

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
10-20906-CR-MARTINEZ/BROWN
CASE NO. _____
18 U.S.C. § 371

UNITED STATES OF AMERICA

vs.

ALCATEL-LUCENT FRANCE, S.A.,
f/k/a "Alcatel CIT, S.A.,"
ALCATEL-LUCENT TRADE
INTERNATIONAL, A.G.,
f/k/a "Alcatel Standard, A.G.," and
ALCATEL CENTROAMERICA, S.A.,
f/k/a "Alcatel de Costa Rica, S.A.,"

Defendants.

INFORMATION

The Department of Justice, Criminal Division, Fraud Section, charges that, at all times relevant to this Information, unless otherwise stated:

GENERAL ALLEGATIONS

The Foreign Corrupt Practices Act

1. The Foreign Corrupt Practices Act of 1977 (hereinafter the "FCPA"), as amended, Title 15, United States Code, Sections 78dd-1 *et seq.*, prohibited certain classes of persons and entities from corruptly making payments to foreign government officials to assist in obtaining or retaining business. Pertinent to the charges herein, the FCPA prohibited any person other than an issuer or domestic concern, while in the territory of the United States, from making use of the mails or any means or instrumentality of interstate commerce, or doing any other act, corruptly in

furtherance of an offer, payment, promise to pay, or authorization of the payment of money or anything of value to any person, while knowing that all or a portion of such money or thing of value would be offered, given, or promised, directly or indirectly, to a foreign official for the purpose of obtaining or retaining business for, or directing business to, any person. 15 U.S.C. § 78dd-3(a). Furthermore, the FCPA required issuers to make and keep books, records, and accounts that accurately and fairly reflect transactions and disposition of the company's assets and prohibited the knowing falsification of an issuer's books, records, or accounts. 15 U.S.C. §§ 78m(b)(2)(A), 78m(b)(5), and 78ff(a). The FCPA's accounting provisions also required that issuers maintain a system of internal accounting controls sufficient to provide reasonable assurances that: (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to (I) permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (II) maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals, and appropriate action is taken with respect to any differences. 15 U.S.C. § 78m(b)(2)(B). The FCPA prohibited the knowing circumvention or failure to implement such a system of internal accounting controls. 15 U.S.C. §§ 78m(b)(5) and 78ff(a).

Relevant Alcatel-Related Corporate Entities and Employees

2. **Alcatel, S.A.** ("Alcatel"), was a corporation organized under the laws of France with its principal offices in Paris, France. In late 2006, an Alcatel subsidiary merged with Lucent Technologies, Inc. in the United States (hereinafter the "2006 Merger") and Alcatel S.A.

changed its name to Alcatel-Lucent, S.A. Alcatel was a worldwide provider of a wide variety of telecommunications equipment and services and other technology products. From 2001 to 2005, Alcatel employed between 55,000 and 100,000 employees through the Alcatel Group. The Alcatel Group operated in more than 130 countries, directly and through certain wholly owned and indirect subsidiaries, including in France, the United States of America, and, as set forth more fully below, in Costa Rica, Honduras, Malaysia, and Taiwan. The Alcatel Group maintained an office in Miami, Florida, in the Southern District of Florida, through which Alcatel pursued business throughout Central and South America. From at least 2000 until late 2006, American Depositary Shares of Alcatel were registered with the U.S. Securities and Exchange Commission ("SEC") and traded on the New York Stock Exchange as American Depositary Receipts ("ADRs"). Accordingly, Alcatel was an "issuer" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1.

3. Defendant **ALCATEL-LUCENT FRANCE, S.A.**, which was known before the 2006 Merger as "Alcatel CIT, S.A." (hereinafter "**ALCATEL CIT**"), was headquartered in Vélizy, France, just outside Paris. **ALCATEL CIT** was a wholly owned subsidiary of Alcatel, and was incorporated in France. Accordingly, **ALCATEL CIT** was a "person other than an issuer or a domestic concern" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3. In the 1990s and continuing until at least late 2006, **ALCATEL CIT** was a commercial arm of Alcatel and was responsible for contracting with telecommunications providers, including many telecommunications providers owned by foreign governments, to sell Alcatel's telecommunications equipment and services and other technology products. Throughout the relevant time period, **ALCATEL CIT** had more than 7,000 employees, and its financial results

were included in the consolidated financial statements that Alcatel filed with the SEC.

ALCATEL CIT and its employees had regular communications with, and ALCATEL CIT employees traveled to and met with, Alcatel personnel located in the office in Miami, Florida, in the Southern District of Florida. Such communications and meetings involved, among other things, discussions about payments to third-party consultants, who passed on some or all of such payments to foreign officials in exchange for obtaining or retaining business. ALCATEL CIT also maintained at least one bank account in the United States through which it paid money to third-party consultants that it knew were going to pass on some or all of that money to foreign officials in exchange for obtaining or retaining business.

4. Defendant **ALCATEL-LUCENT TRADE INTERNATIONAL, A.G.**, which was known before the 2006 Merger as “Alcatel Standard, A.G.” (hereinafter “**ALCATEL STANDARD**”), was headquartered in Basel, Switzerland. ALCATEL STANDARD was a wholly owned subsidiary of Alcatel, and was incorporated in Switzerland. Accordingly, ALCATEL STANDARD was a “person other than an issuer or a domestic concern” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3. ALCATEL STANDARD was responsible for entering into most agreements with consultants worldwide on behalf of Alcatel, ALCATEL CIT, and certain other subsidiaries of Alcatel. Throughout the relevant time period, ALCATEL STANDARD had approximately a dozen employees, and its financial results were included in the consolidated financial statements that Alcatel filed with the SEC.

ALCATEL STANDARD and its employees had regular communications, including telephone calls, facsimiles, and email, with Alcatel personnel located in the office in Miami, Florida, in the Southern District of Florida. Such communications involved, among other things, discussions

about payments to third-party consultants, who passed on some or all of such payments to foreign officials in exchange for obtaining or retaining business. ALCATEL STANDARD also made some payments to third-party consultants via a correspondent account in the United States.

5. Defendant **ALCATEL CENTROAMERICA, S.A.**, which was known before the 2006 Merger as “Alcatel de Costa Rica, S.A.” (hereinafter “**ACR**”), was formed under the laws of Costa Rica and was headquartered in San Jose, Costa Rica. ACR was a wholly owned subsidiary of Alcatel. Accordingly, ACR was a “person other than an issuer or a domestic concern” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3. ACR was responsible for the day-to-day commercial operations of Alcatel in Costa Rica and Honduras during the relevant time period. Throughout the relevant time period, ACR had approximately fifty employees, and its financial results were included in the consolidated financial statements that Alcatel filed with the SEC. ACR and its employees had regular communications, including telephone calls, facsimiles, and emails, with Alcatel personnel located in the office in Miami, Florida, in the Southern District of Florida. Such communications involved, among other things, discussions about payments to third-party consultants, who passed on some or all of such payments to foreign officials in exchange for obtaining or retaining business.

6. **Alcatel Network Systems Malaysia Sdn. Bhd.** (“**Alcatel Malaysia**”) was founded as a joint venture in 1992 in Kuala Lumpur, Malaysia. Alcatel owned a majority share of and exercised control over the joint venture. Alcatel Malaysia’s primary function was to provide product and sales support for Alcatel’s business units in Malaysia during the relevant time period. Throughout the relevant time period, Alcatel Malaysia’s financial results were included in the consolidated financial statements that Alcatel filed with the SEC.

