

United States District Court
Southern District of Texas
FILED

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David J. Bradley, Clerk of Court

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

UNITED STATES OF AMERICA

v.

TIDEWATER MARINE
INTERNATIONAL, INC.

Defendant.

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CRIMINAL NO. **10-770**
Violations
18 U.S.C. § 371;
15 U.S.C. §§ 78m(b)(2)(A),
78m(b)(5) and 78ff(a)

INFORMATION

The United States charges:

GENERAL ALLEGATIONS

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

The Foreign Corrupt Practices Act

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

2. Furthermore, the FCPA required any issuer of publicly traded securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934, Title 15, United States Code, Section 781 (“the Exchange Act”), to make and keep books, records, and accounts that accurately and fairly reflect the 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 Tidewater Entities

3. Tidewater Inc. (“TDW”) was a Delaware corporation with headquarters in New Orleans, Louisiana. TDW, through its subsidiaries and

affiliates (collectively, “Tidewater”), operated offshore service and supply vessels designed to support all phases of offshore energy exploration, development and production throughout the world. TDW’s securities were registered with the SEC pursuant to Section 12(b) of the Exchange Act and were publicly traded on the New York Stock Exchange. Accordingly, TDW was an “issuer” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(a).

4. Defendant TIDEWATER MARINE INTERNATIONAL, INC. (“TMII”) was a wholly-owned subsidiary of TDW incorporated in the Republic of Panama and was the primary international operating entity for TDW. TMII had managerial and administrative operations in the United States, and it exercised contractual rights and control over Tidewater’s vessel operations in Nigeria and Azerbaijan, among other areas. TMII’s principal place of business was located in New Orleans, Louisiana. Accordingly, TMII was a “domestic concern” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2.

5. Tidewater Marine, L.L.C. (“Tidewater Marine”) was a wholly-owned subsidiary of TDW, located in New Orleans, Louisiana. Tidewater Marine was the majority owner of Tidex Nigeria Limited, Tidewater’s operating subsidiary in Nigeria.

6. Tidex Nigeria Limited (“Tidex”) was a Nigerian company that was 60% majority owned by Tidewater Marine. Tidex provided agency and

operational support, at the direction of TMII, for all vessels that Tidewater operated in Nigeria during the relevant period.

7. Tidewater Crewing Limited (“TCL”) was a wholly-owned subsidiary of TDW incorporated in the Cayman Islands. TCL was a payroll entity that employed and paid many of Tidewater’s personnel working in Nigeria and Azerbaijan during the relevant period. Operationally, TMII provided management and operational support for a majority of Tidewater’s international operations, but many of the TMII managers and employees were administratively employed by TCL.

Relevant Tidewater Individuals

8. The “Director of Tax,” a United States citizen, was an employee of TDW located in New Orleans, Louisiana. The Director of Tax was a “domestic concern” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2.

9. The “Vice President of Operations,” an Australian citizen, supervised TDW’s Middle East region, including Azerbaijan, from August 2002 to August 2004. The Vice President of Operations also supervised TDW’s Nigerian operations from August 2004 through 2007. The Vice President of Operations was employed by TCL, but was a manager for TDW and TMII. The Vice President of

Operations was an employee and agent of a “domestic concern” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2.

10. The “Dubai Area Controller,” a United States citizen, was Tidewater’s Area Controller in Dubai, United Arab Emirates (“U.A.E.”), for TMII from 2001 through May 2008. The Dubai Area Controller was responsible for the finance operations of TMII’s Dubai and Azerbaijan operations during that period. The Area Controller was employed by TDW but was a functional employee and agent of TMII. The Area Controller was an employee and agent of a “domestic concern” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2.

11. The “Regional Finance Director,” a British citizen, oversaw the finances for Tidewater in the North Sea and West Africa, including Nigeria, from in or around August 2001 through in or around April 2004. From in or around April 2004 to in or around December 2005, the Regional Finance Director oversaw the finances for Tidewater’s Egypt region, which beginning in November 2004, included Azerbaijan. The Regional Finance Director was employed by TCL, but was a functional employee and agent of TMII. The Regional Finance Director was located in Egypt from in or around April 2004 to December 2005. The Regional Finance Director was an employee and an agent of a “domestic concern” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2.

12. The “Azerbaijan General Manager A,” a United States citizen, was TMII’s Azerbaijan General Manager until December 2002. The Azerbaijan General Manager A was employed by TCL, but was a functional employee and agent of TMII. The Azerbaijan General Manager A was a “domestic concern” and an employee and agent of a “domestic concern” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2.

