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IN THE UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION

U.S. DISTRICT COURT
SOUTHERN DIST. OHIO
EAST. DIV. COLUMBUS

UNITED STATES OF AMERICA	:	Case No. <u>2:16 cr 247</u>
	:	
v.	:	JUDGE _____ [Judge Sargus]
	:	
ROLLS-ROYCE PLC,	:	
	:	
Defendant.	:	UNDER SEAL

INFORMATION

THE UNITED STATES CHARGES:

COUNT 1
(18 U.S.C. § 371 – Conspiracy to Commit Violations
of the Foreign Corrupt Practices Act, 15 U.S.C. §§ 78dd-2 & 78dd-3)

At all times relevant to this Bill of Information:

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

ROLLS-ROYCE and Relevant Entities and Individuals

2. ROLLS-ROYCE PLC (“ROLLS-ROYCE”) was a publicly traded company in the United Kingdom and a holding company with major business operations in the civil aerospace, defence aerospace, marine, and energy sectors worldwide.

3. Rolls-Royce Energy Systems, Inc. ("RRESI") was an indirect subsidiary of ROLLS-ROYCE. RRESI was a United States company headquartered in Mount Vernon, in the Southern District of Ohio, and thus was a "domestic concern" as that term is used in the FCPA, 15 U.S.C. § 78dd-2. RRESI produced and supplied gas turbines, compressors, and aftermarket products and services for oil and gas and power generation projects worldwide, including in Angola, Azerbaijan, Brazil, Indonesia, Iraq, Kazakhstan, Nigeria, Russia, Thailand, and elsewhere.

4. Executive, an individual whose identity is known to ROLLS-ROYCE, the Fraud Section, and the Office, was a U.K. national and ROLLS-ROYCE employee. Executive was a high-level executive with substantial decision-making authority within the energy division of Rolls-Royce.

5. Employee 1, an individual whose identity is known to ROLLS-ROYCE, the Fraud Section, and the Office, was a U.S. citizen and an employee of RRESI. Employee 1 was a "domestic concern" and an "employee" and "agent" of a "domestic concern" within the meaning of the FCPA, 15 U.S.C. § 78dd-2.

6. Employee 2, an individual whose identity is known to ROLLS-ROYCE, the Fraud Section, and the Office, was a U.K. national and a ROLLS-ROYCE employee at all relevant times.

7. Employee 3, an individual whose identity is known to ROLLS-ROYCE, the Fraud Section, and the Office, was a U.S. citizen and an employee of RRESI and other ROLLS-ROYCE entities at all relevant times. Employee 3 was a "domestic concern" and, for a period of time, an "employee" and "agent" of a "domestic concern" within the meaning of the FCPA, 15 U.S.C. § 78dd-2.

Rolls-Royce Commercial Advisors

8. Intermediary 1, an entity whose identity is known to ROLLS-ROYCE, the Fraud Section, and the Office, was a Monaco-incorporated and based oil and gas services intermediary. Intermediary 1 owned and operated a number of subsidiaries and affiliates, including a United States-based subsidiary. Intermediary 1 regularly bribed foreign officials and others in order to secure work for ROLLS-ROYCE and RRESI. From in or around 2000 through in or around 2012, ROLLS-ROYCE, RRESI, Executive, Employee 1, and others, known and unknown, caused RRESI to engage Intermediary 1 as a commercial agent on at least 7 projects, including in Angola, Azerbaijan, Iraq, Kazakhstan, and elsewhere.

9. Intermediary 2, an entity whose identity is known to ROLLS-ROYCE, the Fraud Section, and the Office, was a Madeira-incorporated, Angola-based, oil and gas services intermediary. Intermediary 2 was created as a joint venture between Intermediary 1 and another company. As described below, RRESI engaged Intermediary 2 as a commercial advisor on projects in Angola.

10. Intermediary 3, an entity whose identity is known to ROLLS-ROYCE, the Fraud Section, and the Office, was a U.K.-incorporated oil and gas services intermediary. As described below, RRESI engaged Intermediary 3 as a commercial advisor for the Asia Gas Pipeline Lines A and B projects.

11. Intermediary 4, an entity whose identity is known to ROLLS-ROYCE, the Fraud Section, and the Office, was a Thai-based oil and gas services intermediary. As described below, RRESI engaged Intermediary 4 (and/or its Singapore-incorporated affiliate) as a commercial advisor for the GSP-5, GSP-6, OCS-3, Arthit, PCS, ESP 2006, and ESP 2012 projects in Thailand.

12. Intermediary 5, an entity whose identity is known to ROLLS-ROYCE, the Fraud Section, and the Office, was a Panama-incorporated, Brazil-based oil and gas services intermediary. As described below, RRESI engaged Intermediary 5 as a commercial advisor for the P-51, P-52, P-53, and PRA-1 projects in Brazil.

Foreign Government Instrumentalities

13. Asia Gas Pipeline, LLP (“AGP”) was a joint venture between Kazakh and Chinese state-owned and state-controlled entities that was designed to transport gas through a pipeline between Kazakhstan and China. AGP was controlled by the Kazakh and Chinese governments and performed government functions for Kazakhstan and China, and thus was an “instrumentality” within the meaning of the FCPA, Title 15, United States Code, Sections 78dd-2 and 78dd-3.

