



*United States Attorney
Southern District of New York*

**FOR IMMEDIATE RELEASE
NOVEMBER 19, 2009**

**CONTACT: U.S. ATTORNEY'S OFFICE
YUSILL SCRIBNER,
REBEKAH CARMICHAEL,
JANICE OH
PUBLIC INFORMATION OFFICE
(212) 637-2600**

**U.S. FINDS STATOIL SUCCESSFULLY FULFILLS OBLIGATIONS
UNDER DEFERRED PROSECUTION AGREEMENT**

PREET BHARARA, the United States Attorney for the Southern District of New York, and Assistant Attorney General LANNY BREUER, announced that STATOIL, ASA ("Statoil"), an international oil company headquartered in Norway and listed on the New York Stock Exchange, successfully fulfilled its obligations under the three-year deferred prosecution agreement it executed on October 13, 2006, with the United States Attorney's Office for the Southern District of New York and the Fraud Section of the United States Department of Justice. The deferred prosecution agreement was entered in connection with a criminal Information that was also filed on October 13, 2006, against Statoil in United States District Court for the Southern District of New York. The Information charged Statoil with one substantive violation of the Foreign Corrupt Practices Act of 1977 ("FCPA") and one count of falsification of books and records. As a result of yesterday's finding that Statoil has satisfied the terms of the deferred prosecution agreement, the United States Attorney's Office and the Fraud Section agreed to dismiss the Information against Statoil.

The Information alleged that in 2001 and 2002, Statoil sought to expand its business internationally and focused specifically on Iran as a country in which to secure oil and gas development rights. At the time, Iran was awarding contracts for the development of the South Pars field, one of the world's largest natural gas fields. In 2001, Statoil developed contacts with and began negotiating with an Iranian government official who could influence the award of oil and gas contracts in Iran. Statoil then entered into a "consulting contract" with an offshore intermediary company. The purpose of that "consulting contract" - which called for the payment of more than \$15 million over 11 years - was to induce the Iranian official to use his influence to help Statoil obtain a contract to develop portions of the South Pars field, and to open doors to future Iranian oil and gas projects. Two bribe payments, totaling more than \$5 million, were actually made by wire transfer, and Statoil was

awarded a South Pars development contract that was expected to yield millions of dollars in profit. The Information charges that Statoil violated the FCPA by making the corrupt payments, and also committed securities fraud by falsifying its books and records in characterizing the bribe payments as "consulting fees."

Three years ago, as part of the deferred prosecution agreement, Statoil acknowledged making the bribe payments to the Iranian official. It also acknowledged that its conduct violated the anti-bribery and accounting provisions of the FCPA. Statoil also agreed to pay a \$10.5 million penalty and to enter into a three-year deferred prosecution agreement. Pursuant to the terms of the deferred prosecution agreement, Statoil agreed to cooperate fully with the United States Attorney's Office, the Criminal Division and the Securities and Exchange Commission (the "SEC") in connection with inquiries concerning corrupt payments, false books and records, and inadequate internal controls. Statoil also agreed to the appointment of an independent compliance consultant to review and periodically report on Statoil's internal controls, record-keeping, and financial reporting policies and procedures as they relate to the company's compliance with the books and records, internal accounting controls, and anti-bribery provisions of the FCPA during the three-year term of the agreement. The United States Attorney's Office, the Fraud Section, and the SEC have received the final report of the compliance consultant and determined that Statoil has fulfilled its obligations under the deferred prosecution agreement, including the obligation to adopt the compliance-related recommendations of the compliance consultant. Accordingly, yesterday the United States Attorney's Office filed a motion with the Honorable RICHARD J. HOLWELL of the United States District Court in the Southern District of New York to dismiss with prejudice the criminal Information filed against Statoil in 2006. That motion was granted by order of the Court yesterday.

Mr. BHARARA thanked the Criminal Division of the United States Department of Justice and the SEC.

United States Attorney BHARARA said: "This case shows that deferred prosecution agreements against corporations can work as an important middle ground between declining prosecution and obtaining the conviction of a corporation. The deferred prosecution in this case helped restore the integrity of Statoil's operations and preserve its financial viability while at the same time ensuring that it improved what was obviously a failed compliance and anti-corruption program."

Assistant Attorney General BREUER said: "Three years of diligent efforts by Statoil to address past misconduct and serious compliance failures have today led to the dismissal of foreign bribery charges against the company. Bribing foreign government officials and then covering it up by concealing the payments as legitimate fees cannot be standard operating procedure. Companies that have vigorous compliance programs, as Statoil has now created, risk far less than those that choose to ignore the fundamental tenets of the Foreign Corrupt Practices Act."

This case has been handled jointly by the Securities and Commodities Fraud Task Force of the United States Attorney's Office for the Southern District of New York and the Fraud Section of the United States Department of Justice. Assistant United States Attorney RAY LOHIER and Deputy Chief MARK F. MENDELSON of the Fraud Section are in charge of the matter.

09-374

###