

JUSTICE NEWS

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Former Senior Executive of French Power Company Charged in Connection with Foreign Bribery Scheme

A former senior executive of a French power and transportation company has been charged in a second superseding indictment for his alleged participation in a scheme to pay bribes to foreign government officials.

Acting Assistant Attorney General Mythili Raman of the Justice Department's Criminal Division, Acting U.S. Attorney Deirdre M. Daly of the District of Connecticut and Assistant Director in Charge Valerie Parlave of the FBI's Washington Field Office made the announcement.

Lawrence Hoskins, 62, a former senior vice president for the Asia region for the French company, was charged in the District of Connecticut with conspiring to violate the Foreign Corrupt Practices Act (FCPA) and to launder money, as well as substantive FCPA and money laundering violations. William Pomponi, a former executive of the Connecticut-based subsidiary of the power and transportation company who was previously charged in a superseding indictment on April 30, 2013, was charged with Hoskins in the second superseding indictment.

Frederic Pierucci, a current company executive who was previously charged in this case, pleaded guilty yesterday to one count of conspiring to violate the FCPA and one count of violating the FCPA. Charges against Pierucci were initially unsealed on April 16, 2013, along with a guilty plea by David Rothschild, a former vice president of regional sales at the Connecticut-based subsidiary, in connection with the bribery scheme. Rothschild pleaded guilty on Nov. 2, 2012.

According to the charges, the defendants, together with others, allegedly paid bribes to officials in Indonesia – including a member of the Indonesian Parliament and high-ranking members of Perusahaan Listrik Negara (PLN), the state-owned and state-controlled electricity company in Indonesia – in exchange for assistance in securing a \$118 million contract, known as the Tarahan project, for the company and its consortium partner to provide power-related services for the citizens of Indonesia. To conceal the bribes, the defendants retained two consultants purportedly to provide legitimate consulting services on behalf of the power company and its subsidiaries in connection with the Tarahan project. The indictment, however, alleges that the primary purpose for hiring the consultants was to use the consultants to pay bribes to Indonesian officials.

The first consultant retained by the defendants allegedly received hundreds of thousands of dollars in his Maryland bank account to be used to bribe the member of Parliament. The consultant then allegedly transferred the bribe money to a bank account in Indonesia for the benefit of the official. According to court documents, emails between Hoskins, Pomponi, Pierucci, Rothschild and their co-conspirators discuss in detail the use of the first consultant to funnel bribes to the member of Parliament and the influence that the member of Parliament could exert over the Tarahan project.

Court documents allege that in the fall of 2003, Hoskins, Pomponi, Pierucci and others determined that the first consultant was not effectively bribing key officials at PLN. One email between employees of the power company's subsidiary in Indonesia described PLN officials' "concern that if we have won the job, whether their rewards will still be satisfactory or this agent only give them pocket money and disappear." In another email, an employee at the power company's subsidiary in Indonesia sent an email to Hoskins asserting that the consultant "has no grip on the PLN Tender team at all" and "is more or less similar to [a] cashier which I feel we pay too much." As a result, the co-

conspirators allegedly retained a second consultant to more effectively bribe PLN officials. The charges allege that the power company deviated from its usual practice of paying consultants on a pro-rata basis in order to make a much larger up-front payment to the second consultant so that the consultant could “get the right influence.” An employee at the power company’s subsidiary in Indonesia sent an email to Hoskins, Pomponi, Pierucci and others asking them to finalize the consultancy agreement with the front-loaded payments but stated that in the meantime the employee would give his word to a high-level official at PLN, according to the charges. The defendants and their co-conspirators were successful in securing the Tarahan project and subsequently made payments to the consultants for the alleged purpose of bribing the Indonesian officials.

The conspiracy to commit violations of the FCPA count carries a maximum penalty of five years in prison and a fine of the greater of \$250,000 or twice the value gained or lost. The substantive FCPA counts each carry a maximum penalty of five years in prison and a fine of the greater of \$100,000 or twice the value gained or lost. The conspiracy to commit money laundering count carries a maximum penalty of 20 years in prison and a fine of the greater of \$500,000 or twice the value of the property involved in the transaction. The substantive money laundering counts each carry a maximum penalty of 20 years in prison and a fine of the greater of \$500,000 or twice the value of the property involved in the transaction.

An indictment is merely an accusation, and defendants are presumed innocent until and unless proven guilty beyond a reasonable doubt.

This case is being investigated by FBI agents who are part of the Washington Field Office’s dedicated FCPA squad, with assistance from the Meriden, Conn., Resident Agency of the FBI. Significant assistance was provided by the Criminal Division’s Office of International Affairs, and the Department has also worked closely with its law enforcement counterparts in Indonesia at the Komisi Pemberantasan Korupsi (Corruption Eradication Commission) and deeply appreciates KPK’s assistance in this matter.

The case is being prosecuted by Trial Attorney Daniel S. Kahn of the Criminal Division’s Fraud Section and Assistant U.S. Attorney David E. Novick of the District of Connecticut.

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

Related Materials:

[Second Superseding Indictment](#)

Component(s):

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