14. PTT Public Company Ltd. (“PTT”) and its subsidiary PTT Exploration and Production Public Company (“PTTEP”) were Thai state-owned and state-controlled oil and gas companies, which owned extensive submarine gas pipelines in the Gulf of Thailand, a network of gas terminals throughout Thailand, and was a leader in Thailand’s electricity generation, petrochemical production, oil and gas exploration and production, and gasoline retailing. PTT and PTTEP were controlled by the Thai government and performed government functions that the Thai government treated as its own. Thus, PTT and PTTEP were each an “instrumentality” within the meaning of the FCPA, Title 15, United States Code, Sections 78dd-2 and 78dd-3.

15. Petróleo Brasileiro S.A. (“Petrobras”) was a corporation in the petroleum industry headquartered in Rio de Janeiro, Brazil, and operated to refine, produce and distribute oil, oil products, gas, biofuels and energy. The Brazilian government directly owned a majority of Petrobras’s common shares with voting rights, while additional shares were controlled by the

Brazilian Development Bank and Brazil's Sovereign Wealth Fund. Petrobras was controlled by the Brazilian government and performed a function that the Brazilian government treated as its own. Thus, Petrobras was an "instrumentality" within the meaning of the FCPA, Title 15, United States Code, Sections 78dd-2 and 78dd-3.

16. The State Oil Company of the Azerbaijan Republic ("SOCAR") was the Azeri state-owned and state-controlled oil and gas company. SOCAR was controlled by the Azeri government and performed government functions for Azerbaijan, and thus was an "instrumentality" within the meaning of the FCPA, Title 15, United States Code, Sections 78dd-2 and 78dd-3.

17. Sociedade Nacional de Combustiveis de Angola, E.P. ("SONANGOL") was an Angolan state-owned and state-controlled oil company. SONANGOL was controlled by the Angolan government and performed government functions for Angola, and thus was an "instrumentality" within the meaning of the FCPA, Title 15, United States Code, Sections 78dd-2 and 78dd-3.

18. South Oil Company ("SOC") was an Iraqi state-owned and state-controlled oil company. SOC was controlled by the Iraqi government and performed government functions for Iraq, and thus was an "instrumentality" within the meaning of the FCPA, Title 15, United States Code, Sections 78dd-2 and 78dd-3.

Overview of the Bribery Scheme

19. From in or around 2000 to in or around 2013, ROLLS-ROYCE, RRESI, Executive, Employee 1, Employee 2 and Employee 3 conspired with each other and others known and unknown, to cause RRESI to make over \$35 million in commission payments to

commercial advisors and others, knowing that the commission payments would be used to bribe foreign officials on behalf of Rolls-Royce and RRESI in Thailand, Brazil, Kazakhstan, Azerbaijan, Angola, Iraq, and elsewhere, in exchange for foreign officials' assistance in providing confidential information and awarding contracts to ROLLS-ROYCE, RRESI, and affiliated entities. ROLLS-ROYCE, RRESI, Executive, Employee 1, and others known and unknown, knew that certain commission payments would be used by RRESI intermediaries and commercial advisors to bribe foreign officials and others on behalf of ROLLS-ROYCE and RRESI, and they caused other corrupt benefits to be conveyed upon foreign officials and others, in order to influence the foreign officials in their official capacity, and to secure an improper advantage for Rolls-Royce, RRESI, and affiliated entities and assist them in obtaining and retaining business with foreign governments, and agencies and instrumentalities thereof.

20. In Thailand, ROLLS-ROYCE, RRESI, Executive, Employee 1, Employee 2, Employee 3 and others, known and unknown, engaged an intermediary, knowing that the intermediary's commission payments would be used to bribe foreign officials at PTT and its subsidiary PTTEP in return for contract awards for equipment and aftermarket products and services. From in or around 2003 through in or around 2013, RRESI made over \$11 million in corrupt commission payments, and ROLLS-ROYCE and RRESI understood that the payments would assist with contract awards, which RRESI ultimately won on the GSP-5, GSP-6, OCS-3, Arthit, PCS, ESP 2006, and ESP 2012 projects.

21. In Brazil, ROLLS-ROYCE, RRESI, Executive and others, known and unknown, caused RRESI to make corrupt commission payments to an intermediary, knowing that portions of the commission payments would be paid to officials at Petrobras in order to obtain lucrative contracts for equipment and long-term service agreements ("LTSAs"). Between 2003 and 2013,

RRESI paid the intermediary approximately \$9.32 million in commission payments, and the intermediary made approximately \$1.6 million in corrupt bribery payments to a Brazilian foreign official. In return, the foreign official helped RRESI win contracts from Petrobras on numerous projects.

22. In Kazakhstan, ROLLS-ROYCE and RRESI sold RRESI gas turbines and aftermarket products and services to AGP. First, ROLLS-ROYCE, RRESI, Executive, and Employee 1 knowingly conspired with each other and others, known and unknown, to make corrupt commission payments to Intermediary 3, knowing that Intermediary 3 intended to use at least a portion of the commission payments to bribe foreign officials in order to win contracts to supply turbines on AGP Lines A and B in 2009. Later, in 2012, RRESI corruptly engaged a local distributor of parts and services, knowing that the distributor was beneficially owned by a high-ranking Kazakh government official with decision-making authority over ROLLS-ROYCE's ability to continue operating in the Kazakh market and win contract awards to supply turbines for AGP Line C. In total, RRESI made \$5.44 million in corrupt commissions to multiple advisors and conveyed additional benefits upon the high-ranking government official who was the beneficial owner of RRESI's local distributor.

