

1 Charles B. Gibbons
2 BUCHANAN INGERSOLL & ROONEY PC
3 One Oxford Centre
301 Grant Street, 20th Floor
4 Pittsburgh, PA 15219
Telephone: (412) 562-8800
Facsimile: (412) 562-1041

5 Mark J. MacDougall
6 W. Randolph Teslik, P.C.
7 Thomas C. Goldstein
8 Matthew A. Rossi
9 Heather J. Pellegrino
AKIN GUMP STRAUSS HAUER & FELD LLP
10 1333 New Hampshire Ave, N.W.
Washington, DC 20036
Telephone: (202) 887-4000
Facsimile: (202) 887-4288

11 Attorneys for Plaintiffs

12 UNITED STATES DISTRICT COURT
13 WESTERN DISTRICT OF PENNSYLVANIA

14 ALUMINIUM BAHRAIN B.S.C,

15 Plaintiff,

16 v.

17 ALCOA, INC., ALCOA WORLD
18 ALUMINA LLC, WILLIAM RICE, and
19 VICTOR DAHDALEH,

20 Defendants.

Case No. ____

COMPLAINT

JURY TRIAL DEMANDED

21 **COMPLAINT**

22 For its Complaint, Plaintiff Aluminium Bahrain B.S.C. (“Plaintiff” or “Alba”) alleges as
23 follows:
24

25 **NATURE OF THE CASE**

26 This action arises from the fraud perpetrated by Defendants Alcoa Inc. (“Alcoa”), *et al.*,
27 through a conspiracy of illegal bribery and other criminal acts. Plaintiff is one of the world’s largest
28

1 aluminum smelters, and is principally owned by Bahrain Mumtalakat Holding Co., B.S.C.
2 (“Mumtalakat”) Defendants are involved in the supply of alumina to Plaintiff. Through their
3 conspiracy, Defendants bribed one or more former senior officials of Plaintiff and the Government of
4 Bahrain to induce Plaintiff to cede a controlling interest in that company to Defendant Alcoa and to
5 overpay for alumina. The bribes were sent through a series of shell companies that Defendants
6 ultimately controlled. Defendants’ conspiracy succeeded in exacting hundreds of millions of dollars in
7 overpayments, which continue to accumulate to this day. Among other things, Plaintiff seeks damages
8 in excess of \$1 billion, including punitive damages, for this massive, outrageous fraud.

10 **JURISDICTION AND VENUE**

11 1. There are two sources of subject matter jurisdiction in this Court:

12 a. The parties’ citizenship is completely diverse and the amount in controversy
13 exceeds \$75,000, exclusive of interest and costs. 28 U.S.C. § 1332.

14 b. A substantial part of this action arises under the laws of the United States. 28
15 U.S.C. §§ 1331 and 1337.

16 2. There are two sources of venue in this Court:

17 a. A substantial part of the events or omissions giving rise to the action occurred in
18 this district. 28 U.S.C. § 1391(a)(2).

19 b. Defendants Alcoa and Alcoa World Alumina LLC (“Alcoa World Alumina”),
20 have their principal places of business in Pennsylvania at 201 Isabella Street, Pittsburgh, Pennsylvania,
21 15212. 28 U.S.C. § 1391(a)(3).

22 **THE PARTIES**

23 3. The Plaintiff is Aluminium Bahrain B.S.C., known as “Alba.” Alba is a company
24 organized under the laws of the Kingdom of Bahrain, with its principal place of business at P.O. Box
25 570, 150, Hawar Avenue, Asker 951, Kingdom of Bahrain.
26
27
28

1 leader” and presumptively provides the management of both AWAC and the “Enterprise Companies”
2 through which it operates.

3 12. The AWAC Enterprise Companies include Alcoa’s affiliated companies, Defendant
4 Alcoa World Alumina and Alcoa of Australia Limited (“Alcoa of Australia”). Under the direction of
5 Defendant Alcoa, the Enterprise Companies follow the direction of the Strategic Council.
6

7 **FACTUAL ALLEGATIONS**

8 13. Plaintiff Alba is one of the world’s largest aluminum smelters, fulfilling essentially all
9 the demand of industry in the Kingdom of Bahrain.

10 14. The principal raw input for aluminum is alumina, which gives rise to 80% of Alba’s raw
11 material costs. Other significant inputs include carbon (a blend of petroleum coke and pitch) and
12 aluminum fluoride.
13

14 15. Defendant Alcoa and its affiliated companies are now, and have been for many decades,
15 Alba’s principal suppliers of alumina.

16 16. Defendant Alcoa’s alumina supply agreements with Plaintiff are overseen by Alcoa’s
17 affiliate, Defendant Alcoa World Alumina (see supra ¶6).

18 17. This case arises from the conspiracy of Defendants to defraud Plaintiff Alba into ceding
19 a substantial portion of its equity to Defendant Alcoa, paying inflated prices for alumina, and
20 corrupting the integrity of senior officials.
21

22 18. Defendants furthered their fraud through bribes paid to one or more senior officials of
23 Plaintiff and the Government of Bahrain.

24 19. Defendants acted individually and in concert to defraud Plaintiff. Plaintiff has been
25 directly damaged by this conduct.

26 20. Defendants deprived Plaintiff of the honest services of officials of Alba and caused
27 government officials to violate their duties to the Government of Bahrain.
28

1 21. Defendants' scheme to defraud Plaintiff began in or around 1993 and continues to the
2 present.

3 22. Defendants' scheme was not discovered by Plaintiff until 2007, and Defendants'
4 fraudulent concealment contributed to Plaintiff's delayed discovery.

5 23. Defendants' concealment of their scheme made it impossible for Plaintiff to know the
6 details of many of their unlawful acts.

7
8 **The Fraud to Induce Alba to Pay Excessive Negotiated Alumina Rates and Defendants'**
9 **Effort to Conceal Their Unlawful Activities Through Assignment Under the 1990 Contract**

10 24. In 1990, Plaintiff Alba and Alcoa of Australia entered into an agreement (the "1990
11 Contract") under which Alba purchased alumina from Defendant Alcoa. Originally for a ten-year
12 term, the contract was extended by three amendments, ultimately expiring in December 2004.

13 25. Defendants caused Alcoa of Australia to assign a portion of the 1990 Contract to
14 companies controlled by Defendant Dahdaleh.

