

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,	:	CRIMINAL NO. 08-246-ESH
	:	
v.	:	VIOLATIONS:
	:	Count One: 18 U.S.C. § 371 (conspiracy);
OUSAMA M. NAAMAN	:	Count Two: 15 U.S.C. § 78dd-1
	:	and 18 U.S.C. § 2 (Foreign
Defendant	:	Corrupt Practices Act)
	:	
	:	

SUPERSEDING INFORMATION

The United States alleges that:

GENERAL ALLEGATIONS

At all times material to this Superseding Information, unless otherwise alleged:

*The Foreign Corrupt Practices Act*

1. The Foreign Corrupt Practices Act of 1977 (“FCPA”), as amended, Title 15, United States Code, Sections 78dd-1, *et seq.*, was enacted by Congress for the purpose of, among other things, making it unlawful for certain classes of persons and entities to act corruptly in furtherance of an offer, promise, authorization, or payment of money or anything of value to a foreign government official for the purpose of securing any improper advantage, or of obtaining or retaining business for, or directing business to, any person.

*Relevant Entities and Individuals*

2. INNOSPEC INC., previously known as Octel Corporation, (“Innospec”), was a Delaware company with executive offices in the United Kingdom. Innospec was engaged in the manufacture and sale of specialty chemicals and gasoline additives, including tetraethyl lead (“TEL”), which is used in the refining of leaded gasoline and some types of aviation fuel.

Innospec issued and maintained a class of publicly-traded securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934 (15 U.S.C. § 78l), which were traded on the NASDAQ after March 22, 2006. Prior to March 22, 2006, Innospec's securities were traded on the New York Stock Exchange. As such, Innospec was required to file periodic reports in Washington, D.C. with the United States Securities and Exchange Commission under Section 13 of the Securities Exchange Act (15 U.S.C. § 78m). Accordingly, Innospec was an issuer organized under the laws of the United States, within the meaning of the FCPA, 15 U.S.C. § 78dd-1(a) and (g).

3. Innospec Ltd. ("Limited"), previously known as Associated Octel Company, Ltd., a wholly-owned subsidiary of Innospec, also manufactured and sold fuel and specialty chemicals, including TEL. Limited was headquartered in the United Kingdom.

4. Alcor Chemie Vertriebes GmbH ("Alcor"), a wholly-owned subsidiary of Innospec incorporated in Switzerland, also manufactured and sold TEL. Alcor was headquartered in Zug, Switzerland, and maintained a manufacturing plant in the Federal Republic of Germany until in or around March 2002.

5. The Iraqi Ministry of Oil ("MoO") and its component refineries and directorates were customers of Innospec and Alcor. MoO, including all its refineries, was a department, agency, and instrumentality of the Government of the Republic of Iraq within the meaning of the FCPA, 15 U.S.C. § 78dd-1(f)(1)(A).

6. The Trade Bank of Iraq, wholly-owned and controlled by the Iraqi Ministry of Finance, was a department, agency, or instrumentality of the Government of the Republic of Iraq within the meaning of the FCPA, 15 U.S.C. § 78dd-1(f)(1)(A).

7. Defendant OUSAMA M. NAAMAN, a Lebanese/Canadian dual national, acted as the agent for Innospec and Alcor in Iraq and elsewhere beginning in at least 1995 and maintained his principal offices in Abu Dhabi, United Arab Emirates. On behalf of Innospec and Alcor, NAAMAN negotiated contracts with the MoO to provide TEL to the oil refineries operating in Iraq. Interact S.A.R.L. and Tawam Commercial Est. (“NAAMAN’s companies”) were companies controlled by NAAMAN, which were used to facilitate the payment of bribes to and for the benefit of officials of the MoO.

8. “Executive 1,” a British citizen, was a senior executive of Innospec and Limited until in or around April 2005.

9. “Executive 2,” a United States citizen, was a senior executive of Innospec and Limited from in or around December 2002 until in or around mid-2008.

10. “General Manager,” a German citizen, was the General Manager of Alcor.

11. “Director,” a British citizen, was a division managing director for Innospec.

12. “Iraqi Official A,” an Iraqi citizen, was a senior official in the MoO.

13. “Iraqi Official B,” an Iraqi citizen, was a senior official in the MoO.

14. “Iraqi Official C,” an Iraqi citizen, was a senior official in the MoO.

*The United Nations Oil-for-Food Program*

15. On or around August 6, 1990, days after Iraq’s invasion of Kuwait, the U.N. adopted Security Council Resolution 661, which prohibited U.N. member states from transacting business with Iraq, except for the purchase and sale of humanitarian supplies. Resolution 661 prohibited virtually all direct financial transactions with the government of Iraq.