7. **Alcatel SEL, A.G. ("Alcatel SEL")** was formed under the laws of Germany and was headquartered in Stuttgart, Germany. Alcatel SEL was an indirect subsidiary of Alcatel. Alcatel SEL's Transport Automation Solutions business unit was responsible for bidding on an axle counting contract with the state-owned Taiwan Railway Administration in Taiwan during the relevant time period. Throughout the relevant time period, Alcatel SEL's financial results were included in the consolidated financial statements that Alcatel filed with the SEC.

8. **Executive 1** was a citizen of France and served as the Chief Executive Officer of ALCATEL STANDARD in Basel, Switzerland. In this capacity, Executive 1's final approval was necessary for the hiring of almost all third-party consultants retained by Alcatel and its subsidiaries, including ensuring that appropriate due diligence was conducted prior to the hiring of each consultant. Executive 1 executed the consultancy agreements with consultants throughout the world on behalf of ALCATEL STANDARD for the benefit of Alcatel, ALCATEL CIT, ACR, and certain other wholly owned and indirect subsidiaries of Alcatel and its joint ventures. Executive 1 was also responsible, in part, for the training of Alcatel's Country Senior Officers on how to process the required paperwork for retaining and using third-party consultants.

9. **Christian Sapsizian ("Sapsizian")** was a citizen of France and was a long-term employee of Alcatel and its wholly owned subsidiary, ALCATEL CIT, eventually rising to the level of ALCATEL CIT's Director for Latin America. In this capacity, Sapsizian developed business in Latin America on behalf of Alcatel and its subsidiaries, including ACR, and spent part of his time working at Alcatel CIT headquarters in France and part of his time traveling throughout Latin America attending to Alcatel's business in the region.

10. **Edgar Valverde Acosta** (“**Valverde**”) was a citizen of Costa Rica and served as the President of ACR and Country Senior Officer (“CSO”) for Costa Rica. As the President of ACR and CSO of Costa Rica, Valverde worked with Sapsizian. In this capacity, Valverde was responsible for developing business for Alcatel’s services and equipment with Instituto Costarricense de Electricidad, S.A, the Costa Rican state-owned telecommunications authority. In Costa Rica, Valverde negotiated contracts with third-party consultants who worked on Alcatel’s behalf in Costa Rica. Valverde was himself a former official at Instituto Costarricense de Electricidad, S.A.

11. **Executive 2** and **Executive 3** served as Alcatel Malaysia’s CSO and Chief Financial Officer, respectively.

12. **Executive 4** was a citizen of Germany and served as Alcatel SEL’s director of international business and sales of Transport Automation Solutions. In that capacity, Executive 4 was responsible for Alcatel’s Taiwan Railway Administration contracts in Taiwan.

Relevant Entities and Foreign Officials in Costa Rica

13. **Instituto Costarricense de Electricidad S.A. (“ICE”)** was a wholly state-owned telecommunications authority in Costa Rica responsible for awarding and administering public tenders for telecommunications contracts. ICE was governed by a seven-member board of directors that evaluated and approved, on behalf of the government of Costa Rica, all bid proposals submitted by telecommunications companies. The Board of Directors was led by an Executive President, who was appointed by the President of Costa Rica. The other members of the Board of Directors were appointed by the President of Costa Rica and the Costa Rican governing cabinet. Accordingly, officers, directors and employees of ICE were “foreign

officials” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3(f)(2)(A).

14. **Servicios Notariales, Q.C. S.A. (“Servicios Notariales”)** was a purported consulting firm based in Costa Rica that entered into several sham consulting agreements with ALCATEL STANDARD on behalf of ALCATEL CIT to assist Alcatel in obtaining telecommunications contracts in Costa Rica.

15. **Intelmar Costa Rica, S.A. (“Intelmar”)** was a consulting firm based in Costa Rica that entered into numerous sham consulting agreements with ALCATEL STANDARD on behalf of ALCATEL CIT to assist Alcatel in obtaining telecommunications contracts in Costa Rica. Intelmar maintained an office within ACR’s office space in Costa Rica.

16. **ICE Official 1** was a director of ICE and had a close relationship with **Senior Government Official 1**, who was a high-ranking official in the Costa Rican executive branch. **ICE Official 2, ICE Official 3, ICE Official 4, ICE Official 5, and ICE Official 6** were also officers, directors or employees of ICE. **Legislator 1** was a legislator in the Legislative Assembly (*Asamblea Legislativa*), which was the unicameral legislative branch of the Government of Costa Rica. ICE Officials 1-6, Senior Government Official 1, and Legislator 1 were “foreign officials” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3(f)(2)(A), and they were each in a significant position to influence the policy decisions made by ICE and the contracts awarded by ICE.

Relevant Entities and Foreign Officials in Honduras

17. **Empresa Hondureña de Telecomunicaciones (“Hondutel”)** was a wholly state-owned telecommunications authority in Honduras, established under Honduran law, and it

was responsible for providing telecommunications services in Honduras which, until late 2002, included evaluating and awarding telecommunications contracts on behalf of the government of Honduras. Several senior government officials sat on Hondutel's Board of Directors.

Hondutel's operations were overseen by another Honduran government entity, Comisión Nacional de Telecomunicaciones. Profits earned by Hondutel belonged to the government of Honduras, though part of the profit was permitted to be used by Hondutel for its operations.

Accordingly, employees of Hondutel were "foreign officials" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3(f)(2)(A).

18. **Comisión Nacional de Telecomunicaciones ("Conatel")** was the Honduran government agency that regulated the telecommunications sector in Honduras. Conatel issued licenses and concessions for fixed-line and wireless telephony, data transmission, and Internet services. Conatel was part of the Honduran executive branch under the Secretariat of Finance. Conatel's commissioners were appointed by the President of Honduras. Accordingly, officers, commissioners, and employees of Conatel were "foreign officials" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3(f)(2)(A).

19. **Honduran Consultant 1** was a purported consulting firm based in Honduras that entered into a sham consulting agreement with ALCATEL STANDARD to assist ALCATEL CIT and Alcatel Mexico (formerly known as "Alcatel Indetel"), a wholly owned subsidiary of Alcatel, in obtaining telecommunications contracts in Honduras on behalf of Alcatel.

20. **Senior Government Official 2** was a high-ranking government official in the Honduran executive branch. **Hondutel Official** and **Conatel Official** were both high-ranking officials within Hondutel and Conatel, respectively. Senior Government Official 2, Hondutel

Official, and Conatel Official were “foreign officials” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3(f)(2)(A), and they were each in a significant position to influence the policy decisions made by the Honduran government, including the awarding of contracts by Hondutel prior to 2003.

Relevant Entities in Malaysia

21. **Telekom Malaysia Berhad (“Telekom Malaysia”)** was a state-owned and controlled telecommunications provider in Malaysia. Telekom Malaysia was responsible for awarding telecommunications contracts during the relevant time period. The Malaysian Ministry of Finance owned approximately 43% of Telekom Malaysia’s shares, had veto power over all major expenditures, and made important operational decisions. The government owned its interest in Telekom Malaysia through the Minister of Finance, who had the status of a “special shareholder.” Most senior Telekom Malaysia officers were political appointees, including the Chairman and Director, the Chairman of the Board of the Tender Committee, and the Executive Director. Accordingly, officers, directors and employees of Telekom Malaysia were “foreign officials” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3(f)(2)(A).

22. **Malaysian Consultant 1** was a consulting firm with operations in Asia that entered into sham consulting agreements with ALCATEL STANDARD to provide market strategy reports focusing on technology.

23. **Malaysian Consultant 2** was a consulting firm based in Asia that entered into a sham consulting agreement with ALCATEL STANDARD to provide a strategic intelligence report for Alcatel’s Southeast Asia South Region.