13. The “Azerbaijan General Manager B,” a United States citizen, was TMII’s Azerbaijan country manager between in or around December 2002 and in or around August 2004. The Azerbaijan General Manager B was employed by TCL, but was a functional employee and agent of TMII. The Azerbaijan General Manager B was a “domestic concern” and an employee and agent of a “domestic concern” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2.

14. The “Nigeria Area Manager,” a British citizen, was Tidewater’s Nigerian Operations’ Area Manager from April 2005 through July 2007.

TMII Agents

15. The “Consulting Firm” was a United States consulting company incorporated in Texas and headquartered in Baku, Azerbaijan. The Consulting Firm provided TMII a broad range of services including accounting services for the Baku accounting department and tax advice and assistance. The Consulting

Firm was a “domestic concern” and an agent of a “domestic concern” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2.

16. The “Azerbaijan Agent” was the managing director of the Consulting Firm. TMII hired the Consulting Firm as an agent of TMII through the Azerbaijan Agent. The Azerbaijan Agent was directly involved in the Consulting Firm’s assistance to TMII with on-site Azeri tax audits and assisted in paying bribes to Azeri tax inspectors to resolve the audits in 2001, 2003 and 2005. The Azerbaijan Agent was an agent of a “domestic concern” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2.

17. The “Dubai Entity” was an entity associated with the Consulting Firm. The Dubai Entity maintained a bank account in Dubai, U.A.E. that was used to receive payments in 2001, 2003, and 2005 from TMII, to be passed to Azeri tax inspectors in Azerbaijan. The Dubai Entity was an agent of a “domestic concern” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2.

18. The “Freight Forwarding Agent” was an international freight forwarding and customs clearing agent based in Switzerland with operations throughout the world, including Nigeria. The Freight Forwarding Agent had 38 branches in several states within the United States, including in Houston, Texas. The Freight Forwarding Agent’s Houston, Texas office was the hub for its oil and gas industry customers. TMII contracted with the Freight Forwarding Agent’s

Nigerian subsidiary to provide customs services in Nigeria. The Freight Forwarding Agent also paid bribes to Nigerian Customs Service officials on behalf of TMII and its affiliates to cause such officials to disregard certain regulatory requirements relating to the temporary importation of Tidewater vessels into Nigerian waters, and sought reimbursement from Tidex for payments that the Freight Forwarding Agent invoiced as “intervention” payments. The Freight Forwarding Agent was an agent of a “domestic concern” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2.

Government Officials

19. During the relevant time, the General State Tax Inspection Office within the Ministry of Finance for the Republic of Azerbaijan (later renamed the Ministry of Taxes for the Republic of Azerbaijan, collectively referred to as the “Azeri Tax Authority”) was responsible for administering and collecting tax assessments and duties for the Republic of Azerbaijan. The Azeri Tax Authority was an agency and instrumentality of the Republic of Azerbaijan and its employees, including tax inspectors, were “foreign officials” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2(h)(2)(A).

20. The Ministry of Finance of the Federal Republic of Nigeria was responsible for assessing and collecting applicable duties and tariffs on goods imported into Nigeria, and did so through a government agency called the Nigeria

Customs Service (NCS). The NCS was an agency and instrumentality of the Government of Nigeria and its employees were “foreign officials” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2(h)(2)(A).

TMII’s Operations

21. Tidewater owned and operated offshore service and supply vessels that were chartered by energy exploration, development and production companies. Tidewater operated throughout the world through a series of subsidiaries and affiliates, including TMII. TMII provided managerial and administrative oversight for most of Tidewater’s international operations, including those in Nigeria and Azerbaijan, among other countries. Employees working in areas where TMII operated, including the Vice President of Operations, Dubai Area Controller, Regional Finance Director, Azerbaijan General Manager A, and Azerbaijan General Manager B, were frequently paid and administratively employed by a company, such as TCL which operated as a payroll entity, although those employees functionally reported and operated as employees and agents of TMII.

Bribes Paid to Azeri Tax Inspectors

22. In 2001, 2003, and 2005, the Azeri Tax Authority initiated tax audits of TMII’s business operations in Azerbaijan. TMII employed the Consulting Firm (including the Azerbaijan Agent) to assist with the audits. In 2001, 2003, and

2005, TMII, through its employees and agents, paid bribes to Azeri tax inspectors to improperly secure favorable tax assessments.

23. In total, TMII cause approximately \$160,000 to be paid to the Dubai Entity, while knowing that some or all of the money would be paid, with the assistance of the Azerbaijan Agent to Azeri tax inspectors. The payments to the Dubai Entity were made to secure an improper advantage and obtain favorable tax treatment relating to the three audits. The benefit received and the potential tax liability avoided by TMII as a result of the payment of the bribes was approximately \$820,000.

