United States Courts
Southern District of Texas
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Michael N. Milby, Clerk

UNITED STATES DISTRICT COURT

FOR THE SOUTHERN DISTRICT OF TEXAS

HOUSTON DIVISION

UNITED STATES OF AMERICA	:	**CRIMINAL NO. H-07-05-S**
	:	
v.	:	**SUPERSEDING INFORMATION**
	:	
AIBEL GROUP LIMITED,	:	**18 U.S.C. § 371 (Conspiracy)**
	:	**15 U.S.C. § 78dd-3**
Defendant.	:	**(Foreign Corrupt Practices Act)**
	:	

The United States Department of Justice alleges that:

SUPERSEDING INFORMATION

At all times relevant to this Superseding Information:

1. The Foreign Corrupt Practices Act of 1977 (hereinafter, the "FCPA"), as amended, 15 U.S.C. §§ 78dd-1, *et seq.*, prohibited certain classes of persons and entities from making payments to foreign government officials to obtain or retain business or secure an improper advantage. Title 15, United States Code, Section 78dd-3, specifically prohibited any person other than an issuer or domestic concern, while in the territory of the United States, from corruptly making use of the mails or any means or instrumentality of interstate commerce in furtherance of an offer, promise, authorization, or payment of money or anything of value to a foreign official for the purpose of obtaining or retaining business for, or directing business to, any person or securing any improper advantage.

Aibel Group Limited and the Vetco Group

2. Vetco International Limited ("Vetco International") and one of its subsidiaries, Vetco Limited, both incorporated in the United Kingdom, were established in 2003 and renamed as such on or about July 12, 2004 as the parent holding companies for several corporate entities

and assets in the upstream oil and gas business that were acquired by a group of private equity entities from a Swiss corporation, ABB Handels-und Verwaltungs AG ("ABB"). The principal entities acquired from ABB included, among others, the former ABB Vetco Gray UK Ltd., ABB Offshore Systems Ltd., ABB Offshore Systems Inc., ABB Offshore Systems AS, and ABB Vetco Gray Inc.

3. After July 12, 2004, ABB Vetco Gray UK Ltd., ABB Offshore Systems Inc. and ABB Offshore Systems Ltd. were renamed Vetco Gray UK Limited ("Vetco Gray UK"), Vetco Gray Controls Inc. and Vetco Gray Controls Limited, respectively. In addition, portions of ABB Offshore Systems AS became Vetco Aibel AS in Norway and other portions were placed in a newly formed United Kingdom company called Vetco Aibel Holding Limited. Vetco Aibel AS and Vetco Aibel Holding Limited were direct subsidiaries of Vetco Limited. On or about December 7, 2006, Vetco Limited was renamed Aibel Group Limited ("AIBEL GROUP LIMITED"), the defendant herein, and another of its current subsidiaries, Drilling Controls Inc., was formed in Delaware with principal offices in Houston, Texas.

4. Defendant AIBEL GROUP LIMITED, a foreign corporation, is a "person" within the meaning of the Foreign Corrupt Practices Act, 15 U.S.C. § 78dd-3(f)(1). Defendant AIBEL GROUP LIMITED and its subsidiaries and affiliates were engaged in, among other things, the manufacture and sale of subsea, surface and drilling equipment for the oil exploration and production industry.

The Bonga Contract

5. In or about February 2001, Vetco Gray UK was awarded a contract to engineer, procure and construct all subsea equipment for drilling in connection with Nigeria's first

deepwater oil drilling project, the Bonga Project (hereinafter referred to as "the Bonga Contract"). The Bonga Contract was awarded by a joint venture entity established between a private oil company and the Federal Republic of Nigeria.

6. Vetco Gray UK delegated responsibility for managing the Bonga Contract to defendant AIBEL GROUP LIMITED affiliate, ABB Offshore Systems Inc. (later renamed Vetco Gray Controls Inc., and hereinafter referred to as "Vetco Gray Controls Inc."). Vetco Gray Controls Inc., in turn, assigned management responsibility to its in-house Engineering, Procurement and Construction Group ("EPC Group"), located in Houston, Texas. The primary role of the EPC Group was to interface with the customer and with all goods and services providers.

7. As part of the Bonga Contract, defendant AIBEL GROUP LIMITED, through its principal subsidiary, Vetco Aibel AS, designed manifolds and supplied a portion of the subsea equipment, including umbilicals, from its facilities in Norway. In connection with the Bonga Contract, defendant AIBEL GROUP LIMITED, and its subsidiaries, Vetco Aibel AS and Vetco Aibel Holding Limited, also frequently used their affiliated United States entities, including Vetco Gray Controls Inc., to fulfill its obligations under the contract.