Relevant Entities and Foreign Officials in Taiwan

24. **Taiwan Railway Administration (“TRA”)** was the wholly state-owned authority in Taiwan responsible for managing, maintaining, and running passenger freight service on Taiwan’s railroad lines. It was responsible for awarding and administering all public tenders in connection with Taiwan’s railroad lines, including contracts to design, manufacture, and install an axle counting system to control rail traffic. TRA was an agency of Taiwan’s Ministry of Transportation and Communications, a cabinet-level governmental body responsible for the regulation of transportation and communications networks and operations. Accordingly, officers and employees of TRA were “foreign officials” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3(f)(2)(A).

25. **Taiwan International Standard Electronics, Ltd. (“Taisel”)** was based in Taiwan and was a joint venture sixty-percent owned by Alcatel Participations, a wholly owned subsidiary of Alcatel, and forty-percent owned by a Taiwanese corporation.

26. **Taiwanese Consultant 1** was a consulting firm based in Taiwan that entered into a consulting agreement with ALCATEL STANDARD to assist Alcatel SEL in obtaining axle counting contracts in Taiwan on behalf of Alcatel.

27. **Taiwanese Consultant 2** was a consulting firm based in Taiwan which entered into a consulting agreement with Taisel on behalf of Alcatel to assist Alcatel SEL in obtaining axle counting contracts in Taiwan on behalf of Alcatel.

28. **Legislator 2, Legislator 3, and Legislator 4** were all members of the Legislative Yuan, the unicameral legislative assembly of the Republic of China, whose territory consists of Taiwan, Penghu, Kinmen, and Matsu Islands. Legislator 2, Legislator 3, and Legislator 4 were

“foreign officials” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3(f)(2)(A), and they were in a significant position to influence the policy decisions made by the Taiwan government, including the awarding of contracts.

***Background Regarding Alcatel's Business Practices
and the State Of Its Internal Controls***

29. Starting in the 1990s and continuing through at least late 2006, Alcatel pursued many of its business opportunities around the world through the use of third-party agents and consultants. This business model was shown to be prone to corruption, as consultants were repeatedly used as conduits for bribe payments to foreign officials (and business executives of private customers) to obtain or retain business in many countries. Alcatel also suffered from a de-centralized business structure, which permitted the different Alcatel employees around the world to initially vet the third-party consultants, and then rely on Executive 1 at ALCATEL STANDARD to perform due diligence on them. In practice, this de-centralized structure and approval process permitted corruption to occur, as the local employees were more interested in obtaining business than ensuring that business was won ethically and legally. Meanwhile, Executive 1 performed no due diligence of substance and remained, at best, deliberately ignorant of the true purpose behind the retention of and payment to many of the third-party consultants.

30. Alcatel's organizational structure consisted of geographic Regions (each responsible for marketing and sales to customers within their territorial boundaries), Business Groups (further subdivided into Business Divisions, which were responsible for product-related activities, including the tendering process), and Units (legal entities with the ability to sign contracts and incur financial obligations). Alcatel's Units were structured in a matrix operating

model that featured (a) large, autonomous legal entities with worldwide responsibility for researching, developing, and manufacturing particular product lines, and (b) similarly autonomous legal entities with a local presence in many countries responsible for the sale and support of those product lines in defined geographic areas. Units were located in specific geographical Regions and could also house specific Business Division operations.

31. Alcatel typically set up a subsidiary or affiliated entity, such as ACR or Alcatel Malaysia, in a country to obtain contracts. A Country Senior Officer, or CSO, managed the subsidiary and selected consultants to solicit business for Alcatel from government officials in that country. The CSO engaged a consultant by preparing a form called a Service Agreement Request ("SAR"). The SAR identified the consultant, the project for which the consultant was being engaged, and the terms of the engagement. The SAR required approval by the Alcatel Region or Area President. The SAR was accompanied by a Consultant Profile, a form that the consultant was supposed to complete with information concerning its ownership, business activities, capabilities, banking arrangements, and professional references. The completed Consultant Profile also required approval by the Area President.

32. A separate form called a Forecast of Sales Expenses ("FSE") was prepared to document approval of the expense of using a sales and/or marketing consultant. The FSE identified the project and the amount of the fee or commission to be paid to the consultant, but did not call for the consultant to be identified by name or for any information concerning the consultant's qualifications or expected activities. The FSE required the signatures of: (a) the Area President, to indicate his approval of the selection of the consultant; (b) the President of the Business Division responsible for the product involved in the transaction, to indicate his approval

of the commission expense as a profit and loss charge to his Business Division; (c) the President of the actual legal entity within Alcatel responsible for fulfilling the customer bid or contract, to indicate his approval of the payment by his entity of the consultant's commission; and, finally, (d) the Chief Executive Officer ("CEO") of ALCATEL STANDARD, namely, Executive 1.

33. Upon execution of the FSE by the Area President, the Business Division President, and the President of the relevant legal entity, the SAR, Consultant Profile, and FSE were transmitted to ALCATEL STANDARD. ALCATEL STANDARD would then typically request a Dun & Bradstreet report to confirm the existence and address of the consultant as stated in the Consultant Profile. Executive 1 would then sign the FSE to confirm that all of the necessary approvals had been obtained. Finally, Executive 1 would execute the contract with the consultant, which at times called for the consultant to perform vaguely-described marketing services.

34. Executive 1 made no effort, or virtually no effort, to verify the information provided by the consultant in the Consultant Profile, apart from using Dun & Bradstreet reports to confirm the consultant's existence and physical address. There was no requirement for the provision of information regarding conflicts of interest or relationships with government officials. Indeed, even where the Dun & Bradstreet report disclosed problems, inconsistencies, or red flags, typically nothing was done. Thus, even if the consultant was a close relative of a high-ranking foreign official, as was the case in some instances, this information was not listed on the Consultant Profile and little or no effort was made to address such obvious conflicts and risks. Rather, if the paperwork was completed, regardless of any obvious issues (such as close relationships with foreign officials or a clear lack of skill, experience or telecommunications

expertise), Executive 1 authorized hiring and paying the third-party consultant.

35. In many instances, ALCATEL STANDARD would contract with the third-party consultant and then ALCATEL CIT would pay the consultant, to the extent that Alcatel CIT was the responsible legal entity. Typically when Alcatel received payment for its telecommunications services and equipment from its customers (which were often governments or agencies or instrumentalities of governments), ALCATEL CIT would then pay the consultant who assisted in securing that business. As such, the payments by ALCATEL CIT to the agents retained by ALCATEL STANDARD occurred over a number of years, and because of the value of many of these contracts, the payments made to these consultants involved millions of dollars paid out over many years. To pay this money, among other things, ALCATEL CIT maintained a bank account at ABN Amro Bank in New York, New York, which was used, in part, to pay third-party consultants located around the world.

36. Often senior executives at ALCATEL CIT, ALCATEL STANDARD, and ACR, among others, knew bribes were being paid, or were aware of the high probability that many of these third-party consultants were paying bribes, to foreign officials to obtain or retain business. For example, in a significant number of instances, the consultant contracts were executed *after* Alcatel had already obtained the customer business, the consultant commissions were excessive, and lump sum payments were made to the consultants that did not appear to correspond to any one contract. In other instances, the same person would establish more than one consulting company, and ALCATEL STANDARD would retain those multiple companies (knowing or purposefully ignoring that they were owned and operated by the same person). This would make it appear that the commission rate paid to the consulting company was not excessive, when in

truth and in fact, the aggregate commission rate was exorbitant, thereby enabling the consultant to make payments to foreign officials.

37. In order to further conceal the illegal nature of these business practices, ALCATEL CIT and ACR employees sometimes employed aliases in their emails to keep secret the names of foreign officials who were receiving bribes and who were providing Alcatel entities with non-public information.