23. In Azerbaijan, ROLLS-ROYCE, RRESI, Executive, Employee 1, and others, known and unknown, engaged Intermediary 1, knowing that Intermediary 1's commission payments would be used to bribe foreign officials at SOCAR. From in or around 2000 through in or around 2009, RRESI made over \$7.8 million in corrupt commission payments to Intermediary 1, and ROLLS-ROYCE and RRESI understood that the payments would assist with contract awards, which RRESI ultimately won to supply approximately 45 turbines on multiple projects, resulting in total profits of over \$50 million.

24. In Iraq, ROLLS-ROYCE, RRESI, Executive, Employee 1, and others, known and unknown, engaged Intermediary 1, knowing that Intermediary 1 was paying bribes to officials at SOC. From in or around 2006 through in or around 2009, RRESI received a contract award to supply gas generators to SOC. Sometime thereafter, RRESI learned that certain SOC officials had concerns about the turbines that had been supplied. Intermediary 1 paid bribes to foreign officials at SOC in order to persuade the officials to accept the turbines and keep SOC from “blacklisting” ROLLS-ROYCE and RRESI from doing future business in Iraq. As a result of the corrupt bribery payments by Intermediary 1, ROLLS-ROYCE and RRESI made a profit of over \$1.5 million on the gas generator deal.

25. In Angola, ROLLS-ROYCE, RRESI, Executive, Employee 1, and others, known and unknown, engaged Intermediary 2, knowing that Intermediary 2’s commission payments would be used to bribe foreign officials at SONANGOL. From in or around 2008 through in or around 2012, RRESI made approximately \$1.2 million in corrupt commission payments to Intermediary 2, knowing that Intermediary 2’s commission payments would be used to bribe foreign officials at SONANGOL in order to obtain confidential information and win contracts for ROLLS-ROYCE and RRESI. Ultimately, three SONANGOL projects were awarded to ROLLS-ROYCE and RRESI, resulting in approximately \$30 million in profits in Angola.

26. In furtherance of the scheme, ROLLS-ROYCE’s employees and agents took corrupt acts while in the territory of the United States. In addition, ROLLS-ROYCE and its employees and agents conspired with and aided and abetted domestic concerns, including conspiring to send, and aiding and abetting, wire transfers and emails to and through the United States.

The Bribery Scheme

Thailand

27. From in or around 2000 through in or around 2012, Rolls-Royce, RRESI, and their employees, including Executive, Employee 1, Employee 2, Employee 3, and others, caused RRESI to enter into commercial advisor agreements and maintain business relationships with intermediary companies and others, knowing that intermediaries and others would use RRESI's commission payments, or portions thereof, to bribe at least one foreign official and others, to secure an improper advantage and assist RRESI in obtaining and retaining business from PTT and its subsidiary PTTEP.

28. In furtherance of the bribery scheme, employees of Rolls-Royce and RRESI, including Executive, Employee 1, and others, arranged or attempted to arrange to pay inflated commissions to Rolls-Royce advisors like Intermediary 4. The advisors would then pass on parts of the inflated commissions to the foreign officials at PTT and PTTEP responsible for rewarding contracts on projects.

29. For example, on or about April 8, 2002, Employee 2 emailed Employee 1 and directors of Intermediary 4 about a strategy for winning a contract on the construction of a gas separator plant known as the GSP-5 project. The strategy included convincing PTT officials, who Employee 2 referred to as "friends," to write the bid specifications for the project in such a way that would ensure Rolls-Royce would be the best positioned company to win the contract. Employee 2 wrote:

[Employee 1] has briefed me on the present status of the project . . . I just wanted to drop you a note to say that I agree with the approach of getting our friends on board with [writing the specifications to favor Rolls-Royce]. . . . In this, we can probably maximize gains for our friends at the same time as maintaining a sensible margin for [Rolls-Royce]. I can only say this because based on [the specifications] there will be very limited

competition and therefore the [other companies] will not be able to knock down our price.¹

30. Rolls-Royce was ultimately successful in securing the contract for GSP-5 in January of 2003, after which it made corrupt commission payments to Intermediary 4 at a previously-agreed upon amount of 7.5% of the contract price.

31. Shortly after Rolls-Royce won GSP-5, Rolls-Royce instituted a new policy requiring additional approval from high-level executives for sales commissions to third party advisors that exceeded 5%.

32. On or about June 11, 2003 a Rolls-Royce sales manager sent an email to his supervisor, Employee 3, raising concerns about the impact of the new commission policy on Intermediary 4, who had previously committed certain amounts above the permitted commission levels to foreign officials at PTT for projects where bidding was already underway:

[Intermediary 4's principal] has called me several times this evening and is extremely concerned that he's already committed commission payments – as required, to ensure we are in pole position for [the project], i.e. basis agreed 6.5% commission (5.5% to PTT and 1% [Intermediary 4's principal].

