

unknown, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to commit offenses against the United States, that is,

a. as an issuer, to 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 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, directly and indirectly, 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 an 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 VIMPELCOM and Unitel in obtaining and retaining business for and with, and directing business to, VIMPELCOM, Unitel, and others, in violation of Title 15, United States Code, Section 78dd-1(a);

b. to knowingly falsify and cause to be falsified books, records, and accounts required to, in reasonable detail, accurately and fairly reflect the transactions and dispositions of VIMPELCOM, in violation of Title 15, United States Code, Sections 78m(b)(2)(A), 78m(b)(5), and 78ff(a).

Object of the Conspiracy

80. The object of the conspiracy was for the co-conspirators to provide millions of dollars in bribes to Foreign Official in order to continue to obtain necessary UzACI approvals and be allowed to obtain and retain Uzbek telecommunications business.

Manner and Means of the Conspiracy

81. The manner and means by which VIMPELCOM and its coconspirators sought to accomplish the purposes of the conspiracy included, among other things, the following:

a. The co-conspirators paid \$60 million to acquire Buztel, a company in which certain VimpelCom management knew that Foreign Official held an indirect interest via Shell Company, because certain VimpelCom management knew that the acquisition of Buztel likely would facilitate VimpelCom's acquisition of Unitel LLC and enable the company to conduct business in Uzbekistan.

b. The co-conspirators corruptly entered into a lucrative partnership agreement with Foreign Official's front company, Shell Company, in which Shell Company would obtain an indirect ownership interest in UNITEL that VimpelCom would later repurchase at a guaranteed profit, in order to pay a \$37.5 million bribe to Foreign Official in exchange for Foreign Official permitting VimpelCom and UNITEL to conduct business in Uzbekistan.

c. The co-conspirators corruptly entered into a contract with Shell Company purportedly to obtain 3G frequencies in 2007, causing a \$25 million bribe to be paid to Foreign Official via Shell Company so that Foreign Official would help UNITEL obtain these valuable telecommunications assets and permit it to conduct business in Uzbekistan.

d. The co-conspirators knowingly entered into fake consulting contracts with Shell Company for \$2 million in 2008 and \$30 million in 2011 in order to provide Foreign Official with approximately \$32 million in exchange for valuable telecommunications assets and to allow UNITEL to continue to conduct business in Uzbekistan.

e. The co-conspirators made \$20 million in bribe payments to Foreign Official in 2011 and 2012 through purposefully non-transparent transactions with purported

“reseller” companies in order to make and concealed corrupt payments to Foreign Official through Shell Company, which allowed UNITEL to continue to conduct business in Uzbekistan.

f. The co-conspirators falsely recorded in VIMPELCOM’s consolidated books and records the bribe related to the partnership agreement in which Shell Company first purchased and then sold an indirect equity interest in Unitel as the receipt of loan proceeds in 2007 to be repaid in 2009 and secured by shares in a VIMPELCOM subsidiary.

g. The co-conspirators falsely recorded in VIMPELCOM’s consolidated books and records the bribe related to the acquisition of 3G frequencies in 2007 as the acquisition of an intangible asset, namely 3G frequencies, and as consulting expenses.

h. The co-conspirators falsely recorded in VIMPELCOM’s consolidated books and records the bribe in 2008 as “submission and support documentation packages seeking assignment of 24 channels to Unitel” and treated as an acquisition of an intangible asset and consulting services.

i. The co-conspirators falsely recorded in VIMPELCOM’s consolidated books and records the bribe related to consultancy services associated with the acquisition of 4G frequencies in 2011 as “consulting services” and treated as consulting services and as an acquisition of an intangible asset, namely 4G frequencies.

j. The co-conspirators falsely recorded in VIMPELCOM’s consolidated books and records the bribes made through purported reseller transactions in 2011 and 2012 as “professional services” expenses.

Overt Acts

82. 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 New York

and elsewhere, at least one of the following overt acts, among others:

83. On or about January 18, 2006, VIMPELCOM, through a subsidiary, purchased Buztel for approximately \$60 million.

84. On or about February 10, 2006, VIMPELCOM, through a subsidiary, purchased Unitel for approximately \$200 million along with the assumption of some debt.

85. In or around September 2009, VIMPELCOM transferred \$57,500,000 from its bank account to Shell Company's bank account in Hong Kong, which was wired into and out of U.S. correspondent bank accounts located in the Southern District of New York.

86. On or about November 7, 2007, a VIMPELCOM subsidiary transferred \$10 million from its Netherlands bank account to Shell Company's Latvian bank account, which was wired into and out of U.S. correspondent bank accounts located in the Southern District of New York.

87. On or about November 9, 2007, a VIMPELCOM subsidiary transferred \$15 million from its Netherlands bank account to Shell Company's Latvian bank account, which was wired into and out of U.S. correspondent bank accounts located in the Southern District of New York.

