

United States District Court
Southern District of Texas
FILED

NOV 4 2010

David J. Bradley, Clerk of Court

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

10 - 771

UNITED STATES OF AMERICA

v.

PRIDE FORASOL S.A.S.

Defendant.

§ CRIMINAL NO.:
§ 18 U.S.C. § 371;
§ 15 U.S.C. §78dd-3;
§ 15 U.S.C. §§ 78m(b)(2)(A),
§ 78m(b)(5) and 78ff(a)
§
§

CRIMINAL INFORMATION

The United States charges:

GENERAL ALLEGATIONS

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

1. The Foreign Corrupt Practices Act of 1977 (hereinafter the "FCPA"), as amended, Title 15, United States Code, Sections 78dd-1 *et seq.*, prohibited certain classes of persons and entities from corruptly making payments to foreign government officials to assist in obtaining or retaining business. Pertinent to the charges herein, the FCPA prohibited any person other than an issuer or domestic concern, while in the territory of the United States, from making use of the mails or any means or instrumentality of interstate commerce, or doing any other act, corruptly in furtherance of an offer, payment, promise to pay, or authorization of the payment of money or anything of value to 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 a foreign official for the purpose of obtaining or retaining business for, or directing business to, any person. 15 U.S.C. § 78dd-3(a). Furthermore, the FCPA required issuers to make and keep books, records, and accounts that accurately and fairly reflect transactions and disposition of the company's assets and prohibited the knowing falsification of an issuer's books, records, or accounts. 15 U.S.C. §§ 78m(b)(2)(A), 78m(b)(5), and 78ff(a). The FCPA's accounting provisions also required that issuers maintain a system of internal accounting controls sufficient to provide reasonable assurances that: (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to (I) permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (II) maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals, and appropriate action is taken with respect to any differences. 15 U.S.C. § 78m(b)(2)(B).

Relevant Pride Entities

2. Pride International, Inc. ("Pride International") was a Delaware corporation headquartered in Houston, Texas. Pride International was publicly traded on the New York Stock Exchange and issued and maintained a class of

publicly traded securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934 (the “Exchange Act”), Title 15, United States Code, Section 78l, and was required to file periodic reports with the United States Securities and Exchange Commission (“SEC”) under Section 13 of the Exchange Act. Accordingly, Pride International 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, Pride International 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 Pride International and its subsidiaries, including those of defendant PRIDE FORASOL S.A.S.

3. Defendant PRIDE FORASOL S.A.S. (“PRIDE FORASOL”), a wholly-owned subsidiary of Pride International, was organized under the laws of, and had its principal place of business in, France. PRIDE FORASOL operated in numerous countries through a variety of branches, subsidiaries, and affiliates including, but not limited to, Pride Foramer India. Accordingly, PRIDE FORASOL was a “person” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3(f)(1). As more fully described herein, PRIDE FORASOL, by using affiliated United States entities and their personnel, as well as co-conspirators, to perform acts for the benefit of PRIDE FORASOL and its subsidiaries and affiliates, used and caused the use of the mails and means and

instrumentalities of interstate commerce and performed other acts while in the territory of the United States corruptly 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. Pride Foramer S.A.S. (“Pride Foramer”) was a wholly-owned subsidiary of PRIDE FORASOL.

5. Pride Foramer India (“Pride India”) was a branch of PRIDE FORASOL’s wholly-owned subsidiary, Pride Foramer, operating in India.

6. Interdrill Ltd. (“Interdrill”) was a wholly-owned subsidiary of Pride International, organized under the laws of the Bahamas. Interdrill’s books, records, and accounts were included in the consolidated financial statements of Pride International submitted to the SEC.

7. Internationale de Travaux et de Material S.A.S. (“I.T.M.”) was a wholly-owned subsidiary of Pride International, organized under the laws of France.

8. Forinter Limited (“Forinter”) was a wholly-owned subsidiary of Pride International, organized under the laws of Jersey.

Relevant Pride Individuals

9. The Legal Director, a French citizen, was the Director of Legal Affairs for PRIDE FORASOL, based in Velizy, France. The Legal Director had oversight responsibility over Pride India.

10. A Senior Pride Forasol Executive (“Senior Executive B”), a French citizen, was based in Velizy, France. Senior Executive B was also the Director of International Finance for Pride International. Senior Executive B had oversight responsibility over Pride India. Senior Executive B was an agent of an issuer, Pride International, within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1.

11. The India Base Manager, a Canadian citizen, was the Base Manager for Pride India.

12. The Area Manager, a United States citizen, was the Area Manager for the Asia Pacific region, which included Pride India. The Area Manager was a “domestic concern” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2(h)(1).

13. The Finance Manager, a British citizen, was the Eastern Hemisphere Finance Manager for Pride International. The Finance Manager was located in Houston, Texas. The Finance Manager was an agent of an issuer within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1.