He cannot now rescind these commitments, and requests confirmation that we shall maintain "previously agreed" commission level.

[. . .]

[Intermediary 4's principal] is still working, but basis he would lose all his commission (1%) and some of the other commitments – he will be out of pocket, hence is seriously wondering what to do next!

33. Intermediary 4 nevertheless continued to request commissions beyond Rolls-Royce's 5% limit. On or about February 26, 2004, a Rolls-Royce sales manager sent an email to his supervisor, Employee 3, referring to the PTTEP officials as "players," and writing:

¹ Unless bracketed, all quotations appear as in the original document, without corrections or indications of misspellings or typographical errors.

“BIG” issue concerns commission, i.e. the 5% (MAX) cap – [Intermediary 4’s principal] is concerned how we can resolve this for Arthit [project] since we have several “players” that we need to keep in the team. . . . [Intermediary 4’s principal] is concerned he will be left exposed, so we need to try and resolve this “tricky” subject and alleviate his concerns. We still have to work out how much above 5% it will take – should know more soon.

34. Employee 3 replied to the email referenced in Paragraph 33 above by writing:

“[r]e commission – I have warned [Intermediary 4’s principal]. As you know, he and his friends’ expectations must be reduced. . . . I will speak to him myself but you need to warn him of this. The rules have changed since the old days.”

35. In an attempt to overcome the Company’s new policy limiting sales commissions to 5%, Rolls-Royce, RRESI, Executive, Employee 1, Employee 3, and others, known and unknown, at times disguised commission payments to the advisors, including Intermediary 4, by booking them as separate engineering fees or related expenses, which those advisors never provided, but which could be paid under a separate contract, thus allowing the total amount paid to the advisors to exceed 5%. For example, on or about April 17, 2003, Employee 3 sent an email to Intermediary 4’s principal, copying Executive and Employee 1, explaining:

I know we have reached agreement with you that [Intermediary 4]’s commission on this project will be 6.5% but this cannot be paid under a single agreement with [Intermediary 4] as it will not be allowed by RR Corporate. So – what we need to do is to split it into two parts – one normal commission, for say 4.5%, and the other 2% must be covered under a separate contract for “local Engineering Assistance.” . . . [I]t would need to be a separate company, and for a defined scope of work, for which you would invoice RR according to an agreed progress payment schedule.

36. On or about July 9, 2003, Employee 3 sent an email to Executive, providing additional detail on how they were disguising the split: “As you know, we are only showing an agent’s commission of 4% in [the Company’s accounting software] but in fact our commission is likely to be higher. . . . [T]he total agents’ commission can be as high as 7.5%. In order to

camouflage this, we hid some money in [the Company's accounting software] which we called 'Engineering Coordination (external)'."

37. From in or around 2003 through in or around 2012, Rolls-Royce, RRESI, Executive, Employee 1, Employee 2, Employee 3, and others, known and unknown, caused RRESI to make corrupt commission payments from RRESI's bank accounts in Mount Vernon, Ohio, located in the Southern District of Ohio, to intermediaries' bank accounts in Thailand and Singapore, with the knowledge that the commission payments, or portions thereof, would be used to bribe a foreign official in furtherance of the corrupt bribery scheme, including the following:

- a. Approximately \$2,494,728 in total payments for Project GSP-5 between July 24, 2003 and November 16, 2004;
- b. Approximately \$1,386,389 in total payments for Project OCS3 between January 19, 2006 and January 24, 2008;
- c. Approximately \$1,096,006 in total payments for Project PTT Arthit between January 19, 2006 and January 18, 2008;
- d. Approximately \$2,073,010 in total payments for Project PCS between September 29, 2006 and September 11, 2008;
- e. Approximately \$1,934,031 in total payments for Project ESP-PTT between May 24, 2007 and February 18, 2013; and
- f. Approximately \$2,287,200 in total payments for Project GSP-6 between March 28, 2008 and November 13, 2009.

Brazil

38. As part of the ongoing conspiracy, from in or around 2003 through in or around 2013, Rolls-Royce, RRESI, and their employees, including Executive, and others, knowingly and willfully caused RRESI to enter into commercial advisor agreements and maintain business relationships with intermediary companies and others, knowing that intermediaries and others had entered into separate agreements to use RRESI's commission payments, or portions thereof, to bribe at least one foreign official, in order to secure an improper advantage and assist RRESI in obtaining and retaining business from Petrobras.

39. For example, in or around April 2003, after RRESI submitted its bid for two Petrobras offshore platform projects called P-51 and P-52, RRESI employees learned that Petrobras had disqualified RRESI's bid for technical reasons. Nevertheless, in or around June 13, 2003, RRESI began engaging Intermediary 5 as a "technical consultan[t] to support [RRESI] in the bidding process" for P-51 and P-52. RRESI and Intermediary 5 agreed that rather than being paid the way advisors normally were paid by RRESI – pro rata when RRESI was paid by the customer – Intermediary 5 was going to be paid 50% of the commission within 90 days of the contract's execution and the remaining 50% within 180 days of the contract's execution.

