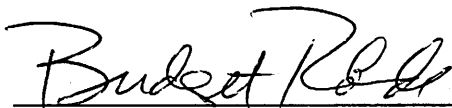
Put this in a plain paper and pass to [KOM Executive 1 / KOM Executive 3], then delete email: Further to our t/c, made the suggestion to have one of us go to explain the situation. However, the problem is that we will not be brought to all involved to explain. As such, need to execute the standard Commission Agreement with [Consultant's company], with the 1.5%, as a copy of this will be showed up the line to convey that this is all. Nothing more. We've signed before for other jobs and have seen other agreements with [Consultant's company] for even larger amounts. Would prefer not to, but the Comm. Agreement, may be the only thing that will satisfy people. Other than reverting to original plan, wherein proof would not be required then. At a loss as to alternatives.

n. On or about July 18, 2012, KOM Executive 6 sent an email to KOM Executive 3 in which he referenced dividing payments to Consultant through the use of two separate agreements. KOM Executive 3 responded the following day, "What do [you] mean by 2 agreements?," to which KOM Executive 6 responded "[o]ne for 0.5% and one for 1.5% for different parties, totaling the 2%."

o. In or about and between September 2013 and November 2014, at the instruction of a Workers' Party official, Consultant made the following nine payments of \$500,000 from a bank account in the United States to a bank account in Switzerland in order to settle payments owed to the Workers' Party as bribes:

Date	Amount
9/25/2013	\$500,000
11/5/2013	\$500,000
12/19/2013	\$500,000
2/6/2014	\$500,000
3/25/2014	\$500,000
4/28/2014	\$500,000
7/10/2014	\$500,000
9/8/2014	\$500,000
11/4/2014	\$500,000

(Title 18, United States Code, Sections 371 and 3551 et seq.)



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