16. On or around April 15, 1995, the U.N. adopted Security Council Resolution 986, which provided a limited exception to the Iraq sanctions regime in that it allowed Iraq to sell its oil. However, Resolution 986 required that the proceeds of oil sales be used by the Iraqi government to purchase humanitarian supplies for the Iraqi people, including food and equipment to maintain and service Iraq's oil sector. Hence, this program became known as the Oil for Food Program. Payments made to the Iraqi government which were not approved by the U.N. and which were outside the strict contours of the OFFP were prohibited.

17. The rules of the OFFP required that the proceeds from all sales of Iraqi oil be deposited into a U.N.-controlled escrow account at the New York branch of Banque Nationale de Paris ("BNP-Paribas"). That escrow account funded the purchase of humanitarian goods by the Iraqi government.

18. Under the provisions of the OFFP, a supplier of humanitarian goods contracted with a ministry or other department of the Iraqi government to sell goods to the Iraqi government. Once that contract was finalized, the contract was submitted to a U.N. Committee ("the 661 Committee") which reviewed the contracts to ensure that their terms complied with all OFFP and Iraqi sanction regulations. The 661 Committee accepted the contracts, rejected them, or asked the supplier to provide additional information upon which the committee could make a decision.

19. If a contract was approved by the 661 Committee, a letter of credit was issued by the New York branch of BNP-Paribas to the supplier's bank stating that the supplier would be paid by the OFFP for the relevant goods once certain conditions were met, including delivery of the goods to Iraq and inspection of the goods by a U.N. contractor. Once those conditions were

deemed by the U.N. to have been met, the U.N. would direct BNP-Paribas to release payment to the supplier.

20. On or around December 10, 1996, the first Iraqi oil exports under the OFFP began. The OFFP continued from in or around December 1996 until the United States invasion of Iraq on or around March 19, 2003. From in or around December 1996 through March 2003, the United States government prohibited United States companies and individuals from engaging in transactions with the government of Iraq, unless such transactions were authorized by the U.N. pursuant to the OFFP. 31 C.F.R. § 575.201, *et seq.*

21. Beginning in approximately August 2000, the Iraqi government demanded that suppliers of humanitarian goods pay a kickback, usually valued at 10% of the contract price, to the Iraqi government in order to be awarded a contract by the government. These kickbacks violated U.N. OFFP regulations and U.N. sanctions which prohibited payments to the Iraqi government which were not expressly approved by the U.N. and which were not contemplated by OFFP guidelines.

22. Often, these kickbacks were termed “after sales service fees” (“ASSFs”). They did not, however, involve the performance of any actual service by the supplier. Typically, these ASSFs were included in the contract price submitted by the supplier to the U.N. without disclosing to the U.N. the fact that the contract contained an extra 10% which would be kicked back to the Iraqi government. Including the 10% in the submitted contract price allowed the supplier to avoid paying the 10% out of its profits; instead, the suppliers caused the U.N., unknowingly, to fund the kickbacks to the Iraqi government.

23. In many cases, during or after contract negotiations, the Iraqi government asked the supplier to sign an auxiliary contract, usually called a "side letter," memorializing the supplier's commitment to pay the ASSFs. These side letters usually stated explicitly that the supplier agreed to pay a set amount, approximately 10% of the contract price, to the Iraqi government in advance of the arrival of the goods in Iraq.

24. Some suppliers described the ASSFs as such in the contracts submitted to the U.N. for approval, thereby leading the U.N. to believe that actual after-sales services were being provided by the supplier. Other suppliers disguised the ASSFs by inserting fictitious line items into the contracts for goods or services that were not being provided. Still other suppliers simply inflated their contract prices by 10% to account for the payments they would make, or cause to be made, to the Iraqi government.

**COUNT ONE**  
**(Conspiracy, 18 U.S.C. § 371)**

THE CONSPIRACY AND ITS OBJECTS

25. Paragraphs 1 through 23 of this Superseding Information are realleged and incorporated by reference as if set out in full.

26. From in or around March 2001, through in or around June 2008, in the District of Columbia and outside the jurisdiction of any particular state or district, NAAMAN and others, known and unknown to the Grand Jury, did unlawfully and knowingly combine, conspire, confederate, and agree to commit the following offenses against the United States:

a. to knowingly devise, and intend to devise a scheme and artifice to defraud the United Nations and the Oil-for-Food Program, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, through the use of interstate and foreign wire communications, in violation of Title 18, United States Code, Section 1343;

b. to offer, pay, promise to pay, and authorize the payment of money and other things of value to Iraqi officials, directly and indirectly, for purposes of: (i) influencing acts and decisions of such Iraqi officials in their official capacities; (ii) inducing such Iraqi 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 Iraqi officials to use their influence with the Iraqi government and instrumentalities thereof to affect and influence acts and decisions of such government and instrumentalities, in order to assist NAAMAN, Executive 1, Executive 2, Director, Innospec, Alcor, and others, in obtaining and retaining business for and with, and directing business to, Innospec and its subsidiaries, in violation of Title 15, United States Code, Section 78dd-1; and

c. 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 Innospec, an issuer within the meaning of the FCPA, in violation of Title 15, United States Code, Sections 78m and 78ff.