15 26. Upon information and belief, Defendants operated and directed Dahdaleh-controlled
16 companies, collaborating with and instructing them to carry out the activities described herein in
17 pursuit of their scheme to defraud Alba.

18 27. Upon information and belief, the assignments served no legitimate business purpose and
19 were used as a means to secretly pay bribes and unlawful commissions as part of the scheme to defraud
20 Alba.

21 28. Plaintiff's allegations do not challenge Defendants' compliance with the 1990 Contract.
22 The 1990 Contract called for the negotiation of a price for alumina, and the negotiations were
23 undertaken with Alcoa of Australia.

24 29. In exchange for Defendants' bribes, however, one or more senior officials of Plaintiff
25 and the Government of Bahrain caused Alba to agree to pay inflated prices for alumina it purchased
26 from Alcoa to which Alba would not have otherwise agreed.

1 30. Upon information and belief, Defendant Alcoa directed the conduct of Defendant Alcoa
2 World Alumina and its agents with respect to the 1990 Contract.

3 **The 1993 Assignment**

4 31. The 1990 Contract had two measures of the price for alumina. For approximately 60%
5 of the supply, the price was set by a formula. For the remaining 40% (the “Market Tonnage”), the
6 parties negotiated the price.
7

8 32. Defendants caused the Market Tonnage to be assigned to a company controlled by
9 Defendant Dahdaleh for the purpose of facilitating bribes that caused Alba to pay excessive prices for
10 alumina.

11 33. From 1993 through 1995, Defendants caused the supply responsibility for the Market
12 Tonnage to be assigned from Alcoa of Australia to a company registered in Singapore named
13 Kwinalum Trading Pte Limited (“Kwinalum”).
14

15 34. Kwinalum was, upon information and belief, controlled by Defendant Dahdaleh:

16 a. Kwinalum was a wholly owned subsidiary of Alumet Limited, a company
17 incorporated in the British Virgin Islands. Defendant Dahdaleh controls Alumet Limited.

18 b. All revenue from sales by Kwinalum was passed directly to Alumet Limited.

19 c. Angela Hill signed invoices on behalf of Kwinalum. Angela Hill was and still is
20 an officer of Dadco Australia Pty Limited (“Dadco”), a company founded by Defendant Dahdaleh and
21 Dahdaleh’s brother in Perth Australia.
22

23 35. The assignment substantially affected interstate commerce. Pursuant to instructions on
24 the invoices, Plaintiff Alba paid the invoices by wire transfer to accounts held at Royal Bank of
25 Canada and Chase Manhattan Bank in New York, NY.
26

27 36. Notwithstanding the assignment, Alcoa of Australia remained the actual source of the
28 alumina.

1 37. Upon information and belief, there was no legitimate business reason for the
2 assignment, which instead was part of a scheme to pay bribes to one or more former senior officials of
3 Plaintiff and the Government of Bahrain.

4 38. In exchange for the bribes, officials agreed on behalf of Alba to pay excessive prices for
5 alumina.
6

7 **The 1996 Assignment and Extension**

8 39. In 1996, the 1990 Contract was amended (the “1996 Amendment”) to provide that
9 Alcoa of Australia would provide the Market Tonnage to Alba from 1997 through 2000. The 1996
10 Amendment also extended the term of the 1990 Contract until December 31, 2000.

11 40. As they had in the period 1993 to 1995, Defendants caused the Market Tonnage to be
12 assigned to a company controlled by Defendant Dahdaleh for the purpose of facilitating bribes that
13 caused Alba to pay excessive prices for the Market Tonnage.
14

15 41. Alcoa of Australia assigned supply responsibility for 285,000 metric tons of Market
16 Tonnage to Alumet Asia Pte Limited (“Alumet Asia”).

17 42. Peter Burgess (Sales and Marketing Manager of Defendant Alcoa World Alumina)
18 signed the 1996 Amendment on behalf of Alcoa of Australia.
19

20 43. Notwithstanding the assignment, Alcoa of Australia remained the actual source of the
21 alumina. Alcoa of Australia sold the alumina to Alumet Limited (see supra ¶ 34a), which in turn sold
22 it to Alumet Asia.

23 44. Alumet Asia was controlled by Defendant Dahdaleh:

24 a. Alumet Asia was a new name for Kwinalum, which had provided the Market
25 Tonnage from 1993 through 1995 (see supra ¶ 33).

26 b. Angela Hill signed invoices on behalf of Alumet Asia, as she had for its
27 predecessor Kwinalum (see supra ¶ 34c).
28

1 c. Sandra Ainsworth from time to time, signed invoices directed to Alba on behalf
2 of Angela Hill. From June 1998 to December 2001, Ainsworth served as Administrative Manager of
3 Alumet Asia. Since 2001, Sandra Ainsworth has served as the Company Secretary of another
4 Dahdaleh-controlled entity, Dadco (see supra ¶ 34c). From in or about the month of December 2001 to
5 April 2005, Ainsworth served as administrative and shipping manager of other Dahdaleh-controlled
6 entities (known as the AAAC companies, see infra ¶ 54i).

8 45. The 1996 Amendment required that the identity of Alumet Asia be kept “absolutely
9 confidential.”

10 46. Defendants represented to Alba that the assignment of Market Tonnage was necessary
11 in order to avoid disclosure of Alcoa’s prices to other customers and the Government of Australia.

12 47. Upon information and belief, Defendants’ explanation to Alba for the assignment was
13 false. There was no legitimate business reason for the assignment. Alumet Asia existed solely as a
14 front for the sales of alumina to Alba and a vehicle for defrauding Alba.

15 48. Alumet Asia ceased activity on January 1, 2002, eleven days after the date of its final
16 invoice to Plaintiff.

17 49. Defendants’ activities substantially affected interstate commerce:

18 a. Pursuant to instructions on the invoices issued by Dahdaleh associates
19 Ainsworth and Hill, Alba wired payments to Chase Manhattan Bank in New York, NY. Some
20 payments were for credit to accounts held at the Royal Bank of Canada in New York, NY (including
21 account XXX-XX5613) for further credit to another account of Alumet Asia.
22

23 b. Throughout 2000 and 2001, Alcoa World Alumina issued Alba the invoices
24 under the 1990 Contract. These invoices directed that payments be made to accounts for the benefit of
25 Alcoa of Australia at ANZ Investment Bank and Chase Manhattan Bank in New York, NY.
26
27
28

1 **The 2001 Extension**

2 50. In 2001, Alba and Alcoa of Australia amended the 1990 Contract to extend its term
3 through 2003 (the “2001 Extension”).

