

F. #2017R00353

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA

- against -

KEPPEL OFFSHORE &
MARINE USA, INC.,

Defendant.

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INFORMATION

Cr. No. 17-698 (KAM)
(T. 18, U.S.C., §§ 371 and 3551 et seq.)

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 USA, INC. (“KOM USA”) was a corporation based in Houston, Texas, and incorporated in Delaware, the executives of which supervised operations in, among other locations, Brazil. KOM USA was a wholly owned subsidiary of Keppel Offshore & Marine Ltd. (“KOM”), a Singapore-based corporation that operated shipyards in Asia, the Americas and Europe. KOM USA and KOM’s business

consisted primarily of building mobile offshore drilling rigs and handling repairs, conversions and upgrades of shipping vessels. KOM USA was a “domestic concern,” as that term is defined in the FCPA, Title 15, United States Code, Section 78dd-2(h)(1).

3. KOM JV USA, a joint venture between an engineering company and KOM USA, was incorporated in Delaware. KOM JV 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 USA, 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 USA, 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 USA, 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 USA, 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 USA, 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 USA, 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 USA, 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. Brazilian Official 1, a citizen of Brazil whose identity is known to the United States and KOM USA, 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).

15. Brazilian Official 2, a citizen of Brazil whose identity is known to the United States and KOM USA, 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).

16. Party Official, a citizen of Brazil whose identity is known to the United States and KOM USA, 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. The Bribery Scheme

17. In or about and between 2007 and 2014, KOM USA, together with others, including KOM, knowingly and willfully conspired to pay, and paid, bribes for the benefit of foreign officials, including Brazilian Official 1, Brazilian Official 2 and the Workers’ Party, to secure improper advantages and to influence those foreign officials and the Workers’ Party to assist them in obtaining and retaining business in Brazil (the “Bribery Scheme”).

18. In or about 2008, Petrobras invited KOM JV USA to bid on the P-61 project, a tension leg platform project, along with at least two other companies. After the invitation to bid, Consultant met with Brazilian Official 1, who told him that if KOM wanted to win the contract, it would need to pay a percentage of the contract value in bribes to Brazilian Official 1 and the Workers’ Party.

19. In or about November 2009, to facilitate the payment of bribes and to conceal their purpose, KOM and KOM USA executives created and executed an agreement on behalf of a KOM subsidiary with a consulting company controlled by Consultant. In or about and between July 2010 and September 2014, under the guise of the consulting agreement, a

KOM subsidiary effectuated the payment of bribes in relation to the P-61 project by making payments to a bank account in the United States in the name of a shell company controlled by Consultant. Consultant then transferred money from that bank account 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.

20. In total, KOM USA, together with KOM and others, paid approximately \$8.8 million in bribes to Brazilian Official 1 and the Workers' Party in connection with the P-61 project. KOM and its related entities, including KOM USA, earned profits totaling approximately \$159.9 million from the P-61 project.¹

CONSPIRACY TO BRIBE FOREIGN OFFICIALS

21. The allegations contained in paragraphs one through 20 are realleged and incorporated as if fully set forth in this paragraph.

22. In or about and between 2007 and 2014, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant KEPPEL OFFSHORE & MARINE USA, INC., together with others, did knowingly and willfully conspire to commit offenses against the United States, to wit:

a. being a domestic concern, to 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, to a foreign political party

¹ The profits from the P-61 project directly attributable to KOM USA amount to \$3,231,088.

and official thereof, and to a person while knowing that all or a portion of such money and thing of value would be offered, given, and promised to a foreign official and to a foreign political party and official thereof, for purposes of: (i) influencing acts and decisions of such foreign official, foreign political party and official thereof in his, her or its official capacity; (ii) inducing such foreign official, foreign political party and official thereof to do and omit to do acts in violation of the lawful duty of such official and party; (iii) securing any improper advantage; and (iv) inducing such foreign official, foreign political party and official thereof to use his, her or its 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 in obtaining and retaining business for and with, and directing business to, KOM and others, contrary to Title 15, United States Code, Section 78dd-2; and

b. 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, to a foreign political party and official thereof, and to a person while knowing that all or a portion of such money and thing of value would be offered, given, and promised to a foreign official and to a foreign political party and official thereof, for purposes of: (i) influencing acts and decisions of such foreign official, foreign political party and official thereof in his, her or its official capacity; (ii) inducing such foreign official, foreign political party and official thereof to do and omit to do acts in violation of the lawful duty of such official and party; (iii) securing any improper advantage; and (iv) inducing such foreign official, foreign political party and official thereof to

use his, her or its 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 others 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.

23. In furtherance of the conspiracy and to effect its objects, the defendant KOM USA, 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 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 on 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 in the email was the Workers’ Party, “Group A” referred to Brazilian Official 1 and affiliated persons, and “Group B” referred to Consultant.

b. 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 23(a): “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???”²

c. On or about November 29, 2008, KOM Executive 4 responded to the emails referenced in Paragraphs 23(a) and 23(b), including to KOM Executive 2, KOM Executive 3, KOM Executive 5 and KOM Executive 6, stating:

[I]f the fees are not reasonably close to what is expected by the various interested parties, there is little incentive for anyone to push our offer. So what is ‘expected’?? If we are not willing or able to offer similar to previous projects, we need to make a very unambiguous statement to those parties.

d. On or about November 30, 2008, 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.”

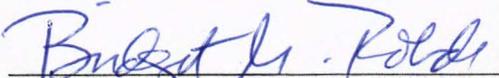
e. On or about November 1, 2009, a KOM subsidiary entered into a Marketing and Sales Representation Agreement with Consultant (the “November 2009 contract”) in connection with the contemplated P-61 project. While knowing that Consultant would pay bribes on behalf of KOM from commissions paid pursuant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

² Unless bracketed, all quotations appear as in the original document, without corrections or indications of misspellings or typographical errors.

f. 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

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


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