14. The Assistant Controller, a United States citizen, was the Assistant Controller for the Eastern Hemisphere for Pride International. The Assistant Controller was located in Houston, Texas. The Assistant Controller was a “domestic concern” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2(h)(1) and an agent of an issuer within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1.

Other Relevant Entities and Individuals

15. The India Customs Consultant was an individual who provided customs consulting services to Pride India.

16. The Customs, Excise, and Gold Appellate Tribunal (“CEGAT”) in India was an administrative judicial tribunal. Judges who were members of the CEGAT were “foreign officials” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3(f)(2)(A).

Scheme to Bribe an Administrative Judge in India

17. From in or around January 2003 to in or around July 2003, the Legal Director, the India Base Manager, the Area Manager, the Indian Customs Consultant, and others known and unknown agreed to pay \$500,000 for the benefit of an Indian CEGAT judge to secure a favorable judicial decision for Pride India relating to a litigation matter pending before the official involving the payment of customs duties and penalties assessed for a rig, the *Pride Pennsylvania*.

18. To pay the bribe, employees of PRIDE FORASOL, including the Senior Executive B and the Legal Director, caused false invoices for agent and consulting services to be created and submitted to Interdrill for payment.

19. Interdrill processed the invoices and then caused Pride International subsidiaries Forinter and I.T.M. to pay the invoices. The \$500,000 from the false invoices was paid into bank accounts in Dubai in the names of third party entities with the intent that the money would be transferred to the Indian CEGAT judge.

20. On or about June 30, 2003, Pride India received a favorable ruling from CEGAT.

21. The estimated gain to PRIDE FORASOL from securing a favorable decision was at least \$10 million.

Falsified Books and Records

22. To conceal the bribe, PRIDE FORASOL and Pride International employees directed that these payments be recorded in Interdrill's books, records, and accounts as costs incurred for legitimate consulting services and characterized the payments as "regular fees." In truth, some or all of these payments were paid to bank accounts in Dubai in the names of third party entities with the intent that the money would be paid to the Indian CEGAT judge.

23. In or around December 2003, at the end of Pride International's 2003 fiscal year, the books and records of Interdrill, including those containing the false

characterizations of the payments to the Indian CEGAT judge, were incorporated into the books, records, and accounts of Pride International for purposes of preparing Pride International's year-end financial statements.

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

24. Paragraphs 1 through 22 of this Information are re-alleged and incorporated by reference as though fully set forth herein.

25. From at least in or around January 2003 through in or around July 2003, in the Southern District of Texas, and elsewhere, the defendant, PRIDE FORASOL S.A.S., did willfully, that is, with the intent to further the objects of the conspiracy, knowingly combine, conspire, confederate and agree with Pride International, the Senior Executive B, the Legal Director, the India Base Manager, the Area Manager, the Finance Manager, the Assistant Controller, the India Customs Consultant, and others known and unknown, to commit offenses against the United States, namely,

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 capacity; (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 Pride International, PRIDE FORASOL, and Pride India in obtaining and retaining business for and with, and directing business to, Pride International, PRIDE FORASOL, and Pride India, 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 required to in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of an issuer, *to wit*, Pride International, in violation of Title 15, United States Code, Sections 78m(b)(2)(A), 78m(b)(5) and 78ff(a).

PURPOSES OF THE CONSPIRACY

26. The primary purposes of the conspiracy were to: (a) secure an improper advantage relating to an administrative proceeding pending in India

through the promise and payment of \$500,000 to an Indian CEGAT judge, and (b) falsify books, records, and accounts of Pride International and Interdrill in connection with the corrupt payments in India, in order to make the payments appear as legitimate business expenses when, in fact, they were bribes intended for the benefit of an Indian CEGAT judge.

MANNER AND MEANS OF THE CONSPIRACY

27. To accomplish the purposes and objects of the conspiracy, PRIDE FORASOL and its co-conspirators used the following manner and means, including:

a. It was part of the conspiracy that senior executives of PRIDE FORASOL, including the Senior Executive B and the Legal Director, and their co-conspirators authorized the payment of a bribe to an Indian CEGAT judge in India in order to secure the judge's favorable ruling in a case pending before the Indian CEGAT court relating to the customs duties and penalties assessed for a rig, the *Pride Pennsylvania*.

b. It was further part of the conspiracy that senior executives and employees of PRIDE FORASOL and their co-conspirators would pay \$500,000 into bank accounts in Dubai in the names of third party entities with the intent that the money would be paid to the Indian CEGAT judge to secure a favorable decision.

c. It was further part of the conspiracy that senior executives and employees of PRIDE FORASOL and their co-conspirators would then conceal this bribe by creating false invoices for agent and consulting services and submit them to Interdrill for payment.

d. It was further part of the conspiracy that Interdrill would then process the invoices and cause Pride International subsidiaries, Forinter and I.T.M., to pay the invoices by wire transferring \$500,000 from Forinter and I.T.M. accounts in Switzerland and France to bank accounts in the names of third party entities in Dubai for the purpose of paying an Indian CEGAT judge.

e. It was further part of the conspiracy that PRIDE FORASOL employees and their co-conspirators would then cause the bribe payments to be recorded in the books, records, and accounts of Interdrill and Pride International as “regular fees.”