4 51. The extension was proposed by Defendant Alcoa World Alumina through its officer,
5 Defendant Rice, by an April 21, 2001, letter on Alcoa World Alumina stationery sent from Pittsburgh,
6 PA. The letter refers to the 1990 Contract as “our present purchase agreement” and seeks “to continue
7 the relationship we have had for 30 years.”

8 52. Alcoa of Australia remained the only source of alumina under the 2001 Extension.

9 53. Defendants structured the 2001 Extension to facilitate the payment of bribes, in
10 exchange for which Alba would pay excessive prices for alumina.

11 54. Under the 2001 Extension, Defendants continued to operate through Dahdaleh-
12 controlled entities and Dahdaleh associates:

13 a. The extension was executed by Dahdaleh associate David Dabney on behalf of
14 Alcoa of Australia.

15 b. Dabney was not, in fact, an officer or employee of Alcoa of Australia.

16 c. Dabney was an officer and shareholder of several Dahdaleh-controlled entities
17 that would subsequently supply alumina to Alba. From approximately 1996 to 1998, Dabney was an
18 officer of Alcoa Chemie GmbH. Dabney has served as director of three other Dahdaleh-controlled
19 entities. Dabney is a Citizen of the United States.

20 d. At the time Dabney executed the 2001 Extension, he was in fact an employee of
21 Dahdaleh-controlled Dadco and its affiliate Dadco Alumina and Chemicals. Dabney executed the
22 2001 Extension at the direction of Defendant Dahdaleh.

1 e. Dabney transmitted the executed extension to Alba by letter (“2001 Extension
2 Letter”). The letterhead identified the sender as AA Alumina and Chemicals and bore the logo of
3 Alcoa of Australia.

4 f. No company named AA Alumina and Chemicals was incorporated in Australia
5 or Switzerland on the date of the 2001 Extension Letter, and the address stated on the letter (Level 20
6 Exchange Plaza, 2 The Esplanade, Perth, Western Australia, 6000, Australia) was in fact the address of
7 a Dahdaleh-controlled entity, Dadco (see supra ¶ 38c).

8 g. The extension provided that Alba would direct communications to Dabney via a
9 confidential fax number (61 8 9202 1101) that was, in fact, the fax number of Dadco.
10

11 h. Approximately four months after Dabney executed the 2001 Extension, AA
12 Alumina and Chemicals was incorporated in Switzerland, with Dabney as President and majority
13 shareholder.
14

15 i. AA Alumina and Chemicals was controlled by Defendant Dahdaleh. This was
16 the first of three companies incorporated in Switzerland and controlled by Dahdaleh with the same
17 name. We refer to them, in order of their creation, as AAAC-1, AAAC-2, and AAAC-3 (collectively
18 “AAAC Companies”).
19

20 j. AAAC-1 was incorporated on December 19, 2001. Its name was then changed
21 twice: to CI Chemicals Industries SA (on March 20, 2002); and then to Dadco Property SA (on March
22 3, 2004).

23 55. All invoices to Alba under the 2001 Extension were issued by AAAC-1, rather than
24 Alcoa of Australia:

25 a. AAAC-1 issued all invoices in its name to Alba from January 1, 2002 through
26 approximately March 20, 2002.
27
28

1 b. The second AA Alumina & Chemicals SA (“AAAC-2”) was incorporated on
2 March 15, 2002, at the same time as the renaming of AAAC-1 to CI Chemicals Industries SA.

3 c. AAAC-2 issued all invoices in its name to Alba from March 20, 2002 through
4 the end of 2003.

5
6 56. The invoices nonetheless sought to create the appearance that they were provided on
7 behalf of Alcoa and Alcoa of Australia, bearing an Alcoa logo and identifying AA Alumina and
8 Chemicals as “an associate company” of Alcoa of Australia.

9 57. Defendants continued to conceal the role of Defendant Dahdaleh and his affiliated
10 entities. For example, a March 3, 2002 email to Defendant Rice in anticipation of a visit by
11 representatives of Plaintiff to an operating facility of Alcoa in Tennessee stated, “Just for proper form,
12 I don’t make Victor’s activities on behalf of [a recipient of Defendants’ bribes], knowledgeable to the
13 plant hence I have removed references to him from your email before forwarding it to others.” In an
14 email response on March 4, 2002, Defendant Rice stated that the host of the Tennessee visit “is also
15 not aware of Victor’s role so we should not get into any misunderstandings.”

16
17 58. Defendants’ conduct substantially affected interstate commerce.

18 a. Pursuant to the instructions on the first four invoices AAAC-1 issued, Alba
19 executed several wire transfers to an account at the Royal Bank of Canada in New York, NY
20 previously used in invoices by Alumet Asia (No. XXX-XX5613) for further credit to an account
21 (XXX-919-9) of AA Alumina and Chemicals.

22 b. Pursuant to the instructions on subsequent invoices, Alba executed wire
23 transfers (most exceeding \$10 million each) to Deutsche Trust Company America and Bankers Trust
24 Company in New York, NY for the benefit of an account of AA Alumina and Chemicals at Royal
25 Bank of Canada.
26
27
28

1 **The 2003 Extension**

2 59. Defendants proposed a further extension of the 1990 Contract by letter dated July 8,
3 2003.

4 60. Alba agreed to the extension (the “2003 Extension”) in a letter to Ms. Ainsworth dated
5 September 17, 2003. The 2003 Extension was to expire at the end of 2004.

6 61. Upon information and belief, during the period of the 2003 Extension, Defendants
7 continued to pay bribes to induce Alba to pay excessive prices for alumina to which it would not
8 otherwise have agreed.

9 62. Defendants sought the extension to maintain the role of Dahdaleh-controlled entities
10 and Dahdaleh associates.