38. ALCATEL CIT, ALCATEL STANDARD, ACR, and certain employees of ALCATEL CIT, ALCATEL STANDARD, and ACR knew, or purposefully ignored, that many of the SARs and FSEs did not accurately reflect the true nature and purpose of the agreements. Likewise, ALCATEL CIT, ALCATEL STANDARD, ACR, and certain employees of ALCATEL CIT, ALCATEL STANDARD, and ACR knew, or purposefully ignored, that many of the invoices submitted by various third-party consultants falsely claimed that legitimate work had been completed, while the true purpose of the monies sought by the invoices was to funnel all or some of the money to foreign officials, directly or indirectly. Moreover, ALCATEL CIT, ALCATEL STANDARD, ACR, and certain employees of ALCATEL CIT, ALCATEL STANDARD, and ACR knew, or purposefully ignored, that the payments in connection with the SARs, FSEs, and invoices were going to be passed to foreign officials. These transactions were designed to circumvent Alcatel's internal controls system and were further undertaken knowing that they would not be accurately and fairly reflected in ALCATEL CIT, ALCATEL STANDARD, and ACR's books and records, which were included in the consolidated financial statements that Alcatel filed with the SEC.

Conduct in Costa Rica

39. In or around 2001, Valverde and Sapsizian, acting on behalf of ACR and ALCATEL CIT, respectively, negotiated consultancy agreements on behalf of ALCATEL CIT with two Costa Rican consultants, which were intended to make improper payments to Costa Rican government officials in exchange for telecommunications contracts. The two consultants were Servicios Notariales, which was headed by Valverde's brother-in-law, and Intelmar. Both consultants had many personal contacts at ICE.

40. ALCATEL STANDARD, on behalf of ALCATEL CIT, executed at least five consulting agreements with Servicios Notariales, in which ALCATEL STANDARD on behalf of ALCATEL CIT, promised to pay Servicios Notariales a percentage of the value of a specific contract obtained from ICE. This percentage was as high as 9.75%, a much higher commission rate than Alcatel normally awarded to a legitimate consultant. Executive 1 of ALCATEL STANDARD signed each of these consulting agreements. In return for the commissions, the agreements required Servicios Notariales to perform vaguely-described marketing and advisory services. Servicios Notariales created approximately eleven phony invoices between 2001 and 2003, totaling approximately \$14.5 million, purportedly for commissions related to the contracts awarded to Alcatel, and submitted those invoices, through Valverde at ACR, to ALCATEL CIT.

41. Similarly, ALCATEL STANDARD, on behalf of ALCATEL CIT, entered into at least four consulting agreements with Intelmar to assist Alcatel in obtaining telecommunications contracts with ICE. Executive 1 of ALCATEL STANDARD signed each of these consulting agreements. The agreements required Intelmar to perform vaguely-described advisory services. Intelmar subsequently created approximately seven invoices reflecting largely inflated

commissions totaling approximately \$3 million between 2001 and 2004, purportedly for commissions related to the contracts awarded to Alcatel, and submitted those invoices to ALCATEL CIT.

42. During this time period, Sapsizian's supervisor, the President of Area 1 (formerly known as the Chief Operating Officer for Latin America), worked in the Miami office, in the Southern District of Florida, and signed the Consultant Profile forms for Servicios Notariales and Intelmar and approved more than \$18 million in payments to the consultants despite their huge amounts. According to Sapsizian, the President of Area 1 told him on several occasions that he knew he was "risking jail time" as a result of his approval of these payments, which he understood would, at least in part, ultimately wind up in the hands of public officials.

43. Following the approval by the President of Area 1, Executive 1 also approved the retention of and payments to Servicios Notariales and Intelmar despite some obvious indications that these "consultants" were performing little or no work yet receiving millions of dollars in payments reflecting a significant percentage of value of the entire transaction. Indeed, Alcatel had three consultants assisting on ICE projects at that time. But Executive 1 turned a blind eye to this and other evidence, which made it substantially certain that some part of these payments would be passed on to foreign officials to assist in obtaining or retaining business.

44. Alcatel, ALCATEL CIT, ALCATEL STANDARD, and ACR conducted insufficient due diligence of Servicios Notariales and Intelmar. Neither Alcatel nor any of its subsidiaries took sufficient steps to ensure that the consultants were complying with the FCPA or other relevant anti-corruption laws.

45. In or around November 2000, prior to a formal vote by the ICE Board of Directors, Sapsizian and Valverde offered ICE Official 1 1.5% to 2% of the value of a future contract to develop a Global System for Mobile (“GSM”) technology network in Costa Rica and to provide 400,000 lines of mobile telephone service (the “400K GSM Contract”) in exchange for ICE Official 1’s assistance in favor of opening a bid round for a GSM-based mobile network, rather than a network based on a different technology not offered by Alcatel (yet that was offered by Alcatel’s competitors). ICE Official 1 accepted the offer and subsequently agreed to share part of this fee with Senior Government Official 1. Subsequently, ICE Official 1 used his influence, and the ICE Board later voted to open a bid round for developing a mobile network in Costa Rica using the GSM technology that Alcatel was offering.

46. On or about June 12, 2001, in part as a result of ICE Official 1’s influence, ICE awarded ALCATEL CIT a separate contract, valued at approximately \$44 million, to supply equipment for ICE’s fixed network (the “Fixed Network Contract”).

47. On or about August 28, 2001, in part as a result of ICE Official 1’s influence, ICE awarded Alcatel CIT the 400K GSM Contract described above in Paragraph 45. This contract was valued at approximately \$149.5 million.

48. After Alcatel received the two ICE contracts described above, from in or around December 2001 to in or around October 2003, ALCATEL CIT wire transferred approximately \$14.5 million from its account at ABN Amro Bank in New York to an account at a correspondent bank, the International Bank of Miami in the Southern District of Florida, to be further credited to Servicios Notariales’ account at Cuscatlan International Bank in Costa Rica. This amount of money bore no relation to any actual services provided by Servicios Notariales because it was, in

reality, used in large part to make bribe payments to Costa Rican government officials.

Specifically, Servicios Notariales used at least \$7 million of that money to pay the following Costa Rican government officials for assisting ALCATEL CIT in obtaining and retaining business in Costa Rica, including:

Official	Approximate Amount of Bribe
ICE Official 1	\$2,560,000 and \$100,000 in certificates of deposit
Senior Government Official 1	\$950,000 (through the ICE Official 1)
ICE Official 2	\$945,000
ICE Official 3	\$145,000
ICE Official 4	\$110,000
ICE Official 5	\$1,300,000
Legislator 1	\$550,000

49. Valverde and Sapsizian each received kickbacks from Servicios Notariales. Sapsizian received more than \$300,000 from Servicios Notariales, an amount wired to a Panamanian bank account held by an entity he controlled. Valverde and his family members received more than \$4.7 million in kickbacks from Servicios Notariales.

50. In addition, from in or around 2001 to in or around May 2004, ALCATEL CIT wire transferred from its account at ABN Amro Bank in New York approximately \$3.9 million to Intelmar in Costa Rica. This amount of money bore no relation to actual services provided by Intelmar and also was used to make bribe payments to Costa Rican government officials. For

example, Intelmar made payments from in or around December 2002 to in or around October 2003 totaling approximately \$930,000 to ICE Official 6.

51. Alcatel's efforts in Costa Rica were further rewarded on or about May 23, 2002, when ICE awarded ALCATEL CIT a third contract, for additional switching equipment for the fixed network, valued at approximately \$109.5 million.

52. Moreover, Sapsizian, on behalf of ALCATEL CIT, approved the payment of approximately \$25,000 in travel, hotel, and other expenses incurred by ICE officials during a primarily pleasure trip to Paris in or around October 2003 to discuss the GSM contract. Sapsizian instructed an ALCATEL CIT employee to pay for some of these expenses in cash to conceal the payments and avoid leaving a paper trail leading to Alcatel. This trip was partially intended to reward these government officials for providing Alcatel with lucrative contracts, and the expenses were not bona fide promotional expenses under Title 15, United States Code, Section 78dd-3(c)(2).

