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Oil Services Companies and a Freight Forwarding Company Agree to Resolve Foreign Bribery Investigations and to Pay More Than \$156 Million in Criminal Penalties

SEC and Companies Agree to Civil Disgorgement and Penalties of Approximately \$80 Million

WASHINGTON – A global freight forwarding company, as well as five oil and gas service companies and subsidiaries, have all agreed to resolve investigations of Foreign Corrupt Practices Act (FCPA) violations, the Department of Justice and U.S. Securities and Exchange Commission (SEC) announced today. The companies have agreed to pay a total of \$156,565,000 in criminal penalties. Also today, the SEC announced its settlements with these companies, which involve civil disgorgement, interest and penalties totaling approximately \$80 million. The matters stem from an investigation that focused on allegations of foreign bribery in the oil field services industry.

In documents filed in U.S. District Court for the Southern District of Texas, Panalpina World Transport (Holding) Ltd., a global freight forwarding and logistics services firm based in Basel, Switzerland, and its U.S.-based subsidiary, Panalpina Inc., admitted that the companies, through subsidiaries and affiliates (collectively "Panalpina"), engaged in a scheme to pay bribes to numerous foreign officials on behalf of many of its customers in the oil and gas industry. They did so in order to circumvent local rules and regulations relating to the import of goods and materials into numerous foreign jurisdictions. Panalpina admitted that between 2002 and 2007, it paid thousands of bribes totaling at least \$27 million to foreign officials in at least seven countries, including Angola, Azerbaijan, Brazil, Kazakhstan, Nigeria, Russia and Turkmenistan. Also today, Panalpina's customers, including Shell Nigeria Exploration and Production Company Ltd. (SNEPCO), Transocean Inc. and Tidewater Marine International Inc., admitted that the companies approved of or condoned the payment of bribes on their behalf in Nigeria and falsely recorded the bribe payments made on their behalf as legitimate business expenses in their corporate books, records and accounts.

As part of the agreed resolution, the department today filed a criminal information charging Panalpina World Transport with conspiring to violate and violating the anti-bribery provisions of the FCPA. The department and Panalpina World Transport agreed to resolve the charges by entering into a deferred prosecution agreement. The department also filed a criminal information charging Panalpina Inc. with conspiring to violate the books and records provisions of the FCPA and with aiding and abetting certain customers in violating the books and records provisions of the FCPA. Panalpina Inc. has agreed to plead guilty to the charges. The agreements require the payment of a \$70.56 million criminal penalty.

A criminal information was also filed today charging SNEPCO, a Nigerian subsidiary of Royal Dutch Shell plc (collectively "Shell"), with conspiring to violate the anti-bribery and books and records provisions of the FCPA, and with aiding and abetting a violation of the books and records provisions. Royal Dutch Shell is the owner of a global group of energy and petrochemicals companies. The charges relate to approximately \$2 million SNEPCO paid to its subcontractors with the knowledge that some or all of the money would be paid as bribes to Nigerian customs officials by Panalpina to import materials and equipment into Nigeria. To resolve the matter, the department and Shell have entered into a deferred prosecution agreement that requires, among other things, SNEPCO to pay a \$30 million criminal penalty.

Transocean Inc., a Caymans Island subsidiary of Transocean Ltd. (collectively "Transocean"), was charged today in a criminal information with conspiring to violate the anti-bribery and books and records provisions of the FCPA; violating the anti-bribery provision of the FCPA; and aiding and abetting the violation of the books and records provisions of the FCPA. Transocean Ltd. is a global provider of offshore oil drilling services and equipment based in Vernier, Switzerland. The charges relate to approximately \$90,000 in bribes paid by Transocean Inc.'s freight forwarding agents in Nigeria to Nigerian customs officials to circumvent Nigerian customs regulations regarding the import of goods and materials and the import of Transocean's deep-water oil rigs into Nigerian waters. The department and Transocean have agreed to enter into a deferred prosecution agreement that requires, among other things, Transocean Inc. to pay a \$13.44 million criminal penalty.

The department also filed a criminal information charging Tidewater Marine International Inc., a Cayman Island subsidiary of Tidewater Inc. (collectively "Tidewater"), with conspiring to violate the anti-bribery and books and records provisions of the FCPA, and with violating the books and records provisions of the FCPA. Tidewater Inc. is a global operator of offshore service and supply vessels for energy exploration headquartered in New Orleans. The charges filed against Tidewater Marine relate to approximately \$160,000 in bribes paid through its employees and agents to tax inspectors in Azerbaijan to improperly secure favorable tax assessments and approximately \$1.6 million in bribes paid through Panalpina to Nigerian customs officials to induce the officials to disregard Nigerian customs regulations relating to the importation of vessels into Nigerian waters. To resolve the matter, the department and Tidewater have entered into a deferred prosecution agreement that requires, among other things, Tidewater Marine to pay a \$7.35 million criminal penalty.