24. In 2001, the bribe was recorded on TDW's books and records as a payment to the Dubai Entity for "payment of taxes," in an account for "professional services" related expenses. The bribes paid through the Dubai Entity that were booked as "payment for taxes" were relied upon for the purpose of preparing TDW's consolidated year-end financial statements which were filed with the SEC.

25. In 2003, the bribe was recorded on the books and records of a TMII Azeri joint venture (the "Azerbaijan Joint Venture"), which was not consolidated in TDW's financial statements. Accordingly, for fiscal year 2003, the bribe payments to the Azeri tax inspector were not rolled-up into TDW's year-end financial statements.

26. In 2005, the bribe was recorded on TMII's books as agent expenses paid to the "[Dubai Entity]" in an account relating to "Crew Travel" expenses. TMII's books and records were then consolidated into the books and records of TDW for purposes of preparing TDW's consolidated year-end financial statements which were filed with the SEC.

2001 Tax Audit

27. In or around July 2001, TMII learned that the Azeri Tax Authority intended to audit TMII's Azerbaijan operations and requested information relating to TMII's contract with Subcontractor A, a personnel company TMII had used to hire non-Azeri workers ("expatriates") for its Azerbaijan operation.

28. In response to this request, the Azerbaijan Agent advised TDW, TMII, and other Tidewater employees, including the Director of Tax and the Area Controller, that if the contract with Subcontractor A was provided to the Azeri Tax Authority during the tax audit, TMII could be subject to approximately a 55% withholding tax on the crew wages that previously had not been paid by the company. To avoid this potential tax liability, the Azerbaijan Agent suggested that the actual contract with Subcontractor A not be provided to the Azeri Tax Authority and, instead, a separate, false contract be created and submitted to conceal the fact that expatriate crews were hired through Subcontractor A. In

addition, the Azerbaijan Agent suggested that the matter could be resolved by paying a bribe to the tax inspectors.

29. TDW, TMII, and other Tidewater employees, including the Director of Tax and the Dubai Area Controller, were aware of the plan to create new documents that altered the terms of the contract with Subcontractor A and to backdate the newly created contract for submission to the Azeri tax authorities. These employees also participated in the review of the altered and backdated contract.

30. TMII and other Tidewater employees, including the Dubai Area Controller, approved payments to the Dubai Entity, which were intended to be used, in whole or in part, to pay bribes to the officials.

31. In or around August 2001, the Azerbaijan Agent reached an agreement with the Azeri tax inspector to resolve TMII's exposure in exchange for a \$50,000 bribe.

32. In or around August 2001, pursuant to instructions from the Azerbaijan Agent, TMII and other Tidewater employees caused \$50,000 to be transferred from an account in the United States to an account in the name of the Dubai Entity in Dubai, U.A.E., intending that some or all of the money would be transferred to the Azeri tax inspectors.

33. In or around August 2001, TMII received the Tax Audit Report from the Azeri tax inspector, which was backdated July 15, 2001. The Report noted TMII's total tax liability was \$1,704.90. Among other things, the Report concluded that TMII had properly paid taxes on its expatriate wages. There was no mention or assessment of a separate \$50,000 payment.

2003 Tax Audit

34. In or around June 2003, the Azerbaijan Tax Authority initiated another tax audit of TMII's Azerbaijan operations.

35. In or around July 2003, the Azerbaijan Agent advised the Vice President of Operations and General Manager B that an Azeri tax inspector had said TMII's potential tax exposure could be "at least \$100K" if things went "formal."

36. In or around July 2003, the Azerbaijan Agent negotiated with the Azeri tax inspector to resolve the audit through the payment of a \$40,000 bribe disguised as a "consultancy fee." The purpose of the payment was to resolve the tax audit with no additional taxes or penalties assessed.

37. In or around July 2003, TMII caused two payments of \$20,000 each to be transferred to an account in the name of the Dubai Entity in Dubai, U.A.E., while knowing that some or all of the payments would be transferred to the Azeri tax inspector.

38. In order to conceal the bribes relating to the 2003 audit from the books and records of the Azerbaijan Joint Venture, the Area Controller asked the Azerbaijan Agent to have the Consulting Firm prepare an invoice for \$40,000 indicating that the payment was for “professional services” associated with an Azeri tax audit of TMII’s Azerbaijan Joint Venture. The Azerbaijan Agent initially responded to the Area Controller that fulfilling the request to create the fictitious documents was “rather difficult for us as we are a US company too.” Ultimately, the Azerbaijan Agent secured from the Dubai Entity five separate false invoices, collectively in the amount of \$40,000, purportedly for “Tax and Legal Consultancy in relation to the Tax Inspection” provided for the Azerbaijan Joint Venture.