53. Through the above-referenced conduct, employees of ALCATEL CIT, ALCATEL STANDARD, and ACR knowingly circumvented Alcatel's internal controls system and made inaccurate and false entries in the books and records of ALCATEL CIT, ALCATEL STANDARD, and ACR, whose financial results were included in the consolidated financial statements of Alcatel submitted to the SEC. As a result of the contracts won by ALCATEL CIT in Costa Rica as a result of bribe payments, Alcatel earned approximately \$23,661,000 in profits.

Conduct in Honduras

54. Besides operating in Costa Rica, ACR provided assistance to Alcatel de Honduras S.A., a wholly owned subsidiary of Alcatel which ran operations in Honduras. Employees of

ACR, along with Sapsizian, pursued business opportunities on behalf of Alcatel in Honduras with Hondutel and Conatel. ALCATEL CIT and Alcatel Mexico pursued business in Honduras by retaining certain consultants through ALCATEL STANDARD. ALCATEL CIT and Alcatel Mexico made large commission payments to at least one consultant, knowing that all or some of the money paid to that consultant would be paid to a close relative of a Honduran government official, with the high probability that some or all of the money would be passed on to the Honduran government official, in exchange for favorable treatment of Alcatel, ALCATEL CIT, and Alcatel Mexico.

55. In or around 2002, at the request of the brother of Senior Government Official 2 in Honduras, ALCATEL STANDARD retained a new consultant in Honduras, Honduran Consultant 1, to perform vaguely described marketing and advisory services such as “maintaining liaisons with appropriate government officials.” Honduran Consultant 1, however, was, in fact, an exclusive distributor of “brand name perfumes,” and had no contacts in, or prior experience with, the telecommunications industry in Honduras or anywhere else. Rather, Honduran Consultant 1 was selected by Senior Government Official 2's brother, who instructed Sapsizian and an ACR employee to use Honduran Consultant 1 as an agent. Sapsizian and other ACR employees believed that all or some of the money paid to Honduran Consultant 1 would be paid to Senior Government Official 2 and the family of Senior Government Official 2 in exchange for favorable treatment.

56. In retaining Honduran Consultant 1, ALCATEL STANDARD knowingly failed to conduct appropriate due diligence on Honduran Consultant 1 and did not follow up on numerous, obvious red flags. First, Honduran Consultant 1 was a perfume distributor with no experience in

telecommunications. Honduran Consultant 1's Company Profile, signed by Honduran Consultant 1 and Alcatel's Area President, listed Honduran Consultant 1's main business as the distribution of "fine fragrances and cosmetics in the Honduran market." The Dun & Bradstreet report provided to the Executive 1 of ALCATEL STANDARD stated that the company was "engaged in cosmetic sales, house-to-house." Second, the brother of Senior Government Official 2 regularly communicated with Alcatel employees via an e-mail address from a domain name affiliated with Senior Government Official 2 and that official's family. Third, in or around late 2003, Senior Government Official 2's brother directly contacted Alcatel's Area 1 President in an effort to collect sales commissions Alcatel owed to Honduran Consultant 1. Senior Government Official 2 then personally met with Alcatel's Area 1 President in March 2004 in Spain as part of this effort.

57. Using ALCATEL STANDARD's agreement to retain Honduran Consultant 1 and ALCATEL CIT's and Alcatel Mexico's payments to Honduran Consultant 1, Alcatel, ALCATEL CIT, and Alcatel Mexico sought to secure an improper advantage in seeking business with Hondutel, and were able to retain contracts that may have otherwise been rescinded. In fact, Hondutel awarded Alcatel one contract in or around 2002: The Pair Gain Project, valued at approximately \$1 million. Alcatel was awarded four additional contracts in or around 2003, for a combined contract value of approximately \$47 million. These projects were: (1) the National Fiber Optic project; (2) the Fixed Lines project; (3) the National Radio Network project; and (4) the Hondutel call center project. ALCATEL CIT and Alcatel Mexico were able to retain these contracts in spite of significant performance problems.

58. ALCATEL CIT and ACR employees arranged for several other Honduran government officials to take primarily pleasure trips to France, which were paid by ALCATEL CIT or ACR directly. From in or around 2002 to in or around 2004, a high-ranking executive of Conatel, Conatel Official, provided ALCATEL CIT and ACR employees with several sets of confidential internal Conatel documents, including confidential Hondutel bid documents. Conatel Official also provided confidential documents to the brother of Senior Government Official 2 indicating in his email that the documents were “for your eyes only.” The brother forwarded these documents to ALCATEL CIT and ACR employees. ALCATEL CIT and ACR employees subsequently arranged for Conatel Official to travel to Europe on three separate occasions, including one trip that had nothing to do with Alcatel business and for which the official received full reimbursement.

59. A high-ranking executive at Hondutel, Hondutel Official, who was appointed to his position by Senior Government Official 2, also received gifts and improper payments from ALCATEL CIT and ACR employees. In or around 2004, Hondutel Official solicited and then received a payment of approximately \$2,000 from ACR for an educational trip for his daughter. ALCATEL CIT and ACR employees also arranged and paid for Hondutel Official to take a trip to Paris, France in or around 2003 with Hondutel Official’s spouse. During part of the 2003 trip to Paris, the Hondutel Official was lobbied to direct business to Alcatel, but most of the trip consisted of touring activities via a chauffeur-driven vehicle.

60. ALCATEL CIT also made payments to a Hondutel attorney who worked on the Pair Gain contract. ALCATEL CIT paid for a leisure trip to Paris taken by the attorney and the attorney’s daughter in or around June 2003, and then made a payment to the attorney of

approximately \$1,500 to thank the attorney for the attorney's work on the Pair Gain contract.

The Alcatel employee who helped arrange the trip to Paris was informed by an ALCATEL CIT employee that it was "based around the idea of a visit to Paris. Versailles, Mont St. Michel, chauffeur, lido, excursion boat, . . . , hotel in Paris." The itinerary for June 7, 2003, was listed as "Visit Germany (?) (unless they want to go shopping in Paris)."

61. In engaging in the above-referenced conduct, employees of ALCATEL CIT, ALCATEL STANDARD, and ACR knowingly circumvented Alcatel's internal controls system and caused inaccurate and false entries in the books and records of ALCATEL CIT and ALCATEL STANDARD, whose financial results were included in the consolidated financial statements of Alcatel submitted to the SEC. ALCATEL CIT's financial results were included in the consolidated financial statements of Alcatel submitted to the SEC. As a result of the bribe payments, Alcatel earned approximately \$870,000 in profits.

Conduct in Malaysia

62. Alcatel also pursued business in Malaysia through Alcatel Malaysia. Telekom Malaysia was the largest telecommunications company in Malaysia and was controlled by the government of Malaysia. Telekom Malaysia was Alcatel Malaysia's largest client. Celcom was Telekom Malaysia's wholly owned subsidiary and focused exclusively on mobile communications services.

63. In at least 17 instances from in or around 2004 to in or around 2006, Alcatel Malaysia employees, with the consent and approval of Alcatel Malaysia's management, such as Executive 2 and Executive 3, made improper payments to Telekom Malaysia employees in exchange for nonpublic information relating to ongoing public tenders. The documents

purchased generally consisted of internal assessments by Celcom's tender committee of non-public competitor pricing information.