PURPOSE OF THE CONSPIRACY

27. The primary purpose of the conspiracy was to obtain and retain lucrative business with the government of Iraq through the payment and promise of payment of kickbacks to the Iraqi government and bribes to officials of the Iraqi government.

MANNER AND MEANS OF THE CONSPIRACY

28. To achieve the goal of the conspiracy, NAAMAN, Executive 1, Executive 2, Director, Innospec, Alcor, and others used the following manner and means, among others:

a. It was part of the conspiracy that NAAMAN agreed to pay kickbacks and caused kickbacks to be paid to the Government of Iraq in exchange for contracts awarded to Alcor by the Government of Iraq pursuant to the OFFP.

b. It was a further part of the conspiracy that Innospec, through Alcor, submitted contracts to the U.N. which failed to disclose and concealed the fact that the prices of the contracts had been inflated by 10% in order to generate the money that was used to pay kickbacks to the government of Iraq.

c. It was a further part of the conspiracy that NAAMAN and Innospec caused the transmission of international wire communications to and from the United States to give notice to the U.N. that goods had been shipped to, and inspected in, Iraq and to give notice to Alcor's bank in Switzerland that the U.N. was authorizing payments pursuant to the contracts.

d. It was a further part of the conspiracy that NAAMAN falsified invoices for reimbursement of the kickbacks, thereby causing Alcor to falsify its corporate books and records, in order to conceal the true nature of the payments in the consolidated books and records of Innospec.



e. It was a further part of the conspiracy that NAAMAN, on behalf of Innospec and with the authorization of Director and Executive 2, would pay \$150,000 in bribes to officials of the MoO to ensure that methylcyclopentadienyl manganese tricarbonyl (“MMT”), a chemical which could be used as an alternative to TEL that is not manufactured by Innospec, Limited, or Alcor, but is manufactured by a competitor, failed a field trial test and therefore would not be used by the MoO as a replacement for TEL.

f. It was a further part of the conspiracy that NAAMAN, on behalf of Innospec and with the authorization of Director and Executive 2, offered, paid, promised to pay, and authorized the payment of money and other things of value to Iraqi officials to secure sales of TEL by Innospec and Alcor, thus assisting in obtaining and retaining business for and with, and directing business to, Innospec.

g. It was a further part of the conspiracy that NAAMAN, Executive 2, and others knowingly falsified and caused to be falsified books, records, and accounts required to, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Innospec.

#### OVERT ACTS

29. In furtherance of the conspiracy and to accomplish its unlawful objects, the following overt acts, among others, were committed by the defendant and his co-conspirators within the territory of the United States and elsewhere:

### **PAYMENTS TO THE GOVERNMENT OF IRAQ**

30. On or around November 23, 2000, General Manager signed a contract on behalf of Alcor with NAAMAN, which provided that NAAMAN would be Alcor's sole agent under the OFFP, and would receive a 2% commission on sales above \$7,000 per metric ton.

31. On December 14, 2001, General Manager sent a letter to NAAMAN increasing his "commission" by 12%. This increase was comprised of the 10% kickback to the Iraqi government and an additional 2% commission for NAAMAN for delivering the kickback, all above and beyond NAAMAN's usual 2% commission.

#### *Contract 830584*

32. On or around March 19, 2001, NAAMAN submitted a bid in response to a tender issued by the MoO for the purchase of TEL for use at Basrah Refinery. The bid was in the name of General Manager on behalf of Alcor. The bid listed a price of €7,800 per metric ton.

33. In or around early April 2001, NAAMAN submitted another bid for the sale of TEL on the same tender, dated March 19, 2001. The bid was in the name of General Manager on behalf of Alcor. The bid listed a price of €8,580 per metric ton, a 10% increase over the original bid.

34. On or around April 16, 2001, NAAMAN signed a side letter on behalf of Alcor promising to pay a kickback of €381,888 to the Iraqi government in exchange for being awarded Contract 830584.

35. On or around April 25, 2001, NAAMAN, acting on behalf of Alcor, signed a contract with the MoO for the provision of TEL to Basrah Refinery, subsequently referenced by the U.N. as Contract 830584, with a total contract price of €4,200,768. This total included the

extra 10% fee promised in the side letter. This fee was concealed in contracts and correspondence with the U.N. and was intended to be used to pay a kickback to the Iraqi government through NAAMAN and his companies.

36. On or around August 30, 2001, Alcor's actions caused the New York branch of BNP-Paribas to send, via an international electronic wire communication, a notice to the Union Bank of Switzerland in Zurich, Switzerland, notifying it of the issuance of a letter of credit in favor of Alcor, authorizing the eventual payment of €4,200,768 from the OFFP escrow fund maintained at BNP-Paribas to Alcor, which represented payment for Contract 830584.

