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RICHARD W. NAGEL  
CLERK OF COURT

IN THE UNITED STATES DISTRICT COURT FOR THE  
SOUTHERN DISTRICT OF OHIO  
EASTERN DIVISION

2016 DEC 20 PM 4:41

U.S. DISTRICT COURT  
SOUTHERN DIST. OHIO  
EAST. DIV. COLUMBUS

UNITED STATES OF AMERICA

v.

KEITH BARNETT,

Defendant.

Case No. \_\_\_\_\_

JUDGE \_\_\_\_\_

UNDER SEAL

2 : 16 cr 248

Judge Sargus

INFORMATION

THE UNITED STATES CHARGES:

COUNT 1

(18 U.S.C. § 371 – Conspiracy to Commit Violations  
of the Foreign Corrupt Practices Act, 15 U.S.C. § 78dd-2)

At all times relevant to this Bill of Information:

1. The Foreign Corrupt Practices Act of 1977 (“FCPA”), as amended, Title 15, United States Code, Section 78dd-1 *et. seq.*, 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 obtaining or retaining business for, or directing business to, any person.

2. The defendant, KEITH BARNETT (“defendant BARNETT”), was an employee of Rolls-Royce Energy Systems, Inc. (“RRESI”), a company headquartered in Mount Vernon, Ohio. At all times, defendant BARNETT was a United States citizen. Thus, defendant BARNETT was a “domestic concern” and an “employee” and “agent” of a “domestic concern,” as those terms are used in the FCPA, 15 U.S.C. § 78dd-2.

3. RRESI was a United States company headquartered in the Southern District of Ohio, and thus was a “domestic concern” as that term is used in the FCPA, 15 U.S.C. § 78dd-2.

RRESI produced and supplied pipeline and barrel centrifugal compressors and power turbines and aftermarket services for oil and gas and power generation projects worldwide, including in Angola, Azerbaijan, Brazil, Indonesia, Iraq, Kazakhstan, Nigeria, Russia, and Thailand.

4. RRESI was an indirect subsidiary of Rolls-Royce plc (“Rolls-Royce”), which was a publicly traded company in the United Kingdom, and a holding company with major business operations in the civil aerospace, defense, marine, and energy sectors worldwide.

5. At various points between approximately 2000 and 2012, defendant **BARNETT** worked in a sales capacity for RRESI, where he communicated frequently with commercial advisors and foreign officials on behalf of RRESI. Defendant **BARNETT** began his career for RRESI as an Oil & Gas Market Manager for the Asia/Pacific region. Defendant **BARNETT** became an Oil & Gas Sales Director for North America, and he later acquired responsibility for Africa and Europe, as well. By the time he left RRESI in 2012, defendant **BARNETT** had been promoted to Regional Director for the Asia/Pacific region. During his time with RRESI, defendant **BARNETT** had, at various points in his career, responsibility in a sales capacity all over the globe, including in Angola, Azerbaijan, Brazil, Indonesia, Kazakhstan, Nigeria, Russia, and Thailand.

6. “Co-Conspirator 1,” an individual whose identity is known to defendant **BARNETT** and the United States, was a U.K. national and senior executive of Rolls-Royce. At various times between approximately 2005 and 2012, defendant **BARNETT** reported directly to Co-Conspirator 1.

7. “Co-Conspirator 2,” an individual whose identity is known to defendant **BARNETT** and the United States, was a Greek national and the head of “Intermediary,” an entity whose identity is known to defendant **BARNETT** and the United States. Intermediary contracted with RRESI to serve as its commercial advisor and help it win a contract to provide gas turbines

to "State-Owned JV."

8. State-Owned JV, an entity whose identity is known to defendant **BARNETT** and the United States, was a state-owned joint venture between Kazakh and Chinese state-owned entities, which was created to build and connect a gas pipeline between Kazakhstan and China. State-Owned JV was controlled by the Kazakh and Chinese governments and performed government functions for Kazakhstan and China, and thus was an "instrumentality," as that term is used in the FCPA, 15 U.S.C. § 78dd-2.

9. "Foreign Official," an individual whose identity is known to defendant **BARNETT** and the United States, was a high-ranking Kazakh official of a Kazakh state-owned entity that had authority over State-Owned JV. Foreign Official had the authority to exert official influence over purchasing decisions at State-Owned JV. Foreign Official was a "foreign official," as that term is used in the FCPA, 15 U.S.C. § 78dd-2.

#### **The Conspiracy**

10. From in or around 2001 through in or around 2012, within the Southern District of Ohio and elsewhere, the defendant,

#### **KEITH BARNETT**

did knowingly and willfully, that is, with the intent to further the objects of the conspiracy, combine, conspire, confederate, and agree with others known and unknown, including, among others, Co-Conspirator 1 and Co-Conspirator 2, to commit offenses against the United States, namely, 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 any person, while knowing that all, or a portion of such money and things

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 any 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 defendant **BARNETT**, **RRESI**, and others known and unknown, in obtaining and retaining business for and with, and directing business to, **Rolls-Royce**, **RRESI**, and others, in violation of Title 15, United States Code, Section 78dd-2.

**Manner and Means of the Conspiracy**

11. The manner and means by which defendant **BARNETT** and his coconspirators sought to accomplish the objects of the conspiracy included, among other things, the following:

12. It was part of the conspiracy that defendant **BARNETT** and others, including Co-Conspirator 1 and Co-Conspirator 2, discussed in person, and through, among other means, electronic mail ("email"), making bribe payments to foreign officials, including Foreign Official, in order to secure an improper advantage and obtain and retain business for **RRESI** and **Rolls-Royce**.