11 a. The September 17, 2003 letter was sent by Dahdaleh associate Sandra
12 Ainsworth (see supra ¶ 44c). At that time, Ms. Ainsworth was the administrative and shipping
13 manager of AAAC-2 (see supra ¶ 55) and company secretary of Dadco (see supra ¶ 44c). She was also
14 the former administrative manager of Alumet Asia (see supra ¶ 44c).
15

16 b. The letter sought to convey the impression that it was sent on behalf of Alcoa: it
17 bore the Alcoa logo and referred to “our excellent long term relationship for the last thirty years.”
18

19 c. AAAC-2 continued to invoice Alba throughout the period of the 2003
20 Extension.
21

22 d. AAAC-2 changed its name to PA Asset Management SA on September 16,
23 2004, yet continued to invoice Alba as AAAC-2 until the conclusion of the contract.

24 63. Defendants’ conduct had a substantial effect on interstate commerce as Alba made
25 significant payments for alumina in response to the invoices it received.
26
27
28

1 **The Fraud to Continue to Secure Excessive Payments From Alba Through (A) Bribery**
2 **and (B) Acquiring a Significant Stake in Alba at a Depressed Price or Threatening Alba**
3 **with the Loss of its Alumina Supplies**

4 64. In 2005, Alba entered into an agreement (the “2005 Contract”) with yet a third entity
5 known as AA Alumina & Chemicals SA (“AAAC-3” or “AAAC Limited”) under which Alba currently
6 purchases alumina.

7 65. AAAC-3 is controlled by Defendant Dahdaleh:

8 a. AAAC-3 was incorporated on December 30, 2004, after AAAC-2 was renamed
9 PA Asset Management SA. AAAC-3 is registered at the same address as the former headquarters of
10 Alcoa Europe. AA Alumina & Chemicals Limited is, upon information and belief, an alternative Swiss
11 registration for AAAC-3.

12 b. David Debney [not to be confused with David Dabney] is an associate of
13 Defendants Alcoa and Dahdaleh. In December 2004, Debney founded AAAC-3, for which he is the
14 Administrative President and a shareholder. From approximately 1989 to 2004, Debney was employed
15 by Alcoa of Australia as Administrative President (2000-2004), Manager of Alumina Sales and
16 Marketing (1997-2000), and Technical Manager (1989-1997). Beginning in 1997, Debney was
17 Plaintiff’s lead contact at Alcoa of Australia. Since December 2004, Debney has also served as a
18 Director of two Dahdaleh-affiliated entities: AA Alumina and Chemicals Limited, Guernsey and
19 Dadco Holding (Luxembourg) SA.

20 66. Defendants defrauded Plaintiff into entering into the 2005 Contract on unfavorable
21 terms through a scheme either to acquire a controlling stake in Alba at a depressed price through
22 bribery or to extort an excessive price from Alba through bribery and the threat that Alcoa would cease
23 supplying Alba with alumina, threatening Alba’s very existence.
24
25
26
27
28

1 **Defendants' Attempt To Acquire a Stake in Alba at a Depressed Price Through Bribery**

2 67. On September 15, 2003, the Government of Bahrain and Alcoa signed a memorandum
3 of understanding (“MOU”) for the Government’s sale of up to 26% of Bahrain’s shares in Alba to
4 Alcoa or “a controlled-affiliate of Alcoa,” in exchange for one million tons of alumina per year in
5 perpetuity at cost plus management fees.
6

7 68. It was anticipated that the Alba would then sell aluminum to Alcoa at the market price.

8 69. Defendants Rice and Dahdaleh, among others, represented Alcoa throughout the
9 negotiations.
10

11 70. Upon information and belief, Defendants Rice and Dahdaleh were in contact with
12 officers of Alba and the Government of Bahrain who were recipients of Defendants’ bribes during the
13 course of the negotiations.

14 71. In negotiating the MOU, an officer of Alba who was a recipient of Defendants’ bribes
15 objected to including a term that would benefit Alba by providing that Alba could withdraw from the
16 transaction.
17

18 72. The Government of Bahrain withdrew from the transaction after concluding that it was
19 not in the best interests of Alba or the Government for two reasons. First, the terms of the transaction
20 dramatically undervalued the Government of Bahrain’s shares in Alba. Alcoa valued the shares at
21 \$600 million, while the true value was really closer to \$1 billion.

22 73. Second, the transaction would give Alcoa a substantial equity interest and voting rights
23 in Alba but, in exchange, Alcoa only offered what was termed a “virtual contract” – *i.e.*, an intangible
24 promise from Defendant Alcoa to supply alumina in perpetuity.

25 74. Despite the inequity of Defendant Alcoa’s offer, an official of Alba who was a recipient
26 of Defendants’ bribes pressured a Bahraini government official to consummate the transaction.
27
28

1 81. Defendants, through Defendant Rice, rejected efforts to further negotiate, instead
2 threatened to redirect Alcoa’s alumina supply to other customers. In an October 29, 2004 facsimile
3 from Pittsburgh, Pennsylvania to Alba’s CEO Bruce Hall, Defendant Rice stated, “However, should
4 Alba decide not to accept this offer, it is understandable that you will need to find alternatives in order
5 to supply Alba’s long term alumina requirements. I hope you can also appreciate this will dictate that
6 we will direct the alumina, which we anticipate continuing to supply Alba, to other long term
7 customers.”

8
9 82. Upon information and belief, an official of Alba directed that the company agree to
10 Defendants’ offer after receiving bribes from Defendants and did so because he stood to gain
11 personally.

12 83. Plaintiff signed the 2005 Contract on June 8, 2005 with AAAC-3. The term of the
13 contract runs from January 1, 2005 to December 31, 2014.

14 84. The price set by the 2005 Contract was excessive and Alba would not have agreed to it
15 but for Defendants’ unlawful acts.

16 a. For the years 2005 through 2009, the 2005 Contract sets the price for 1.1 million
17 tons per year at 16.35% of the three month aluminum price traded at the London Metal Exchange
18 (“LME”). The price of an additional 500,000 tons is 10% of LME. In addition, during the first five
19 year period an additional premium price of \$15.55 per ton was added to all shipments even though the
20 contract was FOB and therefore, did not include shipping costs. For the years 2010 through 2014, the
21 price for 1.1 millions tons of alumina per year is set at 16.65% of LME, with an additional 500,000
22 tons set at 9.5% of LME. The weighted average of these prices during each time period is
23 approximately 14.35% of LME, but when the \$15.55 premium per ton is added, this figure, depending
24 on LME prices, increases the weighted 10 year average to almost 15% of LME.
25
26
27
28

1 b. The price that Defendants secured through their acts of bribery and extortion
2 was excessive. Traditionally long term alumina contracts of a similar volume have traded between
3 11% - 13% of LME. In 2005, the market price for a long-term alumina supply contact of a similar
4 volume was approximately 12.5%-13.5% of LME.