37. On or around March 4, 2002 and April 2, 2002, the arrival of a shipment TEL in Iraq caused a company based in Geneva, Switzerland, that provided commercial inspection services on behalf of the U.N. in Iraq ("the inspection company"), to send from Iraq to the U.N. in New York, via international wire communication, notification that the TEL purchased pursuant to Contract 830584 had been received and inspected by the inspection company in Iraq, thereby triggering payment by the U.N. to Alcor for Contract 830584.

38. On or around December 20, 2001, Alcor paid NAAMAN approximately €39,312 in agent's fees and €196,560 to reimburse him for kickbacks paid on Contract 830584.

39. On or around January 17, 2002, Alcor paid NAAMAN approximately €37,065.60 in agent's fees and €185,328.00 to reimburse him for kickbacks paid on Contract 830584.

40. On or around April 8, 2002 and April 30, 2002, by international wire communication, BNP-Paribas transferred a total of approximately €4,186,195.99 to Alcor's account in the Union Bank of Switzerland in Zurich, Switzerland, in payment for Contract 830584.

41. On or around May 7, 2002, Alcor paid NAAMAN approximately €76,377.60 in agent's fees on Contract 830584.

*Contract 930208*

42. On or around March 29, 2001, NAAMAN submitted a bid in response to a tender issued by the MoO for the purchase of TEL for use at Daura Refinery. The bid was in the name of General Manager on behalf of Alcor. The bid listed a price of €7,850 per metric ton.

43. In or around April 2001, NAAMAN submitted another bid for the sale of TEL on the same tender, date March 29, 2001. The bid was in the name of General Manager on behalf of Alcor. The bid listed a price of €8,700 per metric ton, an 11% increase over the original bid.

44. On or around May 31, 2001, NAAMAN sent a fax to General Manager, requesting that he sign the contract for the Daura Refinery tender. NAAMAN stated in the letter that the contract price includes a "2% + 2%" commission for his company and an additional 10% described as "Additional Money for Third Party Reimbursement."

45. On or around June 2, 2001, General Manager signed a side letter on behalf of Alcor promising to pay a kickback of €255,000 to the Iraqi government in exchange for being awarded Contract 930208.

46. On or around June 3, 2001, General Manager signed a contract with the MoO for the provision of TEL to Daura Refinery, subsequently referenced by the U.N. as Contract 930208, with a total contract price of €2,610,000, which included the extra 10% fee promised in the side letter. This fee was concealed in contracts and correspondence with the U.N. and was intended to be used to pay a kickback to the Iraqi government through NAAMAN and his companies.

47. At a meeting in France on or around August 31, 2001, NAAMAN advised Executive 1 and General Manager that each contract would have an additional 10% added on to the sale price, which would be "reimbursed to the client" via a bank guarantee established at the Bank of Beirut in Lebanon.

48. On or around September 7, 2001, Alcor's actions caused the New York branch of BNP-Paribas to send, via an international electronic wire communication, a notice to the Union Bank of Switzerland in Zurich, Switzerland, notifying it of the issuance of a letter of credit in favor of Alcor, authorizing the eventual payment of €2,610,000 from the OFFP escrow fund maintained at BNP-Paribas to Alcor, which represented payment for Contract 930208.

49. On or around February 19, 2002, Alcor paid NAAMAN approximately €47,100 in agent's fees and €255,000 to reimburse him for kickbacks paid on Contract 930208.

50. On or around March 19, 2002, Rafidahn Bank in Beirut requested that Rafidahn Bank in Bagdad credit €255,000 to "Al Daura Refinery/Baghdad" from "Bank of Beirut-Beirut."

51. On or around May 31, 2002, the arrival of a shipment of TEL in Iraq caused the inspection company to send from Iraq to the U.N. in New York, via international wire communication, notification that the Alcor products purchased pursuant to Contract 930208 had been received and inspected by the inspection company in Iraq, thereby triggering payment by the U.N. to Alcor for Contract 930208.

52. On or around June 25, 2002, by international wire communication, BNP-Paribas transferred a total of approximately €2,600,740.77 to Alcor's account in the Union Bank of Switzerland in Zurich, Switzerland, in payment for Contract 930208.

*Contract 930299*

53. On or around May 11, 2001, NAAMAN submitted a bid in response to a tender issued by the MoO for the purchase of TEL for use at Baiji Refinery. The bid was in the name of General Manager on behalf of Alcor. The bid listed a price of €8,330 per metric ton.

54. In or around June 2001, NAAMAN submitted another bid for the sale of TEL on the same tender, dated May 11, 2001. The bid was in the name of General Manager on behalf of Alcor. The bid listed a price of €9,164 per metric ton, a 10% increase over the original bid.

55. In or around mid-2001, NAAMAN signed a side letter on behalf of Alcor promising to pay a kickback of €663,652 to the Iraqi government in exchange for being awarded Contract 930299.