8. Employee A, a Norwegian national, was an employee of defendant AIBEL GROUP LIMITED and its subsidiary, Vetco Aibel AS, who was seconded to Vetco Gray Controls Inc. to work in the EPC Group. From in or about March 2003 through at least in or about April 2005, Employee A was the Project Manager for the Bonga Contract. Employee A was located in Houston, Texas.

9. Employee B, a United States citizen, was an employee of Vetco Gray Controls Inc.'s EPC Group. From in or about September 2002 until in or about April 2005, Employee B was the Logistics Coordinator for the Bonga Contract and was based in Houston, Texas.

10. Each of the Vetco International subsidiaries and affiliates that supplied goods and equipment for the Bonga Contract appointed its own Bonga Deputy Project Manager. From in or about December 2002 until in or about April 2005, Employee C was defendant AIBEL GROUP LIMITED's Deputy Project Manager. Employee C, a Norwegian national, was an employee of defendant AIBEL GROUP LIMITED's principal subsidiary, Vetco Aibel AS. Employee C was located in Norway. Employee C and other deputy project managers reported to Employee A in Houston and frequently communicated with Employee B regarding the shipment of equipment and goods to Nigeria.

11. The Vetco Gray UK operations in Nigeria were located in the Onne Oil and Gas Free Zone (the "Free Zone") that was established by the Nigerian government in Onne Port, Nigeria (hereinafter referred to as the "Onne Base"). From in or about September 2002 to in or about February 2003, Employee D, a Norwegian national and an employee of defendant AIBEL GROUP LIMITED, served as an "in country" EPC representative. From in or about February 2003 to in or about June 2005, Employee D was seconded to Vetco Gray UK to serve as an Onne Base Manager. In both of his positions, Employee D often communicated with both Employee A and B to coordinate and manage shipments to Nigeria for the Bonga Contract.

Customs Clearance in Nigeria

12. In connection with the performance of the Bonga Contract by defendant AIBEL GROUP LIMITED companies, goods and equipment were required to be imported into Nigeria.

Between in or about September 2002 and in or about April 2005, defendant AIBEL GROUP LIMITED companies and employees used the services of an international provider of freight forwarding and logistics services to transport equipment and materials into Nigeria, and clear them through Nigerian customs (hereinafter "Agent A").

13. The Ministry of Finance of the Federal Republic of Nigeria was responsible for assessing and collecting applicable duties and tariffs on goods imported into Nigeria, and did so through a subordinate government agency called the Nigeria Customs Service ("NCS"). Employees of NCS are "foreign officials" within the meaning of the Foreign Corrupt Practices Act, 15 U.S.C. § 78dd-3(f)(2)(A).

Summary of the Bribery Scheme

14. From at least in or about September 2002 until at least in or about April 2005, defendant AIBEL GROUP LIMITED and its co-conspirators, through their respective employees, participated with each other and with others in a scheme to make corrupt payments to NCS officials in Nigeria to induce the officials to provide preferential treatment in the customs clearance process and to secure an improper advantage with respect to the importation of goods and equipment into Nigeria. On at least 61 occasions, corrupt payments totaling approximately $2.1 million were made to NCS officials in Nigeria by or on behalf of defendant AIBEL GROUP LIMITED and its co-conspirators. The total estimated value of the benefit received as a result of the illegal conduct is $10,500,000.

15. Defendant AIBEL GROUP LIMITED and its co-conspirators used Agent A to assist in the clearance of goods and equipment through, or to avoid, Nigerian customs. Agent A provided services in Nigeria that were neither listed on Agent A's published tariff rate sheet for

Nigeria nor openly advertised, including an express air courier service, "interventions" and "evacuations." Defendant AIBEL GROUP LIMITED and its co-conspirators used these services when: (a) goods and equipment had been improperly or illegally imported into Nigeria; (b) documentation for imported goods was not in order; (c) there were delays in clearing goods and equipment through the lawful customs process due to the failure to post bonds with sufficient funds to cover duties and tariffs; or (d) infractions of Nigerian customs laws had been committed by, or on behalf of, defendant AIBEL GROUP LIMITED and its co-conspirators.

16. Employees of defendant AIBEL GROUP LIMITED and its co-conspirators who worked on the Bonga Contract knew that, in connection with its unlisted services, Agent A made corrupt payments to NCS officials to induce these officials to disregard their official duties and responsibilities and to provide preferential treatment and otherwise obtain improper advantages regarding the customs clearance process for defendants and their co-conspirators. The conduct of defendant AIBEL GROUP LIMITED and its co-conspirators was "knowing" within the meaning of that term as it is used in the Foreign Corrupt Practices Act, 15 U.S.C. § 78dd-3.