5
6 c. Plaintiff has been paying and is still paying, by conservative estimates, nearly
7 2% over the LME percentage ratio price of alumina. This represents an overpayment of approximately
8 10% over the life of the contract.

9 d. Defendants' unlawful overcharges to Alba amount to approximately \$65 million
10 per year.

11 85. The payment terms of the 2005 Contract are unreasonable, and Alba would not have
12 agreed to them but for Defendants' unlawful acts.

13 a. Clause 3.3 of the 2005 Contract requires payment by wire transfer within three
14 days of Alba's receipt of the invoice. All previous contracts have allowed for payment within thirty
15 days after the invoice was issued.

16 b. This change to the contract terms has caused significant harm to Alba amounting
17 to several million dollars and has also caused problems maintaining sufficient working capital to meet
18 its business needs.

19 86. Defendants' conduct significantly affected interstate commerce.

20 a. Pursuant to AAAC-3's invoices under the 2005 Contract, Alba made wire
21 transfers to Deutsche Trust Company America in New York, NY for credit to an account held at Royal
22 Bank of Canada for the benefit of "AA Alumina and Chemicals."

23 b. Alba has to date made approximately 80 such payments, most for more than \$15
24 million each.

1 91. Each Defendant violated 18 U.S.C. § 1962(c) by the acts described in the prior
2 paragraphs, and as further described below.

3 92. The Enterprise. Defendants Alcoa, Alcoa World Alumina, Dahdaleh and Rice, together
4 with (1) the Dahdaleh-controlled companies, (2) one or more former officers and former directors of
5 Alba, (3) one or more former senior officials of the Government of Bahrain, (4) employees, officers
6 and directors of Dahdaleh-controlled companies (including David Dabney and Sandra Ainsworth), and
7 (5) Alcoa of Australia, form an association-in-fact for the common and continuing purpose described
8 herein and constitute an enterprise within the meaning of 18 U.S.C. § 1961(4) engaged in the conduct
9 of their affairs through a continuing pattern of racketeering activity. The members of the enterprise
10 functioned as a continuing unit with an ascertainable structure separate and distinct from that of the
11 conduct of the pattern of racketeering activity. There may also be other members of the enterprise who
12 are unknown at this time.

13 93. Alternatively, the Dahdaleh-controlled companies each constitute a separate enterprise
14 within the meaning of 18 U.S.C. § 1961(4).

15 94. Alternatively, the Dahdaleh-controlled companies together constitute an enterprise
16 within the meaning of 18 U.S.C. § 1961(4).

17 95. Each enterprise has engaged in, and their activities have affected, foreign commerce.

18 96. Pattern of Racketeering Activity. Defendants, each of whom are persons associated
19 with, or employed by, the enterprise, did knowingly, willfully and unlawfully conduct or participate,
20 directly or indirectly, in the affairs of the enterprise through a pattern of racketeering activity within the
21 meaning of 18 U.S.C. § 1961(1), 1961(5), and 1962(c). The racketeering activity was made possible
22 by Defendants' regular and repeated use of the facilities and services of the enterprise. Defendants had
23 the specific intent to engage in the substantive RICO violation alleged herein.
24
25
26
27
28

1 97. Predicate acts of racketeering activity are acts which are indictable under provisions of
2 the U.S. Code enumerated in 18 U.S.C. § 1961(1)(B), as more specifically alleged below. Defendants
3 each committed at least two such acts or else aided and abetted such acts.

4 98. The acts of racketeering were not isolated, but rather the acts of Defendants were related
5 in that they had the same or similar purpose and result, participants, victims and method of
6 commission. Further, the acts of racketeering by Defendants have been continuous. There was
7 repeated conduct during a period of time beginning in approximately 1993 and continuing to the
8 present, and there is a continued threat of repetition of such conduct.

9 99. The association-in-fact enterprise and the alternative enterprises, as alleged herein, were
10 not limited to the predicate acts and extended beyond the racketeering activity. Rather, they existed
11 separate and apart from the pattern of racketeering activity for the legitimate business purpose of
12 supplying alumina to Plaintiff and possibly other customers. Defendants have had and do have, upon
13 information and belief, legitimate business plans outside of the pattern of racketeering activity.

14 100. Plaintiff specifically alleges that Defendants participated in the operation and
15 management of the association-in-fact enterprise and the alternative enterprises by overseeing and
16 coordinating the commission of multiple acts of racketeering as described below.

17 101. Predicate Act: Use of Mails and Wires to Defraud Alba in Violation of 18 U.S.C. §§
18 1341 and 1343. Defendants committed acts constituting indictable offenses under 18 U.S.C. §§ 1341
19 and 1343 in that they devised or intended to devise a scheme or artifice to defraud Alba or to obtain
20 money from Alba by means of false or fraudulent pretenses, representations or promises. For the
21 purpose of executing their scheme or artifice, Defendants caused delivery of various documents and
22 things by the U.S. mails or by private or commercial interstate carriers, or received such therefrom.
23 Defendants also transmitted or caused to be transmitted by means of wire communications in interstate
24 or foreign commerce various writings, signs and signals. The acts of Defendants set forth above were

1 done with knowledge that the use of the mails or wires would follow in the ordinary course of
2 business, or that such use could have been foreseen, even if not actually intended. These acts were
3 done intentionally and knowingly with the specific intent to advance Defendants' scheme or artifice.

4
5 102. Defendants carried out their scheme in different states and countries and could not have
6 done so unless they used the U.S. mails or private or commercial interstate carriers or interstate wires.
7 In furtherance of their scheme alleged herein, Defendants Alcoa, Alcoa World Alumina, Dahdaleh and
8 Rice communicated among themselves and with Plaintiff in furtherance of the scheme to defraud
9 Plaintiff. These communications were typically transmitted by wire (i.e., electronically) and/or
10 through the United States mails or private or commercial carriers. Defendants also transmitted or
11 caused the MOU to be transmitted by mail or wire in or about September 2003 and, upon information
12 and belief, communications with unknown officers and directors of Alba during the course of the
13 negotiations of the proposed sale of shares in 2003 and 2004.