40. On or about July 11, 2003, Petrobras cancelled the bid and reopened the tender, which allowed RRESI to rebid on the projects and negotiate directly with Petrobras. Throughout July 2003, as RRESI negotiated with Petrobras, Rolls-Royce and RRESI employees, including Executive, shared and discussed confidential competitive information on RRESI's competitors' bids and parallel negotiations with Petrobras, some of which Intermediary 5 had provided to them.

41. In or about early August 2003, despite the fact that direct negotiations between RRESI and Petrobras were not going well, Intermediary 5 appeared confident that he would be able to secure the contracts for RRESI. On or about August 6, 2003, a Rolls-Royce commercial manager sent an email to his supervisor, copying Executive, stating that “[t]he meeting with [Petrobras] did not go too well” and predicting that Petrobras “will show our price to [a competitor] and tell them the job is theirs if they can beat our number.” He also noted that the RRESI sales director in charge of the bidding “met with [the intermediary] last night and he still seems to be confident. I’m on the outside of this (which is where I want to remain) and don’t share that confidence. The level of their fee is a major contributor to our price increase.”

42. On or about August 29, 2003, Petrobras awarded the contracts for both platforms to RRESI. In addition to P-51 and P-52, RRESI used Intermediary 5 to advise it on winning bids for Petrobras projects P-53 in 2005 and PRA-1 in 2004. RRESI also engaged a related intermediary entity controlled by Intermediary 5’s principals to advise it on winning bids for Petrobras projects P-56 in 2007 and Mexilhao in 2007.

43. Intermediary 5 used its commissions to bribe an individual whose identity is known to the Rolls-Royce, the Fraud Section, and the Office, who was a manager at Petrobras and a “foreign official” within the meaning of the FCPA, Title 15, United States Code, Sections 78dd-2(h)(2)(A) and 78dd-3(f)(2)(A), in order to win the contracts for the P-51, P-52, P-53 and PRA-1 projects.

44. From in or around 2003 through in or around 2013, Rolls-Royce, RRESI, Executive, and others, known and unknown, caused Rolls-Royce to make approximately \$9.32 million in commission payments on behalf of RRESI to Intermediary 5 and others, knowing that Intermediary 5 and others had agreed to use RRESI’s commission payments, or portions thereof,

to bribe at least one foreign official, in order to secure an improper advantage and assist RRESI in obtaining and retaining business from Petrobras.

Kazakhstan

45. From in or around 2008 through in or around 2009, Rolls-Royce, RRESI, and their employees, including Executive, Employee 1, and others, caused RRESI to enter into commercial advisor agreements and maintain business relationships with Intermediary 1, Intermediary 3, and another intermediary company, knowing that these intermediaries had agreed to use RRESI's commission payments, or portions thereof, to bribe foreign officials, in order to secure an improper advantage and assist RRESI in obtaining and retaining business from AGP.

46. In furtherance of the bribery scheme, employees of Rolls-Royce and RRESI, including Executive, Employee 1, and others, arranged meetings and met multiple times with foreign officials and representatives of foreign officials, including the foreign official that was known to be the intended beneficiary of the bribe payments by Intermediary 3. During several such meetings with that foreign official and his representatives, the terms of RRESI's commission agreement were frequently discussed because, as known by Rolls-Royce, RRESI, and their employees, the foreign official was seeking a higher commission payment to Intermediary 3 so that there would be more money to pay a higher bribe to the foreign official.

47. For example, on or about December 3, 2008, Executive, the principal of Intermediary 3, and others met with the foreign official in London. During the meeting, the foreign official emphasized to Executive that he was the primary decision-maker for contract awards by AGP. The following day, on or about December 4, 2008, the principal for Intermediary 3 emailed Executive describing the foreign official as a "Master of the Game," and explaining that the foreign

official had authorized others to send confidential information from within AGP directly to Rolls-Royce and RRESI.

48. After Intermediary 3 proved its ability to gain access to the foreign official and deliver confidential information from AGP to Rolls-Royce and RRESI, on or about December 27, 2008, Executive sent an email to the principal of Intermediary 3 with an initial engagement letter for Intermediary 3 to be engaged as a commercial advisor for RRESI.

49. On or about January 15, 2009, Employee 1, the principal for Intermediary 3, a representative of a foreign official, and others met in Zurich, Switzerland. During the meeting, the representative of the foreign official demanded a high commission payment from RRESI to provide undefined services as a local partner with access to foreign officials and others and the ability to “fix” problems for Rolls-Royce and RRESI. The following day, on or about January 16, 2009, the principal for Intermediary 3 emailed Executive, Employee 1, and others, to summarize the Zurich meeting and suggest that it would be “necessary in the very short term” for Executive to meet with the foreign official, who was referenced in the email by a code name. The principal for Intermediary 3 also suggested that the meeting was necessary because of the “inadequacy” of RRESI’s proposed commission payment to Intermediary 3, and that the “maximum level” of such a commission was “deemed the minimum necessary from [the Kazakh] side.”

50. In or around mid-2009, the principal for Intermediary 3 sent an email to Executive and Employee 1, in which the principal explained details of the corrupt bribery scheme, including how the principal intended to use portions of RRESI’s commission payments to Intermediary 3 to make bribery payments to a foreign official of AGP.

