



*United States Attorney
Southern District of New York*

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CONTACT: U.S. ATTORNEY'S OFFICE
HEATHER TASKER, LAUREN McDONOUGH
PUBLIC INFORMATION OFFICE
(212) 637-2600

**U.S. RESOLVES PROBE AGAINST OIL COMPANY THAT BRIBED
IRANIAN OFFICIAL**

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, and Assistant Attorney General ALICE S. FISHER, announced today that STATOIL, ASA (Statoil), an international oil company headquartered in Norway and listed on the New York Stock Exchange, has acknowledged making bribe payments to an Iranian official in order to secure valuable oil and gas rights in Iran. In order to resolve a pending criminal investigation, STATOIL has acknowledged that its conduct violated the anti-bribery and accounting provisions of the Foreign Corrupt Practices Act (FCPA), has agreed to pay a \$10.5 million penalty, and has further agreed to enter into a three-year deferred prosecution agreement.

According to a criminal Information filed today in Manhattan federal court, 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 largest natural gas fields in the world. In 2001, STATOIL developed contacts with an Iranian government official who was believed to have influence over the award of oil and gas contracts in Iran. Following a series of negotiations with the Iranian official in 2001 and 2002, STATOIL 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 assist STATOIL in obtaining a contract to develop portions of the South Pars field, and to open doors to additional Iranian oil and gas projects in the future. Two bribe payments, totaling more than \$5 million, were actually made by wire transfer through a New York bank account, 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 Foreign Corrupt Practices Act by making the corrupt payments, and by falsifying its books and records in

characterizing the bribe payments as "consulting fees."

Pursuant to the terms of the deferred prosecution agreement executed by STATOIL today, STATOIL acknowledged responsibility for the bribe payments, and accepted a detailed Statement of Facts describing the circumstances surrounding those payments. In addition to the payment of \$10.5 million, the company agreed to cooperate fully with the Department of Justice and the Securities and Exchange Commission (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, who will review and periodically report on the company's compliance with the FCPA during the three-year term of the agreement. If the company fulfills its obligations under the deferred prosecution agreement, after three years the two criminal charges contained in the Information filed today will be dismissed.

In a related proceeding announced today by the SEC, STATOIL consented to the entry of an administrative Order requiring the company to cease and desist from committing any future violations of the FCPA, and to pay disgorgement of an additional \$10.5 million.

Mr. Garcia commented, "Protection of U.S. capital markets from corrupt business practices is a fundamental underpinning of the Foreign Corrupt Practices Act, and it is an objective that we share with our civil enforcement partner, the Securities and Exchange Commission. I acknowledge and greatly appreciate the extraordinary leadership, assistance and cooperation provided by the SEC in this matter."

"Although STATOIL is a foreign issuer, the Foreign Corrupt Practices Act applies to foreign and domestic public companies alike, where the company's stock trades on American exchanges," said Assistant Attorney General Fisher. "This prosecution demonstrates the Justice Department's commitment vigorously to enforce the FCPA against all international businesses whose conduct falls within its scope." Ms. Fisher added, "The Department's willingness to resolve this particular investigation by a deferred prosecution agreement is in large part due to the exceptional assistance STATOIL provided to U.S. authorities in connection with the investigation, the significant remedial efforts undertaken by the company, and the fact that the Norwegian authorities also investigated and sanctioned STATOIL."

This investigation has been handled jointly by 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 DEBORAH E. LANDIS and Deputy Chief MARK F. MENDELSON and Trial Attorney JOE CAPONE of the Fraud Section are in charge of the matter.

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