14
15 103. Specifically, Defendants Alcoa, Alcoa World Alumina, Dahdaleh and Rice used wire
16 and/or U.S. mail or private or commercial carriers to extend the term of the 1990 Contract for the
17 purpose of continuing their fraudulent scheme. Defendants caused the September 1996 Addendum to
18 be disseminated from Pittsburgh, Pennsylvania, which addendum was executed by Peter Burgess, an
19 officer of Defendant Alcoa World Alumina. In a letter dated April 12, 2001, Defendant Rice, an officer
20 of Defendant Alcoa World Alumina, faxed a letter from Pittsburgh, Pennsylvania to Plaintiff, which
21 suggested another extension to the 1990 Contract. Upon information and belief, Defendants also
22 communicated by wire and/or U.S. mail or private or commercial carriers to facilitate the payment of
23 bribes to one or more officers of Plaintiff and one or more senior government officials.

24
25 104. In addition, in furtherance of their scheme, Defendants used wire and/or U.S. mail or
26 private or commercial carriers to induce Plaintiff to execute the 2005 Contract. Upon information and
27 belief, Defendants also communicated by wire and/or U.S. mail or private or commercial carriers to
28

1 facilitate the payment of bribes to one or more officers of Plaintiff and one or more senior government
2 officials .

3 105. Defendants also caused Plaintiff to transmit millions of dollars in funds by wire to the
4 United States.

5 106. Defendants' shared objective was and is to divert funds to their own benefit and to
6 facilitate the payment of bribes in an effort to defraud Alba.

7 107. Plaintiff reasonably and justifiably relied upon Defendants' false representations, false
8 pretenses and deceptive communications, and Plaintiff has been damaged as a direct and proximate
9 result of Defendants' participation in such enterprise, as alleged herein.

10 108. Predicate Act: Transport and Receipt of Stolen Money in Violation of 18 U.S.C. §§
11 2314 and 2315. Defendants committed acts constituting indictable offenses under 18 U.S.C. § 2314 in
12 that having devised or intended to devise a scheme or artifice to defraud Alba or to obtain money from
13 Alba by means of false or fraudulent pretenses, representations or promises, Defendants transported or
14 caused to be transported in interstate or foreign commerce money having a value of \$5000 or more,
15 which was stolen, converted or taken by fraud. Defendants also committed acts constituting indictable
16 offenses under 18 U.S.C. § 2315 in that they received money in excess of \$5000, which crossed a State
17 or United States boundary after being stolen, unlawfully converted or taken. The acts of Defendants
18 set forth above were done willfully and with knowledge that the money was stolen, converted or taken
19 by fraud. These acts were done intentionally and knowingly with the specific intent to advance
20 Defendants' scheme or artifice.

21 109. As part of their scheme as alleged herein, Defendants also facilitated the payment of
22 bribes to one or more senior officials of Plaintiff and the Government of Bahrain in order to secure
23 business from Plaintiff for the benefit of Defendants and at the expense of Plaintiff.

1 110. Predicate Act: Illegal Payments to Foreign Officials in Violation of 15 U.S.C. § 78dd-2.

2 Defendants committed acts constituting indictable offenses under 15 U.S.C. §§ 78dd-2 in that, having
3 devised or intended to devise a scheme or artifice to defraud Alba or to obtain money from Alba by
4 means of false or fraudulent pretenses, representations or promises, Defendants bribed and otherwise
5 improperly influenced one or more senior officials of Plaintiff and the Government of Bahrain.
6

7 111. Defendants Alcoa and Alcoa World Alumina are each domestic concerns within the
8 meaning of 78dd-2(a). Defendant Rice was at all times an agent of and an officer, director or
9 employee of one or both of these companies and acting on their behalf within the meaning of 78dd-
10 2(a). Alcoa was at all relevant times a shareholder of Alcoa World Alumina. In addition, Defendant
11 Dahdaleh acted as the agent of Alcoa and Alcoa World Alumina for purposes of making illegal
12 payments to, and improperly influencing, one or more senior officials of Plaintiff and the Government
13 of Bahrain.
14

15 112. Upon information and belief, Defendants Alcoa, Alcoa World Alumina and Rice each
16 made use of the mails, wires and other means of interstate commerce corruptly in order to offer and
17 promise to pay bribes, kickbacks and other payments to one or more senior officials of Plaintiff and the
18 Government of Bahrain in order further their scheme to defraud Alba.
19

20 113. Improper payments were made to a foreign official within the meaning of § 78dd-
21 2(a)(1). Defendants made these payments in order to (1) influence a senior government official to
22 agree to fraudulent transactions unfavorable to Alba, in violation of his duties as a government official,
23 (2) induce a senior government official to use his influence with the Government of Bahrain and with
24 Alba to affect or influence Bahrain's decisions with regard to Alba's activities, including the proposed
25 share sale, and (3) secure an improper business advantage for Defendants, for Alcoa of Australia, and
26 for the Dahdaleh-controlled front companies. Defendants performed these illegal acts in order to
27
28

1 assist Alcoa and Alcoa World Alumina in obtaining favorable and fraudulent alumina supply contracts
2 from Alba and retaining their alumina supply business with Alba.

3 114. Upon information and belief Alcoa and Alcoa World Alumina also ensured that
4 Dahdaleh, through the Dahdaleh-controlled companies, would receive money improperly siphoned
5 from Alba while knowing that a portion of such money would be given to a senior government official.
6

7 115. Plaintiff has been damaged as a direct and proximate result of Defendants' illegal
8 payments to one or more former senior officials of Plaintiff and the Government of Bahrain s.

9 116. Predicate Act: Illegal Payments to Foreign Officials in Violation of 15 U.S.C. § 78dd-3.
10 Defendants committed acts constituting indictable offenses under 15 U.S.C. §§ 78dd-3 in that, having
11 devised or intended to devise a scheme or artifice to defraud Alba or to obtain money from Alba by
12 means of false or fraudulent pretenses, representations or promises, Defendants bribed and otherwise
13 improperly influenced one or more senior officials of Plaintiff and the Government of Bahrain.
14

15 117. When Defendants Alcoa, Alcoa World Alumina and Rice committed the acts described
16 herein, they were each persons within the meaning of 78dd-3(a). Defendant Rice was at all times an
17 agent of and an officer, director or employee of one or both of these companies and acting on their
18 behalf within the meaning of 78dd-3(a), and Alcoa was at all relevant times a shareholder of Alcoa
19 World Alumina.
20

21 118. Defendants committed some or all of the acts described herein, while in the territory of
22 the United States, through corrupt use of the mails, wires and other means of interstate commerce.

