

JUSTICE NEWS

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Obstruction Charges Filed in Ongoing FCPA Investigation into Alleged Guinean Mining Rights Bribe Scheme

Frederic Cilins, 50, a French citizen, has been arrested and accused of attempting to obstruct an ongoing investigation into whether a mining company paid bribes to win lucrative mining rights in the Republic of Guinea.

Mythili Raman, Acting Assistant Attorney General for the Justice Department's Criminal Division; Preet Bharara, the U.S. Attorney for the Southern District of New York; and George Venizelos, the Assistant Director in Charge of the FBI's New York Field Office, made the announcement.

"Mr. Cilins is charged with scheming to destroy documents and induce a witness to give false testimony to a grand jury investigating potential violations of the Foreign Corrupt Practices Act," said Acting Assistant Attorney General Raman. "The Justice Department is committed to rooting out foreign bribery, and we will not tolerate criminal attempts to thwart our efforts."

"A grand jury can never learn the truth, and justice cannot prevail, where documents are intentionally destroyed and testimony is tainted by lies," said U.S. Attorney Bharara. "As alleged, Frederic Cilins attempted to obstruct a significant investigation by corrupting evidence and testimony in precisely those ways. With today's arrest, he now begins his own path to justice for his alleged conduct."

"As alleged, Cilins attempted to buy evidence he sought to destroy," said FBI Assistant Director in Charge Venizelos. "The destruction of evidence was in furtherance of Cilins's alleged effort to obstruct an investigation into a bribery scheme. In effect, he was allegedly willing to commit bribery in an effort to cover up a bribery."

Cilins was arrested in Jacksonville, Fla., on April 14, 2013, and a criminal complaint was filed in the Southern District of New York today charging Cilins with tampering with a witness, victim or informant; obstructing a criminal investigation; and destroying, altering or falsifying records in a federal investigation. The obstruction charge carries a maximum penalty of five years in prison, and the tampering and record-destruction charges each carry a maximum penalty of 20 years in prison. Cilins made an initial appearance in the Middle District of Florida and was detained pending a detention hearing scheduled for April 18, 2013.

According to the complaint, Cilins allegedly attempted to obstruct an ongoing federal grand jury investigation concerning potential violations of the Foreign Corrupt Practices Act and laws proscribing money laundering. The complaint states the federal grand jury is investigating whether a particular mining company and its affiliates – on whose behalf Cilins has been working – transferred into the United States funds in furtherance of a scheme to obtain and retain valuable mining concessions in the Republic of Guinea's Simandou region. During monitored and recorded phone calls and face-to-face meetings, Cilins

allegedly agreed to pay substantial sums of money to induce a witness to the bribery scheme to turn over documents to Cilins for destruction, which Cilins knew had been requested by the FBI and needed to be produced before a federal grand jury. The complaint also alleges that Cilins sought to induce the witness to sign an affidavit containing numerous false statements regarding matters under investigation by the grand jury.

The complaint alleges that the documents Cilins sought to destroy included original copies of contracts between the mining company and its affiliates and the former wife of a now-deceased Guinean government official, who at the relevant time held an office in Guinea that allowed him to influence the award of mining concessions. The contracts allegedly related to a scheme by which the mining company and its affiliates offered the wife of the Guinean official millions of dollars, which were to be distributed to the official's wife as well as ministers or senior officials of Guinea's government whose authority might be needed to secure the mining rights.

According to the complaint, the official's wife incorporated a company in 2008 that agreed to take all necessary steps to secure the valuable mining rights for the mining company's subsidiary. That same contract stipulated that \$2 million was to be transferred to the official's wife's company and an additional sum was to be "distributed among persons of good will who may have contributed to facilitating the granting of" the valuable mining rights. According to the complaint, in 2008, the mining company and its affiliates also "commit[ted] to giving 5% of the shares of stock" in particular mining areas in Guinea to the official's wife.

A complaint is merely an accusation, and the defendant is presumed innocent until and unless proven guilty beyond a reasonable doubt.

The case is being prosecuted by Trial Attorney Stephen J. Spiegelhalter of the Criminal Division's Fraud Section and Assistant U.S. Attorney Elisha J. Kobre of the Southern District of New York. The case is being investigated by the FBI. The Justice Department's Office of International Affairs and Office of Enforcement Operations have also assisted in the investigation.

Additional information about the Justice Department's FCPA enforcement efforts can be found at www.justice.gov/criminal/fraud/fcpa.

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