39. In or around July 2003, the Azeri Tax Authority issued the final Tax Audit Report, which concluded that TMII overpaid taxes and, therefore, was entitled to receive a tax rebate.

2005 Tax Audit

40. In or around June 2005, the Azerbaijan Tax Authority initiated another tax audit of TMII’s Azerbaijan operations.

41. In or around September 2005, the Azerbaijan Agent advised several TMII employees that an Azeri tax inspector had said that TMII’s minimum tax exposure was approximately \$300,000.

42. In or around November 2005, the Azerbaijan Agent negotiated with the Azeri tax inspectors to resolve the audit through the payment of \$75,000. Of the money to be paid, \$70,000 was for a bribe to be paid to the tax inspectors and disguised as a “consultancy fee,” and \$5,000 was to be paid to the Ministry of Taxes account for payment of TMII’s tax liability.

43. In or around November 2005, TMII caused \$70,000 to be transferred to an account in the name of the Dubai Entity in Dubai, U.A.E., intending that some or all of the money would be transferred to the Azeri tax inspector.

44. In or around November 2005, the Azeri Tax Authority issued the final Tax Audit Report, which concluded TDW owed \$4,967.60 in unpaid taxes.

***TMII’s Payment of Bribes to Nigerian Customs Officials
Through the Freight Forwarding Agent***

45. From between in or around January 2002 through in or around March 2007, Tidex, through its employees, affiliates, and agents, authorized the payment of approximately \$1.6 million to the Freight Forwarding Agent as reimbursements for bribes paid by the Freight Forwarding Agent, made on Tidex’s behalf, to NCS employees to induce the officials to disregard certain regulatory requirements in Nigeria relating to the temporary importation of Tidewater vessels into Nigerian waters. By in or about August 2004, TMII managers and employees were aware of and condoned the payments.

46. Tidex employees working in Nigeria generally understood that non-Nigerian flagged vessels could be temporarily imported into Nigeria after receiving a temporary importation permit (“TIP”). A TIP was an authorization from the NCS to import, on a duty-free basis, heavy equipment, including vessels, into Nigeria. Once temporarily imported, the vessels could be chartered to customers in Nigeria as long as the TIP remained valid. No fee was generally required to obtain the TIP, although a company was required to post a bond as security for any duties that might be owed during the life of the TIP. TIPs were generally valid for up to twelve months and typically could be extended twice for six months each time if necessary.

47. Tidewater chose to temporarily import the majority of its vessels to work in Nigerian waters. Tidex, the Tidewater entity based in Nigeria, employed the Freight Forwarding Agent to apply for and secure its TIPs and TIP extensions.

48. Tidex employees frequently authorized the reimbursement of the Freight Forwarding Agent for payments that it represented it had made to NCS officials to resolve a variety of issues that arose, including when:

- a. a vessel arrived in Nigeria prior to the issuance of a TIP;
- b. a vessel arrived in Nigeria prior to the issuance of the bond associated with a TIP;

c. a vessel moved from one customs zone to another prior to the issuance of a TIP or a bond, or when a TIP had expired;

d. a chartered vessel with a valid TIP was chartered to a new customer without canceling the TIP and securing a new TIP;

e. a vessel left Nigerian waters with a valid TIP, and returned to Nigerian waters without canceling the TIP and securing a new TIP; and

f. a TIP had expired.

49. The payments to the NCS officials to resolve these issues were referred to by the Freight Forwarding Agent as “interventions” or “recycling” payments and were understood by the Tidex employees to be bribes, in whole or in part, paid by the Freight Forwarding Agent to NCS employees. To secure reimbursement for the bribes paid on Tidex’s behalf, the Freight Forwarding Agent provided invoices to the Tidex office in Nigeria and characterized the payments as “interventions” or “recycling.” Tidex, in turn, reimbursed the Freight Forwarding Agent for the claimed expenses.

50. In or around August 2004, certain TMII employees and managers, including the Vice President of Operations, became aware that the “intervention” and/or “recycling” payments were, in whole or in part, bribes paid by the Freight Forwarding Agent to NCS officials. Thereafter, certain TMII employees and managers authorized the payment of at least 129 additional “interventions.” In

total, between in or around August 2004 and in or around 2007, TMII employees and other Tidewater employees authorized the payment of approximately \$1,089,000 to the Freight Forwarding Agent, on Tidex's behalf, knowing that some or all of the monies had been paid by the Freight Forwarding Agent to NCS officials to induce them to disregard Nigerian regulations, to not impose fines and penalties, and to allow Tidewater vessels to operate in Nigerian waters without a valid TIP. The total benefit in avoided costs, duties, and penalties received by TMII in exchange for these payments was approximately \$5,800,000.