23 119. Plaintiff has been damaged as a direct and proximate result of Defendants' illegal
24 payments to government officials as alleged herein.

25 120. Predicate Act: Travel in Furtherance of Scheme to Defraud in Violation of 18 U.S.C. §
26 1952. Defendants committed acts constituting indictable offenses under 18 U.S.C. §§ 1952 in that,
27 having devised or intended to devise a scheme or artifice to defraud Alba or to obtain money from Alba
28

1 by means of false or fraudulent pretenses, representations or promises, Defendants then traveled in
2 foreign commerce and used facilities of foreign commerce in order to promote, manage and facilitate
3 the continuation of their scheme. Among other things, upon information and belief, in 2005,
4 Defendant Rice, on behalf of himself and other Defendants, traveled to Bahrain with the intent to
5 promote, manage and facilitate the Defendants' scheme to defraud Alba by inducing it to sell shares to
6 an Alcoa entity through bribery and improper influence of Bahraini government officials. While in
7 Bahrain, Rice, on behalf of himself and the other Defendants, did in fact promote, manage and
8 facilitate the continuation of Defendants' scheme to defraud Alba by inducing it to sell shares to an
9 Alcoa entity through bribery and improper influence of one or more senior officials of Plaintiff and the
10 Government of Bahrain.
11

12 121. These acts were done intentionally and knowingly with the specific intent to advance
13 Defendants' scheme or artifice.
14

15 122. Defendants' shared objective was and is to divert funds to their own benefit and to
16 facilitate the payment of bribes in an effort to defraud Alba.
17

18 123. Plaintiff has been damaged as a direct and proximate result of Defendants' travel in
19 foreign commerce for purposes of promoting, managing and facilitating the continuation of their
20 scheme.
21

22 124. Continuity of Conduct. Defendants' violations of state and federal law as set forth
23 herein, each of which directly and proximately injured Plaintiff and other market participants,
24 constituted a continuous course of conduct spanning a period from approximately 1993 to present,
25 which was intended to obtain money through false representations, fraud, deceit, and other improper
26 and unlawful means. Therefore, said violations were a part of a pattern of racketeering activity under
27 18 U.S.C. §§ 1961(1) and (5).
28

1 proposed sale of up to 26% of Bahrain’s shares in Alba, traveling in foreign commerce to facilitate and
2 manage the scheme to defraud Alba, and facilitating the payment of bribes all as described above.

3 133. Even if some of the Defendants did not agree to harm Plaintiff specifically, the purpose
4 of the acts they engaged in was to advance the overall object of the conspiracy, and the harm to
5 Plaintiff was a reasonably foreseeable consequence of Defendants’ actions.
6

7 134. Plaintiff has been injured and continues to be injured in its business and property by
8 Defendants’ conspiracy in violation of 18 U.S.C. § 1962(d). The unlawful actions of Defendants, and
9 each of them, have directly, illegally, and proximately caused and continue to cause injuries to Plaintiff
10 in its business or property. Plaintiff seeks an award of damages in compensation for, among other
11 things, the millions of dollars that Defendants stole from Plaintiff. Plaintiff further seeks an award of
12 three times the damages they sustained, and the recovery of reasonable attorneys’ fees and costs of
13 investigation and litigation, as well as any other relief as authorized.
14

15 **THIRD CLAIM**
16 **(Federal Civil RICO, 18 U.S.C. § 1962(c))**
17 **Defendants Alcoa, Alcoa World Alumina, Dahdaleh and Rice**

18 135. Plaintiffs incorporate by reference all the preceding paragraphs of this Complaint as if
19 fully set forth herein.

20 136. Each Defendant is a “person” capable of holding legal or beneficial interest in property
21 within the meaning of 18 U.S.C. § 1961(3).

22 137. Each Defendant violated 18 U.S.C. § 1962(c) by the acts described in the prior
23 paragraphs, and as further described below.

24 138. The Enterprise: Alba is an enterprise engaged in foreign commerce within the meaning
25 of 18 U.S.C. § 1961(3) and as a government-controlled company, is an instrumentality of the
26 government of Bahrain. While Alba is a legitimate business separate and apart from the pattern of
27
28

1 racketeering, Defendants, through their continuing pattern of racketeering activity set forth herein,
2 infiltrated the company, associated with it and managed it for their own illegal purposes.

3 139. Pattern of Racketeering Activity. Defendants, each of whom are persons associated
4 with, or employed by Alba and did knowingly, willfully and unlawfully conduct or participate, directly
5 or indirectly, in its affairs through a pattern of racketeering activity with the meaning of 18 U.S.C.
6 § 1961(1), 1961(5), and 1962(c). The racketeering activity was made possible by Defendants' regular
7 and repeated use of Alba's personnel, facilities and services. Defendants had the specific intent to
8 engage in the substantive RICO violation alleged herein.

9 140. Predicate acts of racketeering activity are acts which are indictable under provisions of
10 the U.S. Code enumerated in 18 U.S.C. § 1961(1)(B), as more specifically alleged below. Defendants
11 each committed at least two such acts or else aided and abetted such acts.

12 141. The acts of racketeering were not isolated, but rather the acts of Defendants were related
13 in that they had the same or similar purpose and result, participants, victims and method of
14 commission. Further, the acts of racketeering by Defendants have been continuous. There was
15 repeated conduct during a period of time beginning in approximately 1994 and continuing to present,
16 and there is a continued threat of repetition of such conduct.

17 142. Plaintiff specifically alleges that Defendants participated in the operation and
18 management of Alba by overseeing and coordinating the commission of multiple acts of racketeering
19 as described below.

20 143. Predicate Act: Illegal Payments to Foreign Officials in Violation of 15 U.S.C. § 78dd-2.
21 Plaintiff repeats and re-avers each and every statement contained in ¶¶ 110-115.

22 144. Predicate Act: Illegal Payments to Foreign Officials in Violation of 15 U.S.C. § 78dd-3.
23 Plaintiff repeats and re-avers each and every statement contained in ¶¶ 116-119.