64. Eight of the 17 improper payments to Telekom Malaysia employees were made in connection with a single public tender that Alcatel Malaysia ultimately won in or around June 2006: Phase II of a two-part mobile network contract with Celcom, valued at approximately \$85 million. For each of these payments, Alcatel Malaysia employees created invoices falsely referring to various types of "document fees," but on at least one occasion accurately referring to "purchase of tender documents." Each of these invoices was approved for payment by Alcatel Malaysia's management, such as Executive 2 and Executive 3, and subsequently paid out of Alcatel Malaysia's petty cash account.

65. Alcatel typically paid its agents and consultants commission rates based on the total value of a contract rather than pay a fixed fee for services. In late 2005 and early 2006, ALCATEL STANDARD, however, entered into consulting agreements with Malaysian Consultant 1 for more than \$500,000 for marketing reports and studies. At the time payments were made to Malaysian Consultant 1, Alcatel Malaysia and ALCATEL STANDARD were aware of a significant risk that Malaysian Consultant 1 would pass on all or a part of these payments to foreign officials. None of the reports or studies appear to have ever been generated.

66. Similarly, in mid-2005, ALCATEL STANDARD entered into a consulting agreement on behalf of Alcatel Malaysia with Malaysian Consultant 2 under which ALCATEL STANDARD agreed to pay a total of \$500,000 for a "strategic intelligence report on Celcom's positioning in the cellular industry in relation to its competitors." Despite of paying Malaysian Consultant 2 half a million dollars for this report, as with Malaysian Consultant 1, there is no

evidence that Malaysian Consultant 2 did any actual work for Alcatel Malaysia or ever produced the report. In or around June 2005, Malaysian Consultant 2 sent Executive 1 of ALCATEL STANDARD a copy of a thirteen-slide PowerPoint presentation, which appears to have been created by Celcom rather than Malaysian Consultant 2. When making this payment, executives of ALCATEL STANDARD and Alcatel Malaysia were aware of a significant risk that Malaysian Consultant 2 was serving merely as a conduit for bribe payments to foreign officials.

67. Malaysia Consultant 1 worked for Alcatel Malaysia to benefit Alcatel before formal agreements were finalized and executed, under what were called “gentlemen’s agreements,” which required that consulting agreements be entered into retroactively.

68. Alcatel Malaysia lacked internal controls, such as formal policies covering expenditures for gifts, travel, and entertainment for customers, leading to Alcatel Malaysia employees giving lavish gifts to Telekom Malaysia officials.

69. Through the above-referenced conduct, ALCATEL STANDARD and Alcatel Malaysia knowingly circumvented Alcatel’s internal controls system and caused inaccurate and false entries in the books and records of ALCATEL STANDARD and Alcatel Malaysia, whose financial results were included in the consolidated financial statements of Alcatel submitted to the SEC. Although Alcatel won the \$85 million Celcom contract, Alcatel did not generate any profits from it.

Conduct in Taiwan

70. Alcatel also pursued business in Taiwan through its indirect subsidiary, Alcatel SEL. Executive 4 of Alcatel SEL hired two third-party consultants, Taiwanese Consultant 1 and Taiwanese Consultant 2, to assist Alcatel SEL and Taisel, an Alcatel joint venture, in obtaining

an axle counting contract from the TRA initially valued at approximately \$27 million. Both consultants claimed to have close ties to certain legislators in the Taiwanese government who were understood to have influence in awarding the contract due to their particular responsibilities in the legislature.

71. In or around June 2000, Taiwanese Consultant 1 entered into a consulting agreement with ALCATEL STANDARD, which approved the agreement despite conducting little due diligence on the consultant. The Dun & Bradstreet report for Taiwanese Consultant 1, which was provided to ALCATEL STANDARD in or around 2001 after the consulting agreement was entered, indicated that attempts to contact Taiwanese Consultant 1 were unsuccessful as the telephone number, facsimile number, and address provided did not relate to Taiwanese Consultant 1. The company profile, which was not signed by a Taiwanese Consultant 1 representative and the Alcatel Area President until in or around 2002, reflected that Taiwanese Consultant 1 had no relevant market experience or knowledge, indicating that the company's main line of business was "Trading for Bar Code Reader, Printer & Ribbon, POS terminal, DATA terminal, CASH draws."

72. The original Taiwanese Consultant 1 consulting agreement provided for a 3% commission; amended agreements signed in or around March 2003 and in or around April 2004 provided that Taiwanese Consultant 1 would receive 4.75% and 6%, respectively, of the value of the contract. The agreements provided that Taiwanese Consultant 1 would promote Alcatel SEL's efforts to secure the TRA axle counting contract, including providing advice and market intelligence and keeping Alcatel SEL informed of "potential clients' requirements, decisions and

future plans.” Executive 1 of ALCATEL STANDARD signed the original agreement and the amended agreements.

73. In fact, the purpose behind Alcatel’s hiring of Taiwanese Consultant 1 was so that Alcatel SEL could make improper payments to three Taiwanese legislators who had influence in the award of the TRA axle counting contract. On or about May 10, 2004, after Taisel had been awarded the contract, Alcatel SEL paid Taiwanese Consultant 1 a commission of approximately \$921,413 by wire transfer from Alcatel SEL’s ABN Amro bank account in New York, New York. Taiwanese Consultant 1, in turn, made improper payments to two Taiwanese legislators: Legislator 2 and Legislator 3.

74. Legislator 2 was a member of the Committee of Transport of the Legislative Council, which had oversight authority for telecommunications contracts in Taiwan. Legislator 2 assisted Alcatel SEL in convincing TRA that Alcatel SEL satisfied the technical requirements of the tenders. Legislator 2 also publicly supported Alcatel SEL’s bid and provided advice to Alcatel concerning its TRA bid documents.

75. Legislator 3 attempted to alter TRA’s technical specifications to improve Alcatel SEL’s bidding chances. Taiwanese Consultant 1 promised approximately \$180,000 in campaign funds for Legislator 3’s 2004 election campaign and then paid Legislator 3 approximately \$90,000 in or around 2004, after Alcatel SEL won the bid. Taiwanese Consultant 1 kept some of the commission and kicked back approximately \$150,000 to Executive 4.

76. Executive 4 and Taiwanese Consultant 1 also spent approximately \$8,000 on trips to Germany in or around May 2002 for an assistant in the office of Legislator 2, and in or around October 2003 for a secretary to the Taiwan Transportation and Communications Minister. Both

trips were primarily for personal, entertainment purposes, with only nominal business justification. Indeed, the secretary of the Taiwan Transportation and Communications Minister brought his ex-wife on the trip, also at Alcatel's expense. Alcatel SEL paid for the hotel and meal expenses directly and reimbursed Executive 4 and Taiwanese Consultant 1 for train tickets, taxis, and gifts. According to a February 2006 Group Audit Services report, Alcatel SEL's management knew of and approved reimbursement of these expenses. In addition, in or around January 2004, Alcatel SEL paid Taiwanese Consultant 1 approximately \$3,000 to reimburse it for a set of crystal given to the secretary of the Taiwan Transportation and Communications Minister.

77. In or around 2002, Executive 4 hired Taiwanese Consultant 2 on behalf of Alcatel SEL because Taiwanese Consultant 2's owner was the brother of Legislator 4, who had influence with respect to TRA matters. Executive 4 met with Taiwanese Consultant 2's owner and Legislator 4, who requested that Alcatel SEL pay him a 2% success fee through Taiwanese Consultant 2 in connection with the axle counting contract. To bribe Legislator 4, Alcatel SEL arranged for a bogus consulting agreement between Taisel and Taiwanese Consultant 2. In reality, it was never expected that Taiwanese Consultant 2 would provide any legitimate services to Taisel. On or about April 1, 2004, at Executive 4's instruction, Taisel signed a subcontract with Taiwanese Consultant 2 that called for Taisel to pay Taiwanese Consultant 2 approximately \$383,895. Taisel paid approximately \$36,561 to Taiwanese Consultant 2 on or about May 12, 2004, by wire transfer.