51. Between in or around August 2004 and in or around March 2007, the bribes paid to the NCS officials through the Freight Forwarding Agent were recorded in Tidex's books and records as payments to the ["Freight Forwarding Agent"] and recorded in an account tracking "other vessel costs". Tidex's books and records were then consolidated into TDW's year-end financial statements which were filed with the SEC.

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

52. Paragraphs 1 through 51 of this Information are re-alleged and incorporated by reference as though fully set forth herein.

53. From at least in or around July 2001, to in or around November 2005, in the Southern District of Texas, and elsewhere, the defendant, TIDEWATER

MARINE INTERNATIONAL, INC., did willfully, that is, with the intent to further the objects of the conspiracy, and knowingly combine, conspire, confederate and agree with the Vice President of Operations, the Area Controller, the Regional Finance Director, Azerbaijan General Manager A, Azerbaijan General Manager B, the Azerbaijan Agent, the Dubai Entity, and others, known and unknown, to commit offenses against the United States, that is:

a. to willfully make use of the mails and means and instrumentalities of interstate commerce and do other acts outside the United States 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 purposes 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 and instrumentalities, in order to assist TMII and others in obtaining

and retaining business for and with, and directing business to, TMII and others, in violation of Title 15, United States Code, Section 78dd-2(a) and (i); and

b. to knowingly falsify and cause to be falsified books, records, and accounts which, in reasonable detail, would accurately and fairly reflect the transactions and disposition of the assets of TDW, an issuer within the meaning of the FCPA, in violation of Title 15, United States Code, Sections 78m(b)(2)(A), 78m(b)(5) and 78ff(a).

PURPOSES OF THE CONSPIRACY

54. The primary purposes of the conspiracy were: (a) to pay bribes to Azeri tax officials, through the Dubai Entity and with the assistance of the Azerbaijan Agent, to secure improperly reduced tax assessments in 2001, 2003, and 2005, and (b) to falsify books, records, and accounts of Tidewater in connection with the payments, in order to make the payments appear as legitimate business expenses when, in fact, they were bribes to Azeri government officials.

MANNER AND MEANS OF THE CONSPIRACY

55. To accomplish the purposes and objects of the conspiracy TMII and its co-conspirators used the following manner and means, among others:

a. It was part of the conspiracy that the Azerbaijan Agent negotiated the payment of bribes to Azeri tax inspectors in exchange for the favorable resolution of three tax audits of TMII's operations in Azerbaijan.

b. It was further part of the conspiracy that the Azerbaijan Agent advised TMII managers and employees, including the Director of Tax, the Dubai Area Controller, the Regional Finance Director, the Azerbaijan General Manager A, and the Azerbaijan General Manager B, to transfer the bribe payments to an account in the name of the Dubai Entity, which the Tidewater employees knew, or were aware of a high probability, would then be transferred, in whole or in part, to Azeri tax inspectors.

c. It was further part of the conspiracy that TMII managers and employees, including the Dubai Area Controller, the Regional Finance Director, and the Azerbaijan General Manager B, authorized the payment of bribes to the Azeri tax inspectors and assisted with the transfer of the payments in 2001, 2003, and 2005 to the Dubai Entity that they knew, or were aware of a high probability, would then be transferred, in whole or in part, to Azeri tax inspectors.

d. It was further part of the conspiracy that TMII managers and employees falsely characterized the 2001 and 2005 payments to the Dubai Entity, respectively, in TDW's and TMII's books, records, and accounts as legitimate expenses, when, in truth and in fact, some or all of these payments were bribes they knew, or were aware of a high probability, would be passed in whole or in part to Azeri tax officials.

e. It was further part of the conspiracy that at the end of TDW's fiscal years 2001 and 2005, the books, records and accounts of TDW's wholly-owned subsidiaries, including those of TMII containing the false characterizations of the bribes paid to the Azeri tax inspectors, were incorporated into the books, records and accounts of TDW for purposes of preparing TDW's consolidated year-end financial statements which were filed with the SEC.