51. Rolls-Royce, RRESI, Executive, Employee 1, and others continued to meet and discuss how to increase the commission payment to Intermediary 3 without raising red flags internally at Rolls-Royce or RRESI. For example, on or about June 17, 2009, Executive, Employee 1, and the principal for Intermediary 3 met for several hours in London to discuss this issue. Later, on or about August 13, 2009, Executive and Employee 1 met at the principal's home in Istanbul, Turkey, and agreed to increase RRESI's commission payment to Intermediary 3, with the knowledge that at least a portion of the commission payments would be used to bribe the foreign official at AGP so that RRESI could secure an improper advantage and obtain and retain business with AGP.

52. Rolls-Royce, RRESI, Executive, Employee 1, and others, known and unknown, took steps to conceal the bribery scheme, including by advising Intermediary 3 to send confidential information from AGP and competitors to them at their personal email accounts; using code names to refer to a foreign official; deleting incriminating emails from their personal email accounts; and concealing the bribe payments to a foreign official within RRESI's commission payments to its intermediary.

53. Ultimately, in or around November 2009, AGP awarded contracts to RRESI to supply 11 gas turbine units to AGP Lines A and B for approximately \$145 million.

54. From in or around 2010 through in or around 2012, Rolls-Royce, RRESI, Executive, Employee 1, and others, known and unknown, caused RRESI to make corrupt commission payments from RRESI's bank accounts in Mount Vernon, Ohio, located in the Southern District of Ohio, to an intermediary's bank account in the United Kingdom, with the knowledge that the commission payments, or portions thereof, would be used to bribe a foreign official in furtherance of the corrupt bribery scheme, including the following:

- a. Approximately \$732,877 on or about April 21, 2010;
- b. Approximately \$177,683 on or about October 1, 2010;
- c. Approximately \$355,367 on or about December 13, 2010;
- d. Approximately \$133,218 on or about February 23, 2011;
- e. Approximately \$177,683 on or about April 18, 2011;
- f. Approximately \$133,218 on or about September 20, 2011; and
- g. Approximately \$236,976 on or about March 7, 2012.

55. Later, in or around 2012, AGP also awarded RRESI contract awards to supply gas turbines to AGP Line C. At around this time, Rolls-Royce, RRESI, Executive, and others, known and unknown, corruptly engaged a local distributor of parts and services, knowing that the distributor was beneficially owned by a high-ranking Kazakh government official who would allow Rolls-Royce to continue to obtain and retain business with AGP. For example, on or about April 10, 2012, a local employee of Rolls-Royce in Kazakhstan identified the Kazakh official in an email to other Rolls-Royce employees as a relative of a high-ranking Kazakh official who was also “in charge of oil and gas industry in [Kazakhstan]. So that this company is getting necessary high level support. . .” In a follow-up email two days later, on or about April 12, 2012, another Rolls-Royce employee confirmed that the local distributor was “backed by” the Kazakh official.

56. In total, Rolls-Royce, RRESI, Executive, Employee 1, and others, known and unknown, caused RRESI to enter into corrupt agreements and make a total of at least \$5.44 million in corrupt commission payments to multiple advisors, knowing that the commissions, or portions thereof, would be used to benefit foreign officials in exchange for their support in securing an improper advantage for RRESI and assist RRESI in obtaining and retaining business

from AGP, including with securing the contract awards for Lines A and B. In addition, Rolls-Royce, RRESI, Executive, and others, known and unknown, caused additional benefits to be conveyed upon a high-ranking Kazakh foreign official, including through the engagement of a local distributor that was beneficially owned by the Kazakh official, in order to secure that official's support in securing an improper advantage for RRESI and assist RRESI in obtaining and retaining business from AGP, including with securing the contract award for Line C.

57. In total, RRESI made a financial gain, or alternatively made corrupt commission payments, totaling approximately \$20 million on the relevant AGP contracts.

Azerbaijan

58. From in or around 2000 through in or around 2009, Rolls-Royce, RRESI, and others, known and unknown, caused RRESI to engage Intermediary 1 as a commercial advisor to influence foreign officials and secure contracts for Rolls-Royce and RRESI to supply turbines to a consortium controlled by SOCAR in Azerbaijan.

59. During this time, Rolls-Royce, RRESI, Executive, Employee 1, and others, known and unknown, regularly obtained confidential information from Intermediary 1. Rolls-Royce, RRESI, Executive, Employee 1, and others, known and unknown, knew that Intermediary 1 used RRESI commission payments, or portions thereof, to bribe foreign officials in Azerbaijan in order to obtain confidential information and win contracts for Rolls-Royce and RRESI.

60. In total, from in or around 2000 through in or around 2009, as a result of the corrupt payments, Rolls-Royce and RRESI won contracts to supply approximately 45 turbines to a consortium controlled by SOCAR, resulting in total profits of over \$50 million.

Iraq

61. As part of the ongoing conspiracy, from in or around 2006 through in or around 2008, Rolls-Royce, RRESI, and Executive, knowingly and willfully conspired with others, known and unknown, and agreed to cause RRESI to engage Intermediary 1 in order to make corrupt bribery payments to Iraqi foreign officials, including to foreign officials within SOC. Beginning in or around 2006, Intermediary 1 began making bribe payments to a SOC official in return for that official's promise to provide confidential, inside information from within SOC to secure an improper advantage to Rolls-Royce and RRESI and help obtain and retain business for Rolls-Royce and RRESI in Iraq.