56. On or around July 8, 2001, General Manager signed a contract with the MoO for the provision of TEL to Baiji Refinery, subsequently referenced by the U.N. as Contract 930299, with a total contract price of €7,291,000, which included the extra 10% fee promised in the side letter. This fee was concealed in contracts and correspondence with the U.N. and was intended to be used to pay a kickback to the Iraqi government through NAAMAN and his company.

57. On or around October 17, 2001, Alcor sent a fax, via an international electronic wire communication, from its offices in Switzerland to the Office of the Iraq Program of the United Nations in New York, amending the contract to increase its total value to €16,495,200.

58. On or around December 5, 2001, Alcor's actions caused the New York branch of BNP-Paribas to send, via an international electronic wire communication, a notice to the Central Bank of Iraq in Baghdad, Iraq, notifying it of the issuance of a letter of credit in favor of Alcor,

authorizing the eventual payment of €16,495,200 from the OFFP escrow fund maintained at BNP-Paribas to Alcor, which represented payment for Contract 930299.

59. On or around April 13, 2002, Rafidahn Bank in Beirut requested that Rafidahn Bank in Bagdad credit €280,724 to “Ministry of Oil / North Refineries – Baiji” from “Bank of Beirut-Beirut.”

60. On or around April 22, 2002, Rafidahn Bank in Beirut requested that Rafidahn Bank in Bagdad credit €138,450 to “North Refineries” from “Bank of Beirut-Beirut.”

61. On or around April 9, 2002, April 14, 2002, April 22, 2002, May 8, 2002, May 24, 2002, and June 18, 2002, the arrival of a shipment of TEL in Iraq caused the inspection company to send from Iraq to the U.N. in New York, via international wire communication, notification that the Alcor products purchased pursuant to Contract 930299 had been received and inspected by the inspection company in Iraq, thereby triggering payment by the U.N. to Alcor for Contract 930299.

62. On or around May 7, 2002, May 13, 2002, May 31, 2002, June 19, 2002, and July 11, 2002, by international wire communication, BNP-Paribas transferred a total of approximately €16,415,325.32 to Alcor’s account in the Union Bank of Switzerland in Zurich, Switzerland, in payment for Contract 930299.

63. In or around 2002, Innospec, through Alcor, paid NAAMAN a total of approximately €1,501,200 to reimburse him for kickbacks paid under Contract 930299.

*Contract 1230520*

64. On or around July 31, 2002, NAAMAN submitted a bid in response to a tender issued by the MoO for the purchase of TEL for use at Daura Refinery. The bid was in the name

of General Manager on behalf of Alcor. The bid listed a price of €10,437 per metric ton, which included the extra 10% kickback to the Iraqi government. This fee was concealed in contracts and correspondence with the U.N. and was intended to be used to pay a kickback to the Iraqi government through NAAMAN and his company.

65. On or around November 3, 2002, NAAMAN signed a side letter on behalf of Alcor promising to pay a kickback of €284,652 to the Iraqi government in exchange for being awarded Contract 1230520.

66. On or around December 4, 2002, General Manager signed a contract with the MoO for the provision of TEL to Daura Refinery, subsequently referenced by the U.N. as Contract 1230520, with a total contract price of €3,131,100, which included the extra 10% fee.

67. On or around February 5, 2003, Alcor's actions caused the New York branch of BNP-Paribas to send, via an international electronic wire communication, a notice to the Central Bank of Iraq in Baghdad, Iraq, notifying it of the issuance of a letter of credit in favor of Alcor, authorizing the eventual payment of €3,131,000 from the OFFP escrow fund maintained at BNP-Paribas to Alcor, which represented payment for Contract 1230520.

68. On or around July 11, 2003, the arrival of a shipment of TEL in Iraq caused the inspection company to send from Iraq to the U.N. in New York, via international wire communication, notification that the Alcor products purchased pursuant to Contract 1230520 had been received and inspected by the inspection company in Iraq, thereby triggering payment by the U.N. to Alcor for Contract 1230520.

69. On or around July 22, 2003, by international wire communication, BNP-Paribas transferred a total of approximately €3,123,342.43 to Alcor's account in the Union Bank of



Switzerland in Zurich, Switzerland, in payment for Contract 1230520. INNOSPEC did not pay the promised kickbacks, but instead kept the additional 10% and incorporated it into its books as profit.

70. In or around mid-2003, Innospec, through Alcor, paid NAAMAN approximately €100,199.77 in commissions on Contract 1230520.

*Contract 1230533*

71. On or around September 1, 2002, NAAMAN submitted a bid in response to a tender issued by the MoO for the purchase of TEL for use at Baiji Refinery at a price of €10,437 per metric ton, which included the extra 10% kickback to the Iraqi government. This fee was concealed in contracts and correspondence with the U.N. and was intended to be used to pay a kickback to the Iraqi government through NAAMAN and his company.