78. Neither Taiwanese Consultant 1 nor Taiwanese Consultant 2 provided legitimate services to Alcatel or Alcatel SEL. Their only function was to pass on improper payments to

three Taiwanese legislators on behalf of Alcatel SEL and Taisel. On or about December 30, 2003, Taisel's bid was accepted by the TRA, which granted Taisel a supply contract worth approximately \$19.2 million, an amount lowered from the originally proposed \$27 million contract as a result of an alteration in the scope of the work required.

79. Alcatel SEL's financial results were included in the consolidated financial statements of Alcatel submitted to the SEC. As a result of the contracts won by Alcatel in Taiwan as a result of bribe payments, Alcatel earned approximately \$4,342,600 in profits.

COUNT ONE
(Conspiracy)

80. Paragraphs 1 through 79 of this Information are realleged and incorporated by reference as if fully set forth herein.

81. From in or around 2000 through in or around 2006, in the Southern District of Florida, and elsewhere, the defendants,

ALCATEL-LUCENT FRANCE, S.A.,
f/k/a "Alcatel CIT, S.A.,"
ALCATEL-LUCENT TRADE INTERNATIONAL, A.G.,
f/k/a "Alcatel Standard, A.G.,"
and
ALCATEL CENTROAMERICA, S.A.,
f/k/a "Alcatel de Costa Rica, S.A.,"

did unlawfully, willfully, and knowingly combine, conspire, confederate, and agree, with each other and others, known and unknown to the United States, to commit offenses against the United States, namely:

a. while in the territory of the United States, to willfully make use of the means and instrumentalities of interstate commerce and to do other acts corruptly in furtherance of an offer, payment, promise to pay, and the authorization of the payment of money, offer, gift, promise to give, and authorization of the giving of anything of value to any foreign official, or any person, while knowing that all or a portion of such money or thing of value would be or had been offered, given, and promised, directly and indirectly, to any foreign officials, for purpose of (i) influencing the acts and decisions of such foreign officials in their official capacities; (ii) inducing such foreign officials to do and omit to do acts in violation of the lawful duties of such officials; (iii) securing an improper advantage; and (iv) inducing such foreign officials to use their influence with a foreign government and instrumentalities thereof to affect and influence acts and decisions of such government and instrumentalities, that is, paying money and giving gifts and things of value to officials in Costa Rica, Honduras, Malaysia, and Taiwan in order to assist the defendants and their parent company, Alcatel, in obtaining and retaining business for and with, and directing business to, the defendants and Alcatel, in violation of the Foreign Corrupt Practices Act, Title 15, United States Code, Sections 78dd-1 and 78dd-3;

b. to knowingly falsify and cause to be falsified books, records, and accounts required to, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of an issuer, to wit, Alcatel and its subsidiaries, in violation of Title 15, United States Code, Sections 78m(b)(2)(A), 78m(b)(5), and 78ff(a); and

c. to knowingly circumvent and knowingly fail to implement a system of internal accounting controls sufficient to provide reasonable assurances that: (i) transactions were executed in accordance with management's general and specific authorization; (ii) transactions

were recorded as necessary (I) to permit preparation of financial statements in conformity with generally accepted accounting principles and any other criteria applicable to such statements, and (II) to maintain accountability for assets; (iii) access to assets was permitted only in accordance with management's general and specific authorization; and (iv) the recorded accountability for assets was compared with the existing assets at reasonable intervals and appropriate action was taken with respect to any differences, in violation of Title 15, United States Code, Sections 78m(b)(2)(B), 78m(b)(5), and 78ff(a).

PURPOSE OF THE CONSPIRACY

82. The purpose of the conspiracy was for ALCATEL CIT, ALCATEL STANDARD, and ACR, among others, and certain of their officers, employees and others to secure the assistance of officials of various governments, including those of Costa Rica, Honduras, Malaysia, and Taiwan, in obtaining and retaining lucrative telecommunications business through the offer, promise and payment of bribes.

MANNER AND MEANS OF THE CONSPIRACY

83. To achieve the objects of the conspiracy, ALCATEL CIT, ALCATEL STANDARD, and ACR, among others, and certain of their officers, employees, and others, known and unknown, used the following manner and means, among others:

a. It was a part of the conspiracy that Alcatel and certain of its wholly owned and indirect subsidiaries, through their employees, including Executive 1, Executive 2, Executive 3, Executive 4, Sapsizian, and Valverde, among others, would pursue business in various countries around the world by offering and agreeing to pay bribes to foreign government officials in exchange for their assistance in obtaining and retaining contracts with different foreign

governments and agencies and instrumentalities of foreign governments, such as ICE, Hondutel, Conatel, Telekom Malaysia, and the TRA.

b. It was further a part of the conspiracy that employees of ALCATEL CIT, ACR, Alcatel Malaysia, and Alcatel SEL, among others, would identify certain third-party consultants to be conduits for the offer, promise and payment of bribes to foreign officials.

c. It was further a part of the conspiracy that ALCATEL STANDARD would execute consulting contracts with these third-party consultants knowing that it was substantially certain that these third-party consultants would directly or indirectly pay things of value to foreign officials for the purpose of assisting Alcatel and certain of its wholly owned and indirect subsidiaries and joint ventures in obtaining or retaining business.

d. It was further a part of the conspiracy that ALCATEL STANDARD's use of sham consultancy agreements with certain third-party consultants would cause the books and records of various Alcatel subsidiaries, including ALCATEL CIT, ALCATEL STANDARD, and ACR, to reflect inaccurately the true nature of the transaction. These entities' financial results were eventually included in the consolidated financial statements that Alcatel filed with the SEC.

e. It was further a part of the conspiracy that the third-party consultants would submit invoices containing pretextual justifications for receiving payments, thereby further concealing the true nature of the transaction on the books and records of various Alcatel subsidiaries, including ALCATEL CIT, ALCATEL STANDARD, and ACR, whose financial results were eventually included in the consolidated financial statements that Alcatel filed with the SEC.

f. It was further a part of the conspiracy that various Alcatel subsidiaries, including ALCATEL CIT, ALCATEL STANDARD, and ACR, would funnel bribe payments through third-party consultants for purportedly legitimate purposes, circumventing Alcatel's existing internal accounting controls.

g. It was further a part of the conspiracy that ALCATEL CIT, among other subsidiaries, would pay the third-party consultants via a bank account located in the United States based upon the contracts executed by ALCATEL STANDARD knowing that it was substantially certain that some or all of the payments made to the third-party consultants would be passed on to foreign officials in order to assist in obtaining or retaining business.

h. It was further a part of the conspiracy that ALCATEL CIT, ACR, and other wholly owned subsidiaries would pay for the travel and entertainment of various foreign officials with little or no legitimate business purpose in order to curry favor with the foreign officials to increase the chances that Alcatel would obtain or retain business.

i. It was further a part of the conspiracy that Alcatel and certain of its wholly owned subsidiaries would seek to win contracts with foreign governments and agencies and instrumentalities of foreign governments, through which Alcatel and certain of its wholly owned subsidiaries would earn millions of dollars worth of profits, which were included in the consolidated financial statements of Alcatel submitted to the SEC.

OVERT ACTS

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

Costa Rica

85. In or around June 2000, Sapsizian and ICE Official 1 discussed the assistance that other foreign officials in Costa Rica could provide to Alcatel.

86. In or around November 2000, Sapsizian, on behalf of ALCATEL CIT, and Valverde, on behalf of ACR, offered ICE Official 1 1.5% to 2% of the value of the 400K GSM Contract in exchange for his assistance in ensuring that ICE would open the 400 GSM Contract to public bid.