OVERT ACTS

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

Azerbaijan 2001 Tax Audit Payments

a. On or about July 20, 2001, TMII's Azerbaijan General Manager A, located in Azerbaijan, sent an email to the Dubai Area Controller, located in Dubai, and the Director of Tax, located in Louisiana, in which he wrote the Azerbaijan Agent had advised that it would be "unwise to submit the [Subcontractor A] contract as written due to the fact that Azeri law would require TDW to pay the 56% withholding tax." General Manager A further advised that the Azerbaijan Agent recommended that "we submit a contract stating [Subcontractor A] provided" only non-taxable employees and "that we simply

make no mention of expat crew. [The Azerbaijan Agent] is of the opinion the auditor will not ‘drill’ this far to uncover such things.... I need to also mention that [the Azerbaijan Agent] has indicated that the lead auditor has stated that there are ways to finish the audit in a very timely fashion.”

b. On or about August 3, 2001, the Director of Tax, located in Louisiana, sent an email to the Azerbaijan Agent, located in Azerbaijan, in which he approved the altered and backdated Subcontractor A contract that had been provided by the Azerbaijan Agent and asked the agent “to prepare it for submission to the auditor.”

c. In or around August 2001, the Azerbaijan Agent reached an agreement with an Azeri tax inspector to resolve TDW’s tax liability in exchange for a \$50,000 bribe.

d. On or about August 13, 2001, the Azerbaijan Agent sent an email to the Director of Tax, located in Louisiana, advising the Director of Tax that an agreement had been reached to pay \$50,000 to the Azeri tax inspector, through the Dubai Entity, to resolve the audit. The Azerbaijan Agent wrote that the Azeri tax inspector had provided a copy of a Tax Clearance Report that was “in line with the mutual understanding and agreement that we reached [a] few days ago, i.e., overall TDW’s exposure will not exceed \$50k. [The tax inspector] is still working on exact figures for the allocation of this amount, but as far as TDW is concerned it

is all fine anyway. . . . Once the payment reaches this [Dubai Entity] account TDW and Tax Inspector will sign the Tax Clearance and relevant protocols and give us one copy of each. We, then, will release the funds. This would be a very final step in this story.”

e. On or about August 14, 2001, TMII caused \$50,000 to be wire transferred from an account located in the United States to a bank account belonging to the Dubai Entity in Dubai, U.A.E.

Azerbaijan 2003 Tax Audit Payments

f. On or about July 7, 2003, the Azerbaijan General Manager B sent an email to the Vice President of Operations advising that the Azerbaijan Agent spoke with the Azeri tax inspector who suggested the 2003 tax audit could be resolved through a payment of \$60,000.

g. On or about July 10, 2003, the Azerbaijan General Manager B sent an email to the Dubai Area Controller advising that the Azerbaijan Agent was negotiating the resolution of the tax audit, which would include a payment to the Azeri state inspector through the Dubai Entity to avoid detection.

h. On or about July 10, 2003, the Dubai Area Controller responded to the Azerbaijan General Manager B’s email writing that “[w]e should not endeavor to maintain any files or correspondence regarding this matter in the Baku office.”

i. On or about July 16, 2003, the Azerbaijan General Manager B sent an email to the Dubai Area Controller advising that the Azerbaijan Agent had “negotiated a deal to resolve the tax enquiry” and asking whether the payment could be passed through a local joint venture operation “to reduce TDW exposure”.

j. On or about July 21, 2003, the Azerbaijan Agent sent an email to the Azerbaijan General Manager B advising that the resolution of the audit was being finalized and that \$40,000 would need to be paid through the Dubai Entity to resolve the matter. The Azerbaijan Agent wrote that the tax inspectors had sent a copy of the tax audit report, that “they [had] done their job quite as we agreed,” and explained that TDW would owe no additional money other than the agreed amount of \$40,000, which was described as an “all inclusive” “consultancy fee” for the tax inspectors. The Agent further explained that the tax inspectors were going to draft the report so that it did “not look suspicious and does not attract any unnecessary attention in the future.” The Agent instructed the Azerbaijan General Manager B to wire \$20,000 to the Dubai Entity, which would represent 50% of the all inclusive consultancy fee, and to wire the final \$20,000 payment after the tax inspectors provided the final version of their formal report and other relevant paperwork.

k. On or about July 21, 2003, the Azerbaijan Agent sent an email to the Area Controller in which he provided the wire instructions for the \$40,000 payment to the Dubai Entity in two \$20,000 installments.

l. On or about July 23, 2003, the Azerbaijan Agent emailed the Dubai Area Controller advising that the money had not been received and, as a result, the Agent was having a “difficult time with our friends.”

m. On or about July 23, 2003, TMII caused the first installment payment of \$20,000 to be wire transferred to the Dubai Entity’s bank account in Dubai, U.A.E.