72. On or around November 3, 2002, NAAMAN signed a side letter on behalf of Alcor promising to pay a kickback of €1,708,020 to the Iraqi government in exchange for being awarded Contract 1230533.

73. On or around November 25, 2002, General Manager signed a contract with the MoO for the provision of TEL to Baiji Refinery, subsequently referenced by the U.N. as Contract 1230533, with a total contract price of €18,788,220, which included the extra 10% fee.

74. On or around February 11, 2003, Alcor's actions caused the New York branch of BNP-Paribas to send, via an international electronic wire communication, a notice to the Central Bank of Iraq in Baghdad, Iraq, notifying it of the issuance of a letter of credit in favor of Alcor, authorizing the eventual payment of €18,788,220 from the OFFP escrow fund maintained at BNP-Paribas to Alcor, which represented payment for Contract 1230533.

75. On or around July 15, 2003, August 19, 2003, August 22, 2003, October 10, 2003, and November 7, 2003, the arrival of a shipment of TEL in Iraq caused the inspection company to send from Iraq to the U.N. in New York, via international wire communication, notification that the Alcor products purchased pursuant to Contract 1230533 had been received and inspected by the inspection company in Iraq, thereby triggering payment by the U.N. to Alcor for Contract 1230533.

76. On or around August 4, 2003, September 4, 2003, October 21, 2003, and November 20, 2004, by international wire communication, BNP-Paribas transferred a total of approximately €18,734,849.00 to Alcor's account in the Union Bank of Switzerland in Zurich, Switzerland, in payment for Contract 1230533. INNOSPEC did not pay the promised kickbacks, but instead kept the additional 10% and incorporated it into its books as profit.

77. On or around late 2003 through early 2004, INNOSPEC, through Alcor, paid NAAMAN approximately €601,218.13 in commissions on Contract 1230533.

## **PAYMENTS TO OFFICIALS OF THE GOVERNMENT OF IRAQ**

### *2004 Long Term Purchase Agreement*

78. On or around October 15, 2004, General Manager and Officials A and B executed a contract for the provision of TEL to Iraq, referred to as a "Long Term Purchase Agreement."

79. On or around October 10, 2005, an employee of NAAMAN emailed Director, Executive 2, and others, referencing an order for 740 metric tons of TEL from the MoO pursuant to the Long Term Purchase Agreement, and stating that the letter of credit for payment on the order would be opened immediately, "provided we share [with Iraqi officials] half the currency

fluctuation rate (4.5%) which makes it a minimum of 2% to their favor...” He went on to state, “We are sharing most of our profits with Iraqi officials.”

80. On or around October 12, 2005, NAAMAN emailed Director, Executive 2, and others, stating “With [Director’s] instructions, we proceeded, as we don’t want to discuss this issue in writing any further because it is so delicate, and as per [Director’s] instructions that we don’t elaborate in writing, for which I agree. [Director] is going to agree with you on a text that you will sign and send back to us (3 + 2).”

81. On or around October 15, 2005, Director, after securing authorization from Executive 2, emailed NAAMAN confirming that the “3 + 2” commission would be paid, indicating that NAAMAN’s commission would include 3% of the contract price and 2% of the contract price would be paid to Iraqi officials.

82. On or around October 15, 2005, NAAMAN emailed Director, copying Executive 2, thanking them for approving the payments to him and the Iraqi officials.

83. On or around October 20, 2005, Director emailed NAAMAN language to use in a falsified invoice for reimbursement of the 2% payment for the Iraqi officials, which totaled approximately \$195,912.78.

84. In or around December 2005 and January 2006, Innospec paid NAAMAN a total of approximately \$195,912.78 to reimburse him for purported payments to Iraqi officials.

85. On or around February 5, 2006, NAAMAN emailed Director regarding an order for 2000 metric tons of TEL from the MoO pursuant to the Long Term Purchase Agreement, stating that the letter of credit would be opened “provided we add up the 2% like last time.”

NAAMAN noted that the Iraqi officials wanted their share paid in advance and stated, "Once, I received [sic] your go signal in writing, even in email, I will proceed with my payment."

86. On or around February 6, 2006, Director emailed Executive 2 requesting approval to pay an additional 2%, "as for the last order."

87. On or around February 7, 2006, Executive 2 emailed Director authorizing the payment of the additional 2% to Iraqi officials.

88. On or around February 10, 2006, Director authorized NAAMAN to make the payment of the additional 2% to Iraqi officials.

89. From in or around August through September 2006, Innospec paid NAAMAN approximately €210,000 to reimburse him for purported payments to Iraqi officials.

90. In or around January 2007, Innospec paid NAAMAN approximately \$139,650 to reimburse him for purported payments to Iraqi officials.

91. From in or around October 2005 to in or around mid-2007, NAAMAN paid approximately \$167,000 to a senior Iraqi MoO official to secure purchases of TEL under the 2004 LTPA.