COUNT 1

Conspiracy to Violate the Foreign Corrupt Practices Act (18 U.S.C. § 371)

17. Paragraphs 1 through 16 are realleged and incorporated by reference as though fully set forth herein.

18. From in or about September 2002, through in or about April 2005, in the Southern District of Texas, and elsewhere, defendant

AIBEL GROUP LIMITED

did unlawfully, willfully and knowingly conspire and agree with other persons, known and unknown, to commit the following offense against the United States, that is, willfully to violate the Foreign Corrupt Practices Act by the use of the mails, and of means and instrumentalities of interstate commerce, corruptly in furtherance of an offer, payment, promise to pay, and authorization of the payment of any money, and offer, gift, promise to give and authorization of the giving of anything of value to foreign officials for purposes of: (A) influencing acts and decisions of such foreign officials in their official capacities; (B) inducing such foreign officials to do and omit to do acts in violation of the lawful duty of such officials; (C) securing an improper advantage; and (D) inducing such foreign officials to use their influence with foreign governments and instrumentalities thereof to affect and influence acts and decisions of such governments and instrumentalities in order to assist the defendant and others in obtaining and retaining business for and with, and directing business to, and securing an improper advantage and preferential treatment for defendant AIBEL GROUP LIMITED and others, contrary to Title 15, United States Code, § 78dd-3.

Purpose of the Conspiracy

19. The primary purpose of the conspiracy was to make cash payments to NCS officials, in order to induce the NCS officials to provide preferential treatment to defendant AIBEL GROUP LIMITED and others and to secure an improper advantage in connection with the customs clearance process and the avoidance of Nigerian customs duties and tariffs.

Manner and Means of the Conspiracy

20. The manner and means by which the defendant AIBEL GROUP LIMITED and its co-conspirators sought to accomplish and accomplished the object of the conspiracy, included, but were not limited to the following:

a. It was part of the conspiracy that from at least in or about September 2002 until in or about April 2005, defendant AIBEL GROUP LIMITED and its co-conspirators, through their respective employees, participated with each other, and with other persons known and unknown, in a plan to authorize corrupt payments to NCS officials in Nigeria to induce those officials to provide to the defendants and their co-conspirators preferential treatment in the customs clearance process and to secure an improper advantage with respect to the importation of goods and equipment into Nigeria.

b. It was further part of the conspiracy that between in or about 2002 and in or about 2004, Employee B, in part for the benefit of defendant AIBEL GROUP LIMITED and its subsidiaries responsible for completion of the Bonga Contract, arranged for equipment and goods to be imported into Nigeria using Agent A's "unlisted" services. In doing so, Employee B knew that Nigerian customs duties would not be paid to the NCS in connection with such importations and that payments would be made to NCS officials to avoid the payment of any customs duties and to resolve other customs irregularities.

c. It was further part of the conspiracy that the payments made by Agent A to the NCS officials on behalf of the defendant and its co-conspirators, with their knowledge and authorization, in connection with Agent A's services, were identified in documents and communications as: "express courier service," "interventions," and "evacuations."

Overt Acts

21. In furtherance of the conspiracy and to achieve its purpose and object, at least one of the co-conspirators committed or caused to be committed, in the Southern District of Texas, and elsewhere, the following overt acts, among others:

a. In or about the Fall of 2002, certain materials from defendant AIBEL GROUP LIMITED's subsidiary, Vetco Aibel AS, were smuggled into Nigeria without the payment of customs duties.

b. In or about as early as September 2002, Employee B, Vetco Gray Controls Inc.'s EPC Logistics Coordinator, was told by representatives of Agent A that Agent A offered certain "unlisted" services, including an "express courier service," in order to expedite the Nigerian customs clearance process. During a telephone conversation, representatives of Agent A explained that goods would be delivered in Nigeria "customs cleared." The Agent A representatives further explained that for this service two invoices would be rendered: one purporting to be based upon the weight of the shipment and another for a "local processing fee" or a similar term. The representatives were emphatic that Agent A would not provide any receipt evidencing any payment of Nigerian customs duties when those "unlisted" services were used.

c. In or about the years 2002 and 2003, an Agent A representative informed Employee B that the express courier service operated pursuant to an "on the side," "internal" agreement between Agent A and certain unnamed NCS officials. Further, Agent A's representative informed Employee B that "it was none of [Employee B's] business how [Agent A would] get it done" and that Employee B did "not want to know" what Agent A had to do.

d. In or about June 2003, Employee D, a defendant AIBEL GROUP LIMITED employee, engaged Agent A to meet with NCS officials regarding the improperly imported goods.