n. On or about July 24, 2003, the Dubai Area Controller sent an email to the Azerbaijan Agent requesting that the Azerbaijan Agent prepare an invoice from the Consulting Firm for “Professional Services associated with the Azerbaijan Tax Department Inspection” for the Azerbaijan Joint Venture.

o. On or about July 24, 2003, the Azerbaijan Agent informed the Area Controller that the funds had been received “and delivered to the consultants” who were “working on the rest of the paperwork and will be ready by Monday next week.” The Azerbaijan Agent instructed the Dubai Area Controller to pay the second \$20,000 payment into the same bank account. The Azerbaijan Agent advised that the request regarding the Consulting Firm invoice would be “difficult for us as we are a US company too.”

p. On or about July 29, 2003, the Azerbaijan Agent sent an email to the Dubai Area Controller advising that the Azeri tax inspector had provided a copy of the “paperwork” and directing that the second \$20,000 transfer be made on Monday, July 28, 2003.

q. On or about July 29, 2003, TMII caused \$20,000 to be wire transferred to the Dubai Entity’s bank account in Dubai, U.A.E.

r. On or about August 9, 2003, the Dubai Entity sent the Dubai Area Controller an invoice dated June 30, 2003, for the first installment in the amount of \$20,000, mischaracterizing it as fees for “Tax and Legal Consultancy in relation to the Tax Inspection.”

s. On or about August 9, 2003, the Dubai Entity sent the Dubai Area Controller four additional invoices, each for \$5,000. The invoices were dated July 2, 2003, July 14, 2003, July 22, 2003, and July 26, 2003, respectively, and were mischaracterized as invoices for “Tax and Legal Consultancy.”

t. On or about September 7, 2003, the Azerbaijan General Manager B sent an email to the Dubai Area Controller regarding the final Tax Audit Report, noting that TMII had underpaid certain taxes by approximately \$10,000 and overpaid other taxes and, as a result, “TDW (sic) will actually receive a formal rebate from the Azeri Tax Authority.”

Azerbaijan 2005 Tax Audit Payments

u. On or about October 31, 2005, the Azerbaijan Agent sent an email to the Regional Finance Director advising that an Azeri tax inspector had estimated TMII's potential exposure for the 2005 tax audit at approximately \$300,000, but that the inspector suggested the matter could be finished for only \$80,000, which "could be a "combination of some 'consultancy fee' as well as some amount to be stated in the formal tax audit opinion. I presume that most of it will be a consultancy fee with perhaps \$10K in the formal paperwork."

v. On or about November 2, 2005, the Azerbaijan Agent sent an email to the Regional Finance Director advising that the Azeri tax inspector had agreed to resolve the 2005 tax audit for a total of \$75,000, only \$5,000 of which would be reflected in the actual tax audit report. The Azerbaijan Agent instructed the Regional Finance Director to wire \$70,000 to a bank account belonging to the Dubai Entity and explained that only \$5,000 would need to be "transferred locally...to the Tax Ministry's account as company's overall tax assessment for the audited period. This amount will correspond with the formal tax audit report." The Azerbaijan Agent concluded that if the Regional Finance Director was "happy with this scenario we will then invoice for the 'consultancy' work to cover such expenses."

w. On or about November 7, 2005, TMII caused \$70,000 to be wire transferred to the Dubai Entity's bank account in Dubai.

x. On or after November 7, 2005, TMII recorded the \$70,000 payment to the Dubai Entity in its books and records as "Crew Travel" expenses.

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

COUNT 2
Conspiracy to Violate the Foreign Corrupt Practices Act
(18U.S.C. § 371)

57. Paragraphs 1 through 51 and 54 through 56 of this Information are re-alleged and incorporated by reference as though set forth herein.

58. From at least in or around August 2004, to in or around 2007, in the Southern District of Texas, and elsewhere, the defendant, TIDEWATER MARINE INTERNATIONAL, INC., did willfully, that is, with the intent to further the objects of the conspiracy, and knowingly combine, conspire, confederate and agree with the Vice President of Operations, Nigeria Area Manager, the Freight Forwarding Agent, and others known and unknown, to commit offenses against the United States, that is:

a. to willfully make use of the mails and means and instrumentalities of interstate commerce and do other acts outside the United States 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 purposes 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 and instrumentalities, in order to assist TMII, and others in obtaining and retaining business for and with, directing business to TMII and others, in violation of Title 15, United States Code, Section 78dd-2(a) and (i); and

b. to knowingly falsify and cause to be falsified books, records, and accounts which, in reasonable detail, would accurately and fairly reflect the transactions and disposition of the assets of TDW, an issuer within the meaning of the FCPA, in violation of Title 15, United States Code, Sections 78m(b)(2)(A), 78m(b)(5) and 78ff(a).