13. It was further part of the conspiracy that defendant **BARNETT** and others, including Co-Conspirator 1, offered to pay, promised to pay, and caused corrupt commission payments to be made by **RRESI** to commercial advisors, including Intermediary, knowing that such commission payments, or portions thereof, would be used to bribe foreign officials, including Foreign Official, to help secure an improper advantage and obtain and retain business for **RRESI** and **Rolls-Royce** with foreign governments and instrumentalities, including State-Owned JV.

14. It was further part of the conspiracy that defendant **BARNETT** and others, including Co-Conspirator 1, attempted to conceal their receipt of confidential competitor information from others at Rolls-Royce and RRESI, by among other things, using personal email accounts to communicate and receive such information.

15. It was further part of the conspiracy that defendant **BARNETT** and others, including Co-Conspirator 1 and Co-Conspirator 2, used codenames and acronyms to conceal the identities of certain foreign officials, including Foreign Official, who were to receive corrupt payments.

16. It was further part of the conspiracy that defendant **BARNETT** and others, including Co-Conspirator 1, caused corrupt commission payments to be made from RRESI's bank account, located in the Southern District of Ohio, to the bank account of Intermediary, knowing that such commission payments, or portions thereof, would be used to bribe foreign officials, including Foreign Official, to help secure an improper advantage and obtain and retain business for RRESI and Rolls-Royce.

#### Overt Acts

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

18. On or about September 25, 2008, Co-Conspirator 2, a representative of Foreign Official, and a co-worker of defendant **BARNETT's** met in Moscow, Russian Federation, to discuss the possibility of RRESI engaging Intermediary as a commercial advisor who could provide RRESI with access to Foreign Official and others.

19. On or about October 17, 2008, defendant **BARNETT** and Co-Conspirator 2 met in



London to discuss the possibility of RRESI engaging Intermediary as a commercial advisor who could provide RRESI with access to Foreign Official and others.

20. On or about October 31, 2008, Co-Conspirator 1 and Co-Conspirator 2 met with Foreign Official in Astana, Kazakhstan to discuss RRESI's desire to win contracts to provide business to State-Owned JV.

21. On or about December 3, 2008, Co-Conspirator 1 met with Foreign Official, Co-Conspirator 2 and others in London. During the meeting, Foreign Official emphasized Foreign Official's role as the primary decision-maker for contract awards by State-Owned JV.

22. On or about December 4, 2008, Co-Conspirator 2 emailed Co-Conspirator 1, describing Foreign Official as a "Master of the Game," and explaining that Foreign Official had authorized others to send confidential information from within State-Owned JV directly to RRESI.

23. On or about December 27, 2008, Co-Conspirator 1 sent an email to Co-Conspirator 2 with an initial engagement letter for Intermediary to be a commercial advisor for RRESI.

24. On or about January 15, 2009, defendant **BARNETT**, Co-Conspirator 2, a representative of Foreign Official, and others met in Zurich, Switzerland. During the meeting, the representative of Foreign Official demanded a high commission payment from RRESI to provide undefined services as a local partner with access to Foreign Official and others and the ability to "fix" problems for RRESI.

25. On or about January 16, 2009, Co-Conspirator 2 emailed defendant **BARNETT**, Co-Conspirator 1, and others, to summarize the Zurich meeting and suggest that it would be "necessary in the very short term" for Co-Conspirator 1 to meet with Foreign Official. Co-Conspirator 2 referred to Foreign Official in the email by a codename that was known to defendant **BARNETT**, Co-Conspirator 1, and others. Co-Conspirator 2 suggested that the meeting was

necessary because of the “inadequacy” of RRESI’s proposed commission payment to Intermediary, and that the “maximum level” of such a commission was “deemed the minimum necessary from [the Kazakh] side.”

26. In or around 2009, defendant **BARNETT** and Co-Conspirator 1 advised Co-Conspirator 2 to send any confidential information from State-Owned JV to each of them at their personal email addresses instead of their work email addresses.

27. In or around 2009, Co-Conspirator 2 sent an email to defendant **BARNETT** and Co-Conspirator 1, in which Co-Conspirator 2 explained details of the corrupt bribery scheme, including how Co-Conspirator 2 had agreed to split portions of RRESI’s commission payments between Intermediary and others in order to make bribery payments to Foreign Official.

28. In or around 2009, and soon after receiving Co-Conspirator 2’s email referenced in Paragraph 28 above, defendant **BARNETT** met with Co-Conspirator 1 to discuss Co-Conspirator 2’s email. They both agreed to delete Co-Conspirator 2’s email from their email accounts.

29. On or about August 13, 2009, defendant **BARNETT**, Co-Conspirator 1, and Co-Conspirator 2 met in Istanbul and agreed to increase RRESI’s commission payment to Intermediary on new equipment sales, with the knowledge that at least a portion of the commission payment would be used to bribe Foreign Official so that RRESI could secure an improper advantage and obtain and retain business with State-Owned JV.

30. In or around November 2009, RRESI won a contract to supply 11 gas turbine units to State-Owned JV for approximately \$145 million.

31. On or about the following dates, defendant **BARNETT** and others caused RRESI to make the following corrupt commission payments from RRESI’s bank accounts in Mount Vernon, Ohio, located in the Southern District of Ohio, to Intermediary’s bank accounts in the

United Kingdom, with the knowledge that Co-Conspirator 2 would use the commission payments, or portions thereof, to make bribery payments to Foreign Official in furtherance of the corrupt bribery scheme:

Overt Act	Date	Amount
32.a.	April 21, 2010	\$732,877.21
32.b.	October 1, 2010	\$177,683.30
32.c.	December 13, 2010	\$355,366.59
32.d.	February 23, 2011	\$133,218.23
32.e.	April 18, 2011	\$177,683.30
32.f.	September 20, 2011	\$133,218.23
32.g.	March 7, 2012	\$236,975.71

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

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