e. On or about October 31, 2003, Employee D, sent an email to Employee A explaining that Agent A could pay a reduced payment to a Nigerian customs official and in Agent A's invoice to defendants and their co-conspirators the payment could be described as an "'evacuation cost' . . . or a direct custom/handling cost."

f. On or about November 3, 2003, Agent A informed Employee D that an NCS official "was insisting on six million Naira [approximately $45,454]" because "more people of customs are involved due to the long time it took to find an agreement."

g. On or about November 4, 2003, Employee D, obtained authorization from Employee A, the Bonga Contract Project Manager, and Employee C, the defendant AIBEL GROUP LIMITED Deputy Project Manager to engage Agent A's services to pay the NCS official.

h. Thereafter, on or about November 4, 2003, Employee D authorized Agent A to pay a NCS official 6 million Naira (USD $45,454) with full knowledge that the total amount of the Nigerian customs duties owed for the improperly shipped materials was approximately 9.8 million Naira (USD $72,000).

i As of October 2004, Agent A had not been paid for its "service" in avoiding the official Nigerian customs duties, and Agent A's representatives were pressing defendant AIBEL GROUP LIMITED for payment.

j. On or about November 23, 2004, Employee B, in Houston, Texas, received an e-mail from a representative of Agent A which referenced "Manifold Foundations from Ascot Yard – PHC-NGN 6 Mio Customs Duty," the matter for which the 6 million Naira illicit payment previously had been made, and noted that Agent A had been advised to invoice Vetco Gray Controls Inc. "in Houston for these charges."

k. On or about December 15, 2004, Employee C informed Employee B, by e-mail from Norway to Houston, Texas, that Agent A's charges related to the resolution of the manifolds dispute with customs officials were the responsibility of the EPC Group in Houston. Subsequently, during a telephone conversation between Norway and Houston, Employees A, B, C, and D, among others, decided that Agent A should be instructed to invoice the EPC Group in Houston.

l. On or about December 15, 2004, Employee B, in Houston, Texas, by an e-mail copied to Employees A, C, and D, directed a representative of Agent A to provide a false invoice and request a "receipt" from Agent A indicating that the 6 million Naira payment had been paid to "Nigeria customs." The request was submitted to Agent A because Employee B learned that defendant AIBEL GROUP LIMITED's customer for the Bonga Contract refused to reimburse Vetco Gray Controls Inc. for any charges from Agent A unless accompanied by official government-issued receipts that reflected payment of Nigerian customs duties to the Nigerian Government. Agent A refused to furnish any such documentation and, on or about April 11, 2005, advised Employee B that "[w]e discussed this now on several occasions. We issued now the invoice as requested by yourself. You know exactly what was done and how all this came together."

m. On or about December 15, 2004, an employee of defendant AIBEL GROUP LIMITED in Houston, Texas, during a telephone call from Norway to Houston, authorized the payment of the invoice to Agent A for the previously authorized payment by Agent A of approximately $45,454 to NCS officials.

All in violation of Title 18, United States Code, Section 371.

COUNT 2

Foreign Corrupt Practices Act
(18 U.S.C. § 78dd-3)

22. Paragraphs 1 through 16 are realleged and incorporated by reference as though fully set forth herein.

23. On or about December 15, 2004 in the Southern District of Texas, and elsewhere, defendant

AIBEL GROUP LIMITED,

a "person" within the meaning of the Foreign Corrupt Practices Act, while in the territory of the United States, willfully did use and cause to be used instrumentalities of interstate and foreign commerce corruptly in furtherance of an offer, payment, promise to pay and authorization of the payment of any money, and offer, gift, promise to give, and authorization of the giving of anything of value to any person, while knowing that all or a portion of such money or thing of value would be or had been offered, given, or promised, directly or indirectly, to foreign officials, for purposes of influencing acts and decisions of such foreign officials in their official capacities, inducing such foreign officials to do and omit to do acts in violation of their lawful duty, and to secure an improper advantage, and to induce such officials to use their influence with a foreign government or instrumentality thereof to affect or influence an act or decision of

such government or instrumentality in order to assist the defendant in obtaining and retaining business, to wit, on that date an employee of defendant AIBEL GROUP LIMITED in a telephone call from Norway to Houston, Texas, authorized the payment of the invoice to Agent A for the previously authorized payment by Agent A of approximately $45,454 to officials of the Nigeria Customs Service, an instrumentality of the Federal Republic of Nigeria, to assist defendant AIBEL GROUP LIMITED and others in securing an improper advantage and obtaining preferential treatment in the customs clearance process and in connection with the performance of the Bonga Contract.

All in violation of Title 15, United States Code, Section 78dd-3, and Title 18, United States Code, Section 2.

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