92. From in or around October 2005 to in or around mid-2007, NAAMAN paid officials in the Trade Bank of Iraq to secure favorable exchange rates on letters of credit issued pursuant to purchases under the 2004 LTPA.

*MMT Test*

93. On or around September 13, 2006, NAAMAN emailed Director, advising him that the MoO was testing MMT advised that if MMT passed the test, the MoO would purchase 350 metric tons of MMT, reducing the amount of TEL the MoO would purchase from Innospec,

stating, "My advise [sic] is to follow my plan on the testing of the MMT... and to move forward immediately on the implementation to make the test fail, so there will be no more MMT order."

94. On or around September 16, 2006, NAAMAN faxed Director a letter, attaching a falsified invoice for \$105,000, purportedly to cover "payment for additional technical support and security operations required to nurture and protect the ongoing TEL business in Iraq."

95. On or around September 18, 2006, with the authorization of Executive 2, Director approved NAAMAN's falsified invoice for payment through Alcor, with the note, "Best to allocate to agents [sic] commissions."

96. On or around February 28, 2007, NAAMAN sent a letter to Director enclosing an English translation of the MoO field trial test for MMT, stating that MMT had failed the field test. NAAMAN wrote that in order to ensure that MMT failed the field test, he "had to pay an additional fee to make sure that the report will come to our advantage." NAAMAN requested an "additional \$50,000/- cost incurred.... Accordingly, enclosed is Interact's invoice for the additional amount...." and attached a falsified invoice from NAAMAN's company, Interact S.A.R.L., requesting payment of \$50,000 purportedly for "training of Daura Refinery blending unit team in Jordan..."

97. On or around March 21, 2007, NAAMAN sent an email to Director noting that the payment of the additional \$50,000 was still outstanding.

98. From in or around late September 2006 to in or around April 3, 2007, Innospec, with the authorization of Executive 2, paid NAAMAN a total of approximately \$155,000 to reimburse him for payments to Iraqi officials.

*2008 Long Term Purchase Agreement*

99. In or around 2007, Innospec, through NAAMAN, began negotiations for a new Long Term Purchase Agreement (the "2008 LTPA") with the MoO.

100. On March 21, 2007, NAAMAN emailed Director, noting that the payments to Iraqi officials to secure the failure of the MMT test "was not the real cost of rejecting MMT...", but that the costs would continue because NAAMAN had promised Iraqi officials additional bribes on all purchases under the 2008 LTPA. NAAMAN stated, "The real cost should be the increase of our remuneration on TEL for future business, i.e. the remaining 2000 tons of fiscal year 2007 and the new LTPA will be 5%. This additional money will cover my promise to these people for the loss of their remuneration from MMT, which is a very small price we are paying versus the loss of my money and your money if MMT were admitted in. I trust that you will approve this, as I have already promised them..."

101. On or around November 20, 2007, NAAMAN emailed Director suggesting that the 2008 LTPA-related payments to Iraqi officials needed to be increased, stating "Remuneration - have to be raised up to keep everybody on board, happy and satisfied. I suggest that if you want to raise the price to the \$18,000 level, then to give us a higher remuneration percentage to read seven pct (7%) for a target price of \$18,000 plus. This will leave me a way to negotiate in my next meeting with them, based on your directions set up last July in Nice meeting [sic], i.e. remuneration vs. volume and price."

102. In or around late 2007 through early 2008, NAAMAN negotiated with a senior Iraqi MoO official, agreeing to pay the official 2.5% of all sales under the 2008 LTPA, which would have totaled approximately \$2,679,600, in exchange for the contract.

103. In or around January 2008, NAAMAN and Director traveled to Lebanon to finalize negotiation of the 2008 LTPA and on or around January 24, 2008, NAAMAN, Director, and Iraqi Official A executed the agreement pending approval of the Minister of Oil.

104. On or around February 24, 2009, the MoO opened a letter of credit in favor of Alcor for a total of approximately \$17,000,000.

*Travel*

105. In or around early 2005, NAAMAN emailed General Manager, Director, and others regarding the travel of Iraqi officials to the United Kingdom, including Iraqi Official B. In arranging the trip with Innospec's supply chain director, an employee of NAAMAN stated, "Kindly arrange for 8 envelopes with the name of each delegate. In each envelope, put GBP 1,000/- except for the envelope for [Iraqi Official B], put GBP 2,000/- since he is the delegation head. [Innospec's supply chain director] can personally give this to each delegate upon arrival in UK. Please arrange to give the tour guide...enough petty cash to spend with the Iraqi delegates..."

106. In or around June 2005, in connection with the trip to the United Kingdom, Innospec spent approximately \$11,050 on transportation; \$8,705 on accommodations for ten nights; and \$10,000 in "pocket money," cash given directly to the officials, for a total of approximately \$29,755.