OVERT ACTS

28. In furtherance of the conspiracy and to achieve its purposes and objects, at least one of the co-conspirators committed and caused to be committed, in the Southern District of Texas, and elsewhere, the following overt act, among others:

a. In or around January 2003, the Legal Director authorized the payment of the \$500,000 bribe to be paid into bank accounts in Dubai in the names

of third party entities with the intent that the money would be transferred to the Indian CEGAT judge to secure a favorable decision.

b. On or about January 22, 2003, the India Base Manager emailed the Area Manager detailing the plan to bribe the judge, including the plan to pay up to \$500,000, and the intent of the Legal Director to make partial payment of the bribe before a favorable ruling and the remaining bribe amount after the ruling.

c. On or about January 23, 2003, the Area Manager forwarded the email describing the bribery scheme to the Finance Manager, who was located in Houston, Texas.

d. On or about January 27, 2003, at the direction of the Legal Director, defendant PRIDE FORASOL caused a payment of \$150,000, to be wire transferred from an account in Switzerland to a bank account in Dubai in the name of a third-party entity for the purpose of paying an Indian CEGAT judge.

e. On or about May 19, 2003, at the direction of the Legal Director, defendant PRIDE FORASOL caused a payment of \$150,000, to be wire transferred from an account in Switzerland to a bank account in Dubai in the name of a third-party entity for the purpose of paying an Indian CEGAT judge.

f. On or about May 28, 2003, the Finance Manager, who was located in Houston, Texas, with knowledge of the scheme to bribe an Indian CEGAT judge, sent an email to the Assistant Controller, who was located in

Houston, Texas authorizing the booking of the bribe payments by Pride International's subsidiary, Interdrill, as "regular fees" in a newly created "miscellaneous fees" account.

g. On or about July 21, 2003, at the direction of the Legal Director, defendant PRIDE FORASOL caused a payment of \$200,000, to be wire transferred from an account in France to a bank account in Dubai in the name of a third-party entity for the purpose of paying an Indian CEGAT judge.

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

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

29. Paragraphs 1 through 22 and 26 and 27 above are re-alleged and incorporated by reference as though fully set forth herein.

30. Between in or around January 2003, through in or around July 2003, the defendant, PRIDE FORASOL S.A.S., while in the territory of the United States, did willfully make use of and cause to be used the mails and other means and instrumentalities of interstate commerce and did 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 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 or instrumentalities, in order to assist PRIDE FORASOL in obtaining and retaining business for and with, directing business to, and securing an improper advantage for PRIDE FORASOL, *to wit*, in order to secure an improper advantage and secure a favorable decision in an administrative matter in which Pride India was accused of undervaluing a rig, the *Pride Pennsylvania*, the defendant PRIDE FORASOL, made and caused to be made payments totaling approximately \$500,000 with the intent that some or all of the money would be paid to an Indian CEGAT judge to secure a favorable judicial decision.

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

COUNT 3
Aiding and Abetting the Creation of False Books and Records
(15 U.S.C. § 78m and 18 U.S.C. § 2)

31. Paragraphs 1 through 22 and 26, 27 and 28 above are re-alleged and incorporated by reference as though fully set forth herein.

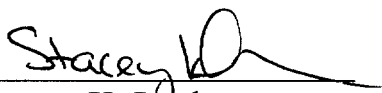
32. From in or around May 2003, through in or around December 2003, in the Southern District of Texas, and elsewhere, the defendant, PRIDE FORASOL S.A.S., knowingly and willfully aided, abetted, assisted, and caused the commission of an offense against the United States, that is, the knowing falsification of books, records, and accounts which, in reasonable detail were required to accurately and fairly reflect the transactions and dispositions of the assets of Pride International, *to wit*: the defendant, PRIDE FORASOL S.A.S., aided, abetted, and assisted Pride International in falsely recording in its books and records payments totaling \$500,000 as, among other things, “regular fees” when, in fact, the defendant PRIDE FORASOL S.A.S. knew that these payments were bribes intended for the benefit of an Indian CEGAT judge.

All in violation of Title 15, United States Code, Sections 78m(b)(2)(A), 78m(b)(5) and 78ff(a), and Title 18, United States Code, Section 2.

DATED: November 4, 2010

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