PURPOSES OF THE CONSPIRACY

59. The primary purposes of the conspiracy were: (a) to pay bribes to NCS officials, through the Freight Forwarding Agent, in order to secure favorable customs treatment for vessels that entered into Nigeria, and (b) to falsify books,

records, and accounts of TDW and TMII in connection with the corrupt payments, in order to make the payments appear as legitimate business expenses when, in fact, they were bribes Tidex knew were provided to Nigerian government officials.

MANNER AND MEANS OF THE CONSPIRACY

60. To accomplish the purposes and objects of the conspiracy TMII and its co-conspirators used the following manner and means, among others:

a. It was part of the conspiracy that TMII and Tidex employees, including the Vice President of Operations and the Nigeria Area Manager, authorized reimbursements for “intervention” and “recycling” payments claimed by the Freight Forwarding Agent, while knowing that some or all of the intervention payments were bribes to NCS officials to avoid official customs duties and penalties for operating in Nigerian waters without a TIP.

b. It was further part of the conspiracy that TMII falsely characterized the payments to the Freight Forwarding Agent in TMII’s books, records, and accounts as legitimate expenses, when, in truth and in fact, some or all of these payments were bribes paid by the Freight Forwarding Agent to NCS officials.

c. It was further part of the conspiracy that at the end of TDW’s fiscal years 2004, 2005, 2006, and 2007, the books, records and accounts of TDW’s wholly-owned subsidiaries, including those of TMII’s containing the false

characterizations of the bribes paid to the NCS officials, were incorporated into the books, records and accounts of TDW for purposes of preparing TDW's consolidated year-end financial statements which were filed with the SEC.

OVERT ACTS

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

a. On or about August 17, 2004, Nigeria Area Manager sent an email to the Vice President of Operations, advising that Tidewater was facing a delay in importing one of its vessels into Nigeria because the necessary contract documents were not completed. The Nigeria Area Manager explained that Tidewater could provide the Freight Forwarding Agent an "intervention" payment of approximately \$6,000 to circumvent paperwork requirements and import the vessel without the paperwork.

b. Between on or about August 17, 2004, and October 4, 2004, the Vice President of Operations approved the "intervention" payment.

c. Between in or around August 2004 through in or around March 2007, TMII and Tidex managers and employees, including the Vice President of Operations and the Nigeria Area Manager, approved or condoned the payment of

“intervention” payments to the Freight Forwarding Agent knowing that some or all of the money would be paid as bribes to NCS officials in exchange for circumventing the Nigerian customs service rules.

d. On or about the dates listed below, Tidewater employees authorized the following “intervention” payments to the Freight Forwarding Agent knowing that some or all of the money would be paid as bribes to NCS officials in exchange for circumventing the Nigerian customs service rules:

	Invoice Date	Approximate Amount of TI Intervention and/or TI Recycling Invoice
d-i.	12/3/2004	\$3,490
d-ii.	1/20/2005	\$11,370
d-iii.	5/26/2005	\$6,243
d-iv.	11/10/2005	\$6,930
d-v.	12/27/2005	\$6,930
d-vi.	12/27/2005	\$6,930
d-vii.	1/3/2006	\$6,930
d-viii.	3/6/2006	\$15,060
d-ix.	3/8/2006	\$15,410

	Invoice Date	Approximate Amount of TI Intervention and/or TI Recycling Invoice
d-x.	7/6/2006	\$20,920
d-xi.	11/30/2006	\$19,450
d-xii.	12/15/2006	\$19,450
d-xiii.	12/22/2006	\$19,450
d-xiv.	12/22/2006	\$19,450
d-xv.	3/31/2007	\$29,000

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

COUNT 3

False Books and Records

(15 U.S.C. §§ 78m(b)(2)(A), 78m(b)(5) and 78ff(a), and 18 U.S.C. § 2)

62. Paragraphs 1 through 51, 54 through 56, and 59 through 61 are re-alleged and incorporated by reference as though fully set forth herein.

63. From in or around August 2004, through in or around 2007, in the Southern District of Texas and elsewhere, the defendant, TIDEWATER MARINE INTERNATIONAL, INC., 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 required to, in reasonable detail, to

accurately and fairly reflect the transactions and dispositions of the assets of TDW, an issuer within the meaning of the FCPA, *to wit*: the defendant caused TDW to inaccurately reflect in its books and records 129 payments totaling approximately \$1,089,000, as Freight Forwarding Agent costs when, in fact, the payments were, in whole or in part, bribes paid to NCS officials.

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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