

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

- v -

J. BRYAN WILLIAMS,
Defendant.

#1x

JUDGE BAER

INDICTMENT

03 Cr. ()

U.S. DISTRICT COURT
S.D. OF N.Y.
APR 2 2003

COUNT ONE

(Conspiracy to Defraud The United States)

The Grand Jury charges:

1. In 1995 and 1996, J. BRYAN WILLIAMS, the defendant, was a senior executive at Mobil Oil Corporation ("Mobil"). Williams, an American citizen, was responsible for, among other things, Mobil's oil trading operations in Russia and other parts of the former Soviet Union, including the Republic of Kazakhstan (the "Republic" or "Kazakhstan").

2. In 1995 and 1996, J. BRYAN WILLIAMS was involved in efforts by Mobil to purchase from the Republic an interest in a large producing oil field in Kazakhstan known as the Tengiz oil field.

3. The Republic was represented in the Tengiz negotiations by a small New York merchant bank (the "Merchant Bank") and the Chairman of the Merchant Bank ("CC-1"). CC-1 and Williams had a longstanding business and personal relationship.

4. During the negotiations of the Tengiz deal, the Republic insisted that Mobil pay the fees the Republic had agreed

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to pay the Merchant Bank for its services to the Republic, which were set at 5% of the eventual purchase price. Mobil executives raised questions about the propriety of the arrangement and expressed concerns regarding whether the arrangement would violate the Foreign Corrupt Practices Act. J. BRYAN WILLIAMS, the defendant, vouched for CC-1, and Mobil eventually agreed to the Republic's request that Mobil pay the Merchant Bank's fees.

5. On or about April 5, 1996, negotiations between Mobil and the Kazakh Government broke down, and a senior Kazakh official sent a letter to the Chairman of Mobil Oil, advising the Chairman that the Kazakh Government's negotiations with Mobil were terminated. On or about April 7, 1996, Mobil's Chairman dispatched J. BRYAN WILLIAMS, the defendant, to lead an effort to restore the negotiations and bring them to closure.

6. Between April 7, 1996 and April 9, 1996, J. BRYAN WILLIAMS, the defendant, negotiated with CC-1 and senior Kazakh officials. On April 9, 1996, Mobil and the Kazakh Government reached an agreement in principle for Mobil to purchase a 25% interest in the Tengiz field for \$1.05 billion. Although Mobil had previously agreed only that the Merchant Bank's 5% fee would be included within the agreed-upon purchase price, in the final deal negotiated by J. BRYAN WILLIAMS, the defendant, Mobil agreed to pay the fee on top of the total purchase price.

7. On or about May 3, 1996, Mobil closed its purchase of a 25% interest in the Tengiz oil field for \$1.05 billion. In addition, Mobil on May 17, 1996, wired the \$41 million balance of

the Merchant Bank's fee (\$10 million had been paid during the negotiation), to the Merchant Bank's account at Citibank in New York, New York.

8. On or about June 20, 1996, CC-1 caused the Merchant Bank to wire \$4 million from its account at Citibank in New York, New York to an account at Banque Indosuez in Switzerland in the name of Hovelon Trading, S.A. ("Hovelon"), a British Virgin Islands corporation which was secretly controlled by CC-1. To conceal the true purpose of the transfer, CC-1 caused the payment to be described in bank records as a payment to Banque Indosuez for "financial advisory services" supposedly provided to the Republic of Kazakhstan. In fact, only approximately \$100,000 of the \$4,000,000 went to pay the fees of Banque Indosuez.

9. On or about June 24, 1996, CC-1 caused \$2 million to be transferred from the Hovelon account to an account at Banque Indosuez in the name of Alqi Holdings Ltd. ("Alqi"), a British Virgin Islands corporation secretly beneficially owned by J. BRYAN WILLIAMS, the defendant, as a kickback to WILLIAMS for his role in the Tengiz deal and other Mobil projects in Kazakhstan.

10. Although the payment constituted income to J. BRYAN WILLIAMS, the defendant, WILLIAMS did not report the income resulting from the \$2 million payment on his tax return in 1996, failed to pay the substantial tax he owed as a result of the \$2

million payment, and failed to disclose his control of a foreign bank account on his 1996 tax return.

Statutory Allegations

11. From in or about 1995, up to and including on or about April 15, 1997, in the Southern District of New York and elsewhere, J. BRYAN WILLIAMS, the defendant, and others known and unknown to the Grand Jury, unlawfully, willfully, and knowingly combined, conspired, confederated, and agreed together and with each other to defraud the United States and an agency thereof, to wit, the Internal Revenue Service ("IRS"), by impeding, impairing, defeating and obstructing the lawful governmental functions of the IRS in the ascertainment, computation, assessment, and collection of income taxes.