Also in documents filed in U.S. District Court for the Southern District of Texas, Pride International Inc., a Houston-based corporation, and Pride Forasol S.A.S., a wholly owned French subsidiary of Pride International (collectively "Pride"), admitted that Pride paid a total of approximately \$800,000 in bribes directly and indirectly to government officials in Venezuela, India and Mexico. According to court documents, the bribes were paid to extend drilling contracts for three rigs operating offshore in Venezuela; to secure a favorable administrative judicial decision relating to a customs dispute for a rig imported into India; and to avoid the payment of customs duties and penalties relating to a rig and equipment operating in Mexico. During the course of the investigation, Pride provided information and substantially assisted in the investigation of Panalpina.

Pride International was charged in a criminal information filed today with conspiring to violate the anti-bribery and books and records provisions of the FCPA; violating the anti-bribery provisions of the FCPA; and violating the books and records provisions of the FCPA. The department and Pride International agreed to resolve the charges by entering into a deferred prosecution agreement. The department also filed a criminal information charging Pride Forasol with conspiring to violate the anti-bribery provisions of the FCPA; violating the anti-bribery provisions of the FCPA; and aiding and abetting the violation of the books and records provisions of the FCPA. Pride Forasol has agreed to plead guilty to the charges. The agreements require the payment of a \$32.625 million criminal penalty.

Under the terms of the respective three-year deferred prosecution agreements, Panalpina World Transport, Shell, Pride International, Transocean and Tidewater are required to fully cooperate with U.S. and foreign authorities in any ongoing investigations of the companies' corrupt payments. In addition, each of these companies is required to implement and adhere to a set of enhanced corporate compliance and reporting obligations.

Also announced today, the department and Noble Corporation, a Swiss corporation, reached an agreement in which Noble Corporation admitted that it had paid approximately \$74,000 to a Nigerian freight forwarding agent, acknowledged that certain employees knew that some of the payments would be passed on as bribes to Nigerian customs officials, and admitted that the company falsely recorded the bribe payments as legitimate business expenses in its corporate books, records and accounts.

As part of the non-prosecution agreement entered into with the government, Noble will pay a \$2.59 million criminal penalty. The non-prosecution agreement recognizes Noble's early voluntary disclosure, thorough self-investigation of the underlying conduct, full cooperation with the department and extensive remedial measures undertaken by the company. As a result of these factors, among others, the department agreed not to prosecute Noble or its subsidiaries for the bribe payments, provided that Noble satisfies its ongoing obligations under the agreement.

The corporate resolutions announced today not only hold these companies accountable for the criminal conduct set forth in these charging instruments and agreements, but they also reflect the department giving appropriate and meaningful credit to these companies to the extent that they have voluntarily self-disclosed their conduct and commensurate with the quality and extent of their cooperation.

In related civil enforcement actions brought by the SEC today, Panalpina Inc. agreed to pay approximately \$11.3 million in disgorgement of profits; Royal Dutch Shell and a U.S. subsidiary, Shell International Exploration and Production Inc., agreed to pay approximately \$18.1 million in disgorgement of profits and prejudgment interest; Transocean agreed to disgorge approximately \$7.2 million in profits and prejudgment interest; Tidewater Inc. agreed to pay approximately \$8.3 million in disgorgement of profits, prejudgment interest and civil penalties; Pride International agreed to pay approximately \$23.5 million in disgorgement of profits and prejudgment interest; Noble Corporation agreed to pay approximately \$5.5 million in disgorgement of profits and prejudgment interest; and GlobalSantaFe Corp. agreed to pay approximately \$5.85 million in disgorgement of profits and prejudgment interest.

These cases were prosecuted by Senior Trial Attorney Stacey K. Luck of the Criminal Division's Fraud Section. Assistant Chief Adam G. Safwat assisted in the prosecution of the matters. The FBI's Washington Field Office and Houston Field Office assisted in these investigations.

The department acknowledges and expresses its appreciation for the significant assistance provided by the staff of the SEC during the course of these investigations.

The court documents are available at: www.justice.gov/opa/opa_documents.htm.

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Criminal Division

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