107. On or around March 15, 2006, an employee of NAAMAN emailed Director regarding reimbursement for a three-day trip of Officials B and C to Dubai. The employee stated, "[T]he pocket money of the delegates has been paid by Mr. NAAMAN through myself, but what we invoiced you is only the official pocket money... I can confirm to you that what Mr.

NAAMAN has paid to each delegates [sic] pocket money and shopping expenses which is more than the total amount in the invoice we sent.”

108. On or around March 31, 2006, Innospec paid NAAMAN approximately \$13,750 to reimburse him for the costs of the travel of Officials B and C to Dubai, including \$3,000 in “per diem” payments.

109. On or around August 2, 2006, NAAMAN emailed Director regarding the travel of Iraqi Official C to Amman. NAAMAN stated, “...you know this man is high official [sic] employee; he is the deputy Minister of Oil responsible for all refineries business. We should accommodate him to his program as he is doing us a favour by coming... and risking his career. After you finish the meeting with him by the 13<sup>th</sup>, he will be travelling [sic] on your account to Thailand for one week with his wife...”

110. On or around August 2, 2006, Director emailed NAAMAN, confirming that Innospec would pay for Iraqi Official C’s vacation with his wife in Thailand.

111. On or around August 7, 2006, Director emailed an employee of NAAMAN, stating, “As regards payment, please send the invoice to me and I will arrange this... however, I do not want to see an invoice for the tickets for his holiday and spending money, rather, I would be grateful if you could send me an invoice for the \$13,076 along the lines of “payment for airfares for trip to Amman for [Iraqi Official C and his wife] for business discussions...”

112. On or around August 11, 2006, Innospec paid NAAMAN approximately \$13,076 to reimburse him for the costs of the travel of Iraqi Official C and his wife to Thailand, including \$5,000 in “pocket money.”



113. On or around January 30, 2008, NAAMAN invoiced Alcor for reimbursement of \$34,480 to cover the cost of the travel of the three Iraqi MoO officials to Lebanon for the half-day meeting to finalize the 2008 LTPA, including hotel accommodations for six days, \$1,800 for “entertainment, lunches, & dinners in Lebanon,” \$1,650 for “mobile phone cards for international calling + 3 cameras,” and \$15,000 in “pocket money.”

### **BOOKS AND RECORDS**

114. In order to conceal the kickback payments to the Iraqi government for contracts under the OFFP on the books and records of Alcor, on or around December 19, 2001, January 19, 2002, and February 11, 2002; NAAMAN sent Alcor invoices misrepresenting the kickbacks on Contracts 803584, 930208, and 930299 as “remuneration for after sales services.”

115. In order to conceal the payments to the Iraqi officials on orders under the 2004 Long Term Purchase Agreement on the books and records of Alcor, Alcor recorded the payments to reimburse NAAMAN for the bribes as “commissions.”

116. Based on NAAMAN’s false invoices, from in or around 2004 to in or around 2008, Alcor improperly characterized the bribe reimbursement payments to NAAMAN as “commissions” in its books and records.

117. At the end of each of Innospec’s fiscal years from in or around 2001 to in or around 2008, the books and records of Alcor, including those containing false characterizations of the kickback payments given to the Iraqi government and bribes paid to Iraqi officials, were incorporated into the books and records of Innospec for purposes of preparing Innospec’s year-

end financial statements, which were filed with the Securities and Exchange Commission in Washington, D.C.

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

**COUNT TWO**  
**(Foreign Corrupt Practices Act, 15 U.S.C. § 78dd-1, 18 U.S.C. § 2)**

1. Paragraphs 1 through 24 and 29 through 117 of this Superseding Information are realleged and incorporated by reference as though set in forth in full.

2. From in or around 2004 to in or around 2008, in Iraq, Lebanon, the United Arab Emirates, and elsewhere outside of the jurisdiction of any particular state or district of the United States, but within the extraterritorial jurisdiction of the United States pursuant to Title 15, United States Code, Section 78dd-1(g) and, therefore, pursuant to Title 18, United States Code, Section 3238, within the venue of the United States District Court for the District of Columbia, defendant

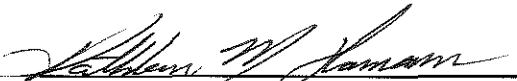
**OUSAMA M. NAAMAN**

corruptly did an act outside the United States in furtherance of an offer, payment, promise to pay, or authorization of the payment of money, directly and indirectly, knowing that all or a portion of such money would be given to officials of the Iraqi government for purposes 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 duty 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 governments and instrumentalities, in order to assist Innospec, in obtaining and retaining business for and with, and directing business to, Innospec and Alcor; to wit, paid approximately \$167,000 to a senior Iraqi official within the MoO and promised to pay an additional 2.5% of the

total value of future purchases of TEL, which would have totaled approximately \$2,679,600, to the same senior Iraqi official.

(All in violation of Title 15, United States Code, Sections 78dd-1 and Title 18, United States Code, Section 2)

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