62. For example, in or around February 2006, an employee within Intermediary 1 received confidential information from a contact within SOC and shared the confidential information with Rolls-Royce and RRESI. After receiving the confidential information, Rolls-Royce, RRESI, and others, known and unknown, agreed to engage Intermediary 1 as a local distributor, whereby Intermediary 1 would purchase gas generators directly from RRESI to resell to SOC.

63. In or around January 2008, RRESI sold three gas generators to Intermediary 1, which then resold the gas generators to the SOC. According to one employee of Intermediary 1, the "approval was achieved at [an] unheard of speed thanks to help from our friends at the Ministry."

64. In or around April 2009, Rolls-Royce and RRESI learned about concerns that SOC officials had with the generators that had been provided to SOC. Thereafter, Intermediary 1 paid bribes to foreign officials within SOC on behalf of Intermediary 1, Rolls-Royce, and RRESI, in order to resolve the issue with SOC and prevent SOC from requesting additional new gas

generators and “blacklisting” RRESI. In or around September 2010, SOC formally agreed to keep the turbines it had previously received from RRESI.

65. As a result of the corrupt bribery payments by Intermediary 1, Rolls-Royce and RRESI made a profit of over \$1.5 million on the gas generator deal.

Angola

66. From in or around 2008 until in or around 2012, Rolls-Royce and RRESI attempted to secure various projects with SONANGOL in Angola. In 2008, SONANGOL, in consortium with a multinational oil and gas company, entertained bids for the development of Block 31, a deep-water development off the coast of Angola. Rolls-Royce, RRESI, Executive, Employee 1, and others, known and unknown, attempted to win contract awards for Block 31 without the assistance of Intermediary 1, and did not win the Block 31 bid. The lost revenue on the project was approximately \$400 million for RRESI.

67. In or around January 2009, Intermediary 1 created a joint venture with another company to form Intermediary 2, and an executive within Intermediary 1 later referred Intermediary 2 as a commercial advisor for Rolls-Royce and RRESI in Angola.

68. On or about March 19, 2009, Executive, Employee 1, and others, known and unknown, met with employees of Intermediary 2 to secure Intermediary 2’s assistance as a commercial advisor to win future contracts with SONANGOL. During the meeting, Intermediary 2 explained to Rolls-Royce, RRESI, Executive, Employee 1, and others, known or unknown, that Intermediary 2 had access to foreign officials at SONANGOL.

69. From in or around December 2009 through in or around November 2011, Rolls-Royce and RRESI entered into approximately four commercial advisor agreements with Intermediary 2. During this time, Intermediary 2 provided confidential information from

SONANGOL to Rolls-Royce, RRESI, Executive, Employee 1, and others, known and unknown. Rolls-Royce, RRESI, Executive, Employee 1, and others, known and unknown, knew that there was a high probability that Intermediary 2 used RRESI commission payments, or portions thereof, to bribe foreign officials at SONANGOL in order to obtain confidential information and win contracts for Rolls-Royce and RRESI. Ultimately, as a result of the corrupt payments, approximately three SONANGOL projects were awarded to Rolls-Royce and RRESI. In total, Intermediary 2 received approximately \$2.4 million in corrupt commission payments and Rolls-Royce and RRESI made approximately \$30 million in profits in Angola.

The Conspiracy

70. From in or around 2000 through in or around 2013, within the Southern District of Ohio and elsewhere, the defendant,

ROLLS-ROYCE

did knowingly and willfully, that is, with the intent to further the objects of the conspiracy, combine, conspire, confederate, and agree with others known and unknown, including, among others, RRESI, to commit offenses against the United States, namely:

- a. to willfully make use of the mails and means and instrumentalities of interstate commerce 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 a foreign official and to any person, while knowing that all, or a portion of such money and things of value would be and had been offered, given, and promised to a foreign official, for purposes of (i) influencing acts and decisions of such foreign official in his or her

official capacity; (ii) inducing such foreign official to do and omit to do acts in violation of the lawful duty of such official; (iii) securing any improper advantage; and (iv) inducing such foreign official to use his or her influence with a foreign government and agencies and instrumentalities thereof, to affect and influence acts and decisions of such government and agencies and instrumentalities, in order to assist RRESI and others known and unknown, in obtaining and retaining business for and with, and directing business to, ROLLS-ROYCE, RRESI, and others, in violation of Title 15, United States Code, Section 78dd-2; and

- b. as a person other than an issuer or domestic concern, through its employees and agents, while in the territory of the United States, did corruptly commit acts 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 a foreign official, a foreign political party, a foreign political party official, a foreign political candidate and to a person, while knowing that all or a portion of such money and thing of value would be and had been offered, given, and promised to a foreign official, a foreign political party, a foreign political party official and a foreign political candidate for purposes of: (i) influencing acts and decisions of such foreign official, foreign political party, foreign political party official and foreign political candidate in his or her official capacity; (ii) inducing such foreign official, foreign political party, foreign political party official and foreign political candidate to do and omit to do acts in violation of the lawful duty of such official; (iii) securing any improper advantage; and (iv) inducing such foreign official, foreign political party, foreign political party official and foreign

political candidate to use his or her influence with a foreign government and agencies and instrumentalities thereof to affect and influence acts and decisions of such government and agencies and instrumentalities, in order to assist ROLLS-ROYCE and its employees and agents in obtaining and retaining business for and with, and directing business to ROLLS-ROYCE, RRESI, and others, in violation of Title 15, United States Code, Section 78dd-3.