88. On or about August 8, 2008, VIMPELCOM transferred \$2 million from its bank account to Shell Company's bank account in Latvia, which was wired into and out of U.S. correspondent bank accounts located in the Southern District of New York.

89. On or about September 21, 2011, a VIMPELCOM subsidiary transferred \$20 million to Shell Company's Swiss bank account, which was wired into and out of U.S. correspondent bank accounts located in the Southern District of New York.

90. On or about October 19, 2011, a VIMPELCOM subsidiary transferred \$10

million payment to Shell Company's Swiss bank account, which was wired into and out of U.S. correspondent bank accounts located in the Southern District of New York.

91. In or around 2007, the bribe related to the acquisition of 3G frequencies was falsely recorded in VIMPELCOM's consolidated books and records as the acquisition of an intangible asset, namely 3G frequencies, and as consulting expenses.

92. In or around 2008, a bribe was falsely recorded in VIMPELCOM's consolidated books and records as "submission and support documentation packages seeking assignment of 24 channels to Unitel" and treated as an acquisition of an intangible asset and consulting services.

93. In or around 2011, the bribe related to consultancy services associated with the acquisition of 4G frequencies was falsely recorded in VIMPELCOM's consolidated books and records as "consulting services" and treated as consulting services and as an acquisition of an intangible asset, namely 4G frequencies.

94. In or around 2011, the bribe through purported reseller transactions was falsely recorded in VIMPELCOM's consolidated books and records as "professional services" expenses.

95. In or around 2012, the bribe through purported reseller transactions was falsely recorded in VIMPELCOM's consolidated books and records as "professional services" expenses.

(Title 18, United States Code, Section 371.)

COUNT TWO
(Violation of the Internal Controls Provisions of the FCPA)

96. Paragraphs 1 through 77 and 80 through 95 of this Information are realleged and incorporated by reference as if fully set forth herein.

97. From in or around 2005 through in or around at least 2012, VIMPELCOM knowingly and willfully failed to implement a system of internal accounting controls sufficient to provide reasonable assurances that: (i) transactions were executed in accordance with management's general or specific authorization; (ii) transactions were recorded as necessary to (A) permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (B) maintain accountability for assets; (iii) access to assets was permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets was compared with the existing assets at reasonable intervals, and appropriate action is taken with respect to any differences, *to wit*: VIMPELCOM knowingly and willfully failed to implement, among other controls: (i) a system for conducting, recording, and verifying due diligence on third parties, including joint venture partners, consultants, purported reseller companies, and suppliers to uncover their true nature, beneficial ownership, and possible corruption risks; (ii) sufficient procedures for the selection and approval of transactions with purported reseller companies to detect and avoid corruption risks; (iii) policies and oversight regarding payments to bank accounts located in places where the contractual partner neither performed work nor had operations; (iv) adequate procedures for identifying and addressing actual and potential conflicts of interest; (v) a sufficient audit function to provide reasonable assurances that corporate assets were not used to make bribery payments to foreign officials; (vi) procedures to ensure that consulting agreements were entered into for bona fide services that needed to be performed; (vii) procedures to ensure that payments made pursuant to agreements were commensurate with the services performed or to be performed, and that such services were, in fact, performed; (viii) procedures to prevent contracts from avoiding audit or scrutiny by virtue of their purpose being

reclassified; (ix) oversight to ensure adherence to procedures concerning single-source decisions and contract awards; (x) oversight to ensure adherence to price thresholds that determined the required level of approval authority; and (xi) a system for obtaining and retaining documentation of deliverables for contracts.

(Title 15, United States Code, Sections 78m(b)(2)(B), 78m(b)(5), and 78ff(a) and Title 18, United States Code, Section 2)

FORFEITURE ALLEGATION

98. Upon conviction of the offenses alleged in Counts One and Two of this Information, VIMPELCOM, the defendant, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), all of its interest in any property constituting or derived from proceeds obtained directly or indirectly as a result of said violations, including but not limited to \$40,000,000.


Substitute Assets Provision

99. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third person;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described above.

(Title 18, United States Code, Section 981(a)(1)(C); Title 21, United States Code, Section 853(p); and Title 28, United States Code, Section 2461(c))


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Form No. USA-33s-274 (Ed. 9-25-58)

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

UNITED STATES OF AMERICA

- v. -

VIMPELCOM LTD.,

Defendant.

INFORMATION

16 Cr. ____

(18 U.S.C. § 371, 15 U.S.C. §§ 78m(b)(2)(B), 78m(b)(5), and 78ff(a), 18 U.S.C. § 2,
18 U.S.C. § 981(a)(1)(C), 21 U.S.C. § 853(p), 28 U.S.C. § 2461(c))

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