Means and Methods

12. Among the means and methods by which J. BRYAN WILLIAMS, the defendant, and others known and unknown to the Grand Jury, carried out the objects of the conspiracy were the following:

A. J. BRYAN WILLIAMS, the defendant, maintained a secret Swiss bank account at Banque Indosuez in Switzerland in the name of Alqi, a British Virgin Islands corporation WILLIAMS controlled.

B. J. BRYAN WILLIAMS, the defendant, a Mobil employee, assisted in negotiating a final deal for Mobil to purchase an interest in the Tengiz oil field, which deal required Mobil to pay the \$51 million fee that the Republic had agreed to

pay the Merchant Bank for its services to the Republic as an addition to the \$1.05 billion purchase price.

C. CC-1 kicked back \$2 million to J. BRYAN WILLIAMS, the defendant, out of the Merchant Bank's \$51 million fee, by transferring \$2 million from a Swiss bank account CC-1 secretly controlled into the secret Swiss Alqi account controlled by WILLIAMS.

D. J. BRYAN WILLIAMS, the defendant, concealed the existence of the Alqi account from the IRS and from his tax preparer, and failed to report the \$2 million received from CC-1 as income on his 1996 tax return and to pay taxes owed thereon.

Overt Acts

13. In furtherance of the conspiracy and to effect the illegal objects thereof, J. BRYAN WILLIAMS, the defendant, and others known and unknown to the Grand Jury, committed the following overt acts, among others, in the Southern District of New York and elsewhere:

A. On or about June 20, 1996, CC-1 caused the Merchant Bank to wire \$4 million from its Citibank account in New York, New York to the Hovelon account in Switzerland controlled by CC-1.

B. On or about June 24, 1996, CC-1 caused \$2 million to be wired from the Hovelon account in Switzerland to the Alqi account in Switzerland secretly controlled by J. BRYAN WILLIAMS, the defendant.

C. On or about April 15, 1997, J. BRYAN WILLIAMS, the defendant, filed his 1996 income tax return.

(Title 18, United States Code, Section 371)

COUNT TWO

(Tax Evasion)

The Grand Jury further charges:

14. Paragraphs one through ten and twelve (A) to (D) are repeated and realleged as if set forth in full herein.

15. From on or about January 1, 1996, through on or about April 15, 1997, in the Southern District of New York and elsewhere, J. BRYAN WILLIAMS, the defendant, unlawfully, willfully and knowingly did attempt to evade and defeat a substantial part of the income tax due and owing by J. BRYAN WILLIAMS and his spouse to the United States of America for the calendar year 1996, by various means, including, among others by (a) arranging for a \$2 million payment which was income to Williams to be made into a secret Swiss bank account he controlled; and (b) preparing and causing to be prepared, signing and causing to be signed, and filing and causing to be filed, a false and fraudulent U.S. Individual Income Tax Return, Form 1040, for the calendar year 1996, on which he failed to disclose his interest in a foreign bank account, namely, Alqi, and on which he failed to report the \$2 million payment as income and upon which income there was a substantial additional tax due and owing to the United States of America.

(Title 26, United States Code, Section 7201).

COUNT THREE

(Subscribing to False Tax Returns)

The Grand Jury further charges:

16. Paragraphs one through ten and twelve (A) through (D) are repeated and realleged as if set forth in full herein.

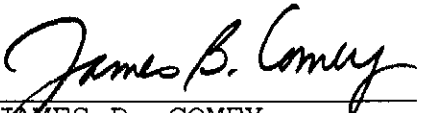
17. On or about the dates set forth below, in the District of Connecticut, the Eastern District of Virginia, and elsewhere, J. BRYAN WILLIAMS, the defendant, unlawfully, willfully, and knowingly did make and subscribe U.S. Individual Income Tax Returns, Forms 1040, for himself and his wife for the calendar years set forth below, which returns contained and were verified by the written declarations of WILLIAMS that they were made under penalty of perjury, and which returns WILLIAMS did not believe to be true and correct as to every material matter, in that WILLIAMS (i) stated in each return that he did not have an interest in or a signature or other authority over a financial account in a foreign country, and (ii) in the 1996 return, failed to report significant income he had received in 1996 whereas, as WILLIAMS then and there well knew and believed, he had an interest in and signature and other authority over a foreign bank account in the name of Alqi Holdings Ltd. located at Credit Agricole Indosuez in Switzerland, and had received \$2 million in income in 1996.

Count	Tax Year	Date Subscribed
3	1996	April 15, 1997
4	1997	April 15, 1998

5	1998	April 8, 1999
6	1999	April 17, 2000
7	2000	May 15, 2001

(Title 26, United States Code, Section 7206(1)).

FOREPERSON



JAMES B. COMEY
United States Attorney