Manner and Means of the Conspiracy

71. The manner and means by which ROLLS-ROYCE and its coconspirators sought to accomplish the objects of the conspiracy included, among other things, the following:

72. It was part of the conspiracy that ROLLS-ROYCE, through its employees and agents, together with others, discussed in person, and through, among other means, email, making bribe payments to foreign officials to secure an improper advantage and obtain and retain business for ROLLS-ROYCE and RRESI.

73. It was further part of the conspiracy that ROLLS-ROYCE, through its employees and agents, together with others, offered to pay, promised to pay, and caused corrupt commission payments to be made by RRESI to commercial advisors, including Intermediary 1, Intermediary 2, Intermediary 3, Intermediary 4 and Intermediary 5, knowing that such commission payments, or portions thereof, would be used to bribe foreign officials, to help secure an improper advantage and obtain and retain business for ROLLS-ROYCE and RRESI with foreign governments and instrumentalities, including AGP, PTT, PTTEP, Petrobras, SOCAR, and SONANGOL.

74. It was further part of the conspiracy that ROLLS-ROYCE, through its employees and agents, and others, offered to pay, promised to pay, and caused corrupt commission payments

to be made by RRESI to Intermediary 1 knowing that Intermediary 1 was paying bribes to officials at SOC.

75. It was further part of the conspiracy that ROLLS-ROYCE, through its employees and agents, attempted to conceal their receipt of confidential competitor information from others by, among other things, using personal email accounts to communicate and receive such information.

76. It was further part of the conspiracy that ROLLS-ROYCE, through its employees and agents, used codenames and acronyms to conceal the identities of certain foreign officials who were to receive corrupt payments.

77. It was further part of the conspiracy that ROLLS-ROYCE, through its employees and agents, together with others, caused corrupt commission payments to be made from RRESI's bank account, located in the Southern District of Ohio, to the bank account of intermediaries, knowing that such commission payments, or portions thereof, would be used to bribe foreign officials to help secure an improper advantage and obtain and retain business for ROLLS-ROYCE and RRESI.

Overt Acts

78. In furtherance of the conspiracy and to achieve the objects thereof, at least one of the coconspirators committed, or caused to be committed, in the Southern District of Ohio and elsewhere, at least one of the following overt acts, among others:

79. On or about April 8, 2002, Employee 2 emailed Employee 1 and directors of Intermediary 4 about a strategy for winning a contract. The strategy included convincing PTT officials, who Employee 2 referred to as "friends," to write the bid specifications for the project in

such a way that would ensure ROLLS-ROYCE would be the best positioned company to win the contract. Employee 2 wrote that this would “maximize gains for our friends at the same time as maintaining a sensible margin for [ROLLS-ROYCE].”

80. On or about November 13, 2009, RRESI wired approximately \$88,260 from its bank account in the United States to Intermediary 4’s bank account in Thailand.

81. On or about May 24, 2004, RRESI wired approximately \$500,000 from its bank account in the United States to Intermediary 5’s bank account in Switzerland.

82. In or around 2009, the principal for Intermediary 3 sent an email to Executive and Employee 1, in which the principal explained the details of the corrupt bribery scheme, including how the principal intended to use portions of RRESI’s commission payments to Intermediary 3 to make bribery payments to a foreign official of AGP.

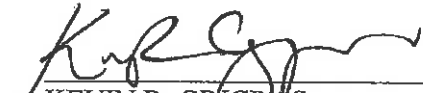
83. On or about March 7, 2012, RRESI wired approximately \$236,975 from its bank account in in Mount Vernon, Ohio, located in the Southern District of Ohio, to Intermediary 3’s bank account in the United Kingdom.

84. In or around February 2006, after receiving the confidential information from Intermediary 1, ROLLS-ROYCE, RRESI, and others, agreed to engage Intermediary 1 as a local distributor, whereby Intermediary 1 would purchase gas generators directly from RRESI to resell to SOC.

85. On or about March 19, 2009, Executive, Employee 1, and others, met with Intermediary 2’s employees to secure Intermediary 2’s assistance as a commercial advisor to win future contracts with SONANGOL. During the meeting, Intermediary 2 explained to Rolls-Royce, RRESI, Executive, Employee 1, and others, known or unknown, that Intermediary 2 had access to foreign officials at SONANGOL.

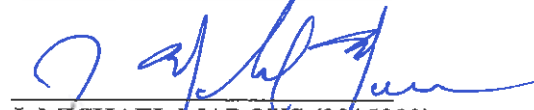
All in violation of Title 18, United States Code, Section 371:

ANDREW WEISSMANN
CHIEF, FRAUD SECTION




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JESSICA H. KIM (0087831)
Assistant United States Attorneys

I certify that this is a true
and correct copy of the
original filed in my office
on 12/20/16,
Richard W. Nagel, Clerk


Date: 12/21/16