1 145. Predicate Act: Travel in Furtherance of Scheme to Defraud in Violation of 18 U.S.C. §
2 1952. Plaintiff repeats and re-avers each and every statement contained in ¶¶ 120-123.

3 146. Predicate Act: Use of Mails and Wires to Defraud Alba in Violation of 18 U.S.C. §§
4 1341 and 1343. Plaintiff repeats and re-avers each and every statement contained in ¶¶ 101-107.

5 147. Predicate Act: Transport and Receipt of Stolen Money in Violation of 18 U.S.C. §§
6 2314 and 2315. Plaintiff repeats and re-avers each and every statement contained in ¶¶ 108-109.

7 148. Continuity of Conduct. Defendants' violations of state and federal law as set forth
8 herein, each of which directly and proximately injured Plaintiff and other market participants,
9 constituted a continuous course of conduct spanning a period from approximately 1993 through 2004,
10 which was intended to obtain money through false representations, fraud, deceit, and other improper
11 and unlawful means. Therefore, said violations were a part of a pattern of racketeering activity under
12 18 U.S.C. §§ 1961(1) and (5).

13 149. Upon information and belief, Defendants have conducted and/or participated, directly
14 and/or indirectly, in the conduct of the enterprise's affairs through a pattern of racketeering activity as
15 defined herein in violation of 18 U.S.C. § 1962(c).

16 150. These acts were done intentionally and knowingly with the specific intent to advance
17 Defendants' scheme or artifice.

18 151. Defendants' shared objective was and is to divert funds to their own benefit and to
19 facilitate the payment of bribes in an effort to defraud Alba.

20 152. The unlawful actions of Defendants, and each of them, have directly, legally, and
21 proximately caused and continue to cause injuries to Plaintiff in its business. Plaintiff seeks an award
22 of damages in compensation for, among other things, the millions of dollars Defendants defrauded
23 from Plaintiff.

1 each of them, have directly, illegally, and proximately caused and continue to cause injuries to Plaintiff
2 in its business or property. Plaintiff seeks an award of damages in compensation for, among other
3 things, the millions of dollars that Defendants stole from Plaintiff.
4

5 161. Plaintiff further seeks an award of three times the damages they sustained, and the
6 recovery of reasonable attorneys' fees and costs of investigation and litigation, as well as any other
7 relief as authorized.

8 **FIFTH CLAIM**
9 **(Fraud)**

10 **Defendants Alcoa, Alcoa World Alumina, Dahdaleh and Rice**

11 162. Plaintiff incorporates by reference all the preceding paragraphs of this Complaint as if
12 fully set forth herein.

13 163. Defendants Alcoa, Alcoa World Alumina and Rice, upon information and belief,
14 knowingly and intentionally misled Plaintiff by failing to disclose that bribes were paid to one or more
15 senior officials of Plaintiff and the Government of Bahrain.

16 164. Defendants intentionally concealed the bribes from Plaintiff because they intended to
17 mislead Plaintiff into relying upon the services of its senior officials and the senior officials of the
18 Government of Bahrain to whom bribes had been paid. Defendants, through their concealment of the
19 bribes, further sought to induce Plaintiff to overpay for alumina purchased from Defendants and to
20 cede a substantial portion of its equity to Defendant Alcoa. Defendants' fraudulent acts include those
21 set forth in paragraphs 101-127 above.
22

23 165. Defendants' failure to disclose the payment of bribes to one or more senior officials of
24 Plaintiff and the Government of Bahrain was material because Plaintiff relied upon the honest services
25 of its officials and those of the Government of Bahrain in the conduct of its business. In addition, the
26 one or more senior officials of Plaintiff and the Government of Bahrain who received bribes were in a
27
28

1 position to cause Plaintiff to agree to pay excessive prices for alumina purchased from Defendants as
2 well as influence negotiations involving Alba's proposed sale of equity to Defendant Alcoa.

3 166. Plaintiff justifiably relied upon Defendants' intentional concealment of the bribes in that
4 Plaintiff continued to use the services of its senior officials and senior officials of the Government of
5 Bahrain, including one or more such individuals who had received bribes. Plaintiff did so in the
6 justifiable belief that it was receiving honest services from its own senior officials and senior officials
7 of the Government of Bahrain.
8

9 167. Defendants conduct was willful, wanton, malicious, and oppressive.

10 168. Defendants' unlawful conduct has directly, legally, and proximately caused and
11 continues to cause injuries to Plaintiff in its business or property. This injury includes Plaintiff paying
12 excessively high prices for alumina. Accordingly, Plaintiff seeks an award of damages in
13 compensation for, among other things, the millions of dollars that Defendants stole from Plaintiff.
14 Further, Plaintiff seeks the imposition of punitive damages sufficient to deter Defendants from
15 committing such unlawful conduct in the future.
16

17 **SIXTH CLAIM**
18 **(Civil Conspiracy to Defraud)**
19 **Defendants Alcoa, Alcoa World Alumina, Dahdaleh and Rice**

20 169. Plaintiff incorporates by reference all the preceding paragraphs of this Complaint as if
21 fully set forth herein.

22 170. Defendants, and each of them, combined and agreed with each other and/or others to
23 defraud Plaintiff by failing to disclose that bribes were paid to one or more senior officials of Plaintiff
24 and the Government of Bahrain as alleged in paragraphs 162-168 above.

25 171. The conspiracy commenced at least as early as 1993.
26
27
28

1 **Jury Trial Demand**

2 Plaintiffs demand trial by jury on issues so triable.

3 Dated: February 27, 2008

4
5 Respectfully submitted,

6
7 /s/ Charles B. Gibbons

8 Charles B. Gibbons
9 Pa. I.D. No. 08284
10 BUCHANAN INGERSOLL & ROONEY PC
11 One Oxford Centre
12 301 Grant Street, 20th Floor
13 Pittsburgh, PA 15219
14 Telephone: (412) 562-8800
15 Facsimile: (412) 562-1041
16 charles.gibbons@bipc.com

17 Mark J. MacDougall
18 W. Randolph Teslik
19 Matthew A. Rossi
20 Heather J. Pellegrino
21 AKIN GUMP STRAUSS HAUER & FELD LLP
22 11333 New Hampshire Ave, N.W.
23 Washington, DC 20036
24 Telephone: (202) 887-4000
25 Facsimile: (202) 887-4288

26
27 Attorneys for Plaintiff
28