87. In or around December 2000, Sapsizian, on behalf of ALCATEL CIT, and Valverde, on behalf of ACR, agreed to pay 1.5% to 2% of the value of the 400K GSM Contract to ICE Official 1 in exchange for his assistance in opening a bid round. After he agreed to the deal in principle with Sapsizian and Valverde, ICE Official 1 offered to share the payments with Senior Government Official 1.

88. On or about January 23, 2001, the President of Area 1, on behalf of the Alcatel Group, signed a SAR and FSE for Servicios Notariales without performing appropriate due diligence as part of an internal controls program.

89. On or about March 14, 2001, Executive 1, on behalf of ALCATEL STANDARD, signed a consultancy agreement for Servicios Notariales with a \$100,000 lump sum payment plus a commission rate of 8.25% without Executive 1 performing the appropriate due diligence as part of an internal controls program.

90. On or about June 11, 2001, Executive 1, on behalf of ALCATEL STANDARD, signed a consultancy agreement for Intelmar with a commission rate of 1% without Executive 1 performing the appropriate due diligence as part of an internal controls program.

91. On or about August 30, 2001, Executive 1, on behalf of ALCATEL STANDARD, signed an amended consultancy agreement for Servicios Notariales increasing the commission rate to 9.75% without Executive 1 performing the appropriate due diligence as part of an internal controls program.

92. On or about October 7, 2001, Servicios Notariales submitted an invoice to ALCATEL CIT, to the attention of Sapsizian, for partial payment of "commissions" in the approximate amount of \$800,000.

93. On or about November 6, 2001, Servicios Notariales submitted an invoice to ALCATEL CIT, to the attention of Sapsizian, for partial payment of "commissions" in the approximate amount of \$700,000.

94. On or about November 19, 2001, Sapsizian, on behalf of ALCATEL CIT, emailed an Alcatel employee authorizing three payments to Servicios Notariales for the approximate amounts of: \$800,000, \$700,000, and \$749,241.

95. On or about December 6, 2001, Servicios Notariales submitted an invoice to ALCATEL CIT, to the attention of Sapsizian, for partial payment of "commissions" in the approximate amount of \$749,271.

96. On or about December 6, 2001, ALCATEL CIT caused a wire transfer of approximately \$800,000 from its account at ABN Amro Bank in New York, New York, to an account at a correspondent bank, the International Bank of Miami in Miami, Florida, for further credit to Servicios Notariales' account at Cuscatlan International Bank in Costa Rica.

97. On or about December 27, 2001, ALCATEL CIT caused a wire transfer of approximately \$700,000 from its account at ABN Amro Bank in New York, New York, to an

account at a correspondent bank, the International Bank of Miami in Miami, Florida, for further credit to Servicios Notariales' account at Cuscatlan International Bank in Costa Rica.

98. On or about January 24, 2002, ALCATEL CIT caused a wire transfer of approximately \$749,271 from its account at ABN Amro Bank in New York, New York, to an account at a correspondent bank, the International Bank of Miami in Miami, Florida, for further credit to Servicios Notariales' account at Cuscatlan International Bank in Costa Rica.

99. On or about March 13, 2002, the President of Area 1, on behalf of the Alcatel Group, signed a SAR for Servicios Notariales without the Area President performing the appropriate due diligence as part of an internal controls program.

100. On or about May 20, 2002, Servicios Notariales caused the purchase of four Certificates of Deposit (CDs) worth approximately \$100,000, using funds from its account at Cuscatlan International Bank, in Costa Rica, in order to give those CDs to ICE Official 1.

101. On or about June 25, 2002, Executive 1, on behalf of ALCATEL STANDARD, signed a consultancy agreement for Servicios Notariales concerning the 400K GSM Contract with a commission rate to 5.5% without Executive 1 performing the appropriate due diligence as part of an internal controls program.

102. On or about July 15, 2002, Executive 1, on behalf of ALCATEL STANDARD, signed a consultancy agreement for Intelmar concerning the 400K GSM Contract with a commission rate of 1.25% without Executive 1 performing the appropriate due diligence as part of an internal controls program.

103. On or about July 22, 2002, Servicios Notariales submitted an invoice to ALCATEL CIT, to the attention of Sapsizian, for partial payment of “commissions” in the approximate amount of \$1,380,085.

104. On or about July 29, 2002, Valverde, on behalf of ACR, faxed the July 22 Servicios Notariales invoice for approximately \$1,380,085 to “Mrs. Alcatel CIT (C/O C. Sapsizian).”

105. On or about August 8, 2002, ALCATEL CIT caused a wire transfer of approximately \$1,380,085 from its account at ABN Amro Bank in New York, New York, to an account at a correspondent bank, the International Bank of Miami in Miami, Florida, for further credit to Servicios Notariales’ account at Cuscatlan International Bank in Costa Rica.

106. On or about August 14, 2002, Servicios Notariales caused a wire transfer of approximately \$100,000 from its account at Cuscatlan International Bank in Costa Rica to an account in the name of ICE Official 1’s wife at Terrabank N.A., located in Miami, Florida, then to an account in the name of ICE Official 1’s wife at Saint George Bank & Trust Co. Ltd in Panama.

107. On or about August 16, 2002, Servicios Notariales caused a wire transfer of approximately \$590,000 from its account at Cuscatlan International Bank in Costa Rica to an account in the name of ICE Official 1’s wife at BCT Bank International in Panama.

108. On or about September 13, 2002, the President of Area 1, on behalf of the Alcatel Group, signed a FSE for Servicios Notariales without the Area President performing the appropriate due diligence as part of an internal controls program.

109. On or about September 19, 2002, Servicios Notariales submitted an invoice to ALCATEL CIT, to the attention of Sapsizian, for partial payment of “commissions” in the approximate amount of \$704,100.

110. On or about October 2, 2002, Servicios Notariales submitted an invoice to ALCATEL CIT, to the attention of Sapsizian, for partial payment of “commissions” in the approximate amount of \$345,536.

111. On or about October 7, 2002, Valverde, on behalf of ACR, faxed the invoices dated September 19, 2002, and October 2, 2002 to “Mrs. Alcatel CIT, (C/O Sapsizian).”

112. On or about November 27, 2002, Executive 1, on behalf of ALCATEL STANDARD, signed a consultancy agreement for Servicios Notariales with a commission rate of 7.5% without Executive 1 performing the appropriate due diligence as part of an internal controls program.

113. On or about November 28, 2002, ALCATEL CIT caused a wire transfer of approximately \$1,049,636 from its account at ABN Amro Bank in New York, New York, to an account at a correspondent bank, the International Bank of Miami in Miami, Florida, for further credit to Servicios Notariales’ account at Cuscatlan International Bank in Costa Rica.

114. On or about December 9, 2002, Servicios Notariales caused a wire transfer of approximately \$180,000 from its account at Cuscatlan International Bank in Costa Rica to an account in the name of ICE Official 1’s wife at BCT Bank International in Panama.

115. On or about February 12, 2003, Servicios Notariales submitted two invoices to ALCATEL CIT, to the attention of Sapsizian, for partial payment of “commissions,” each in the approximate amount of \$1,969,667.

116. On or about February 18, 2003, Valverde, on behalf of ACR, faxed the two invoices for approximately \$1,969,667 to "Mrs. Alcatel CIT, Attn: C. Sapsizian (France)."

117. On or about March 1, 2003, Intelmar submitted an invoice to ALCATEL CIT for a payment in the approximate amount of \$1,231,042.

118. On or about March 27, 2003, ALCATEL CIT caused a wire transfer of approximately \$3,939,334 from its account at ABN Amro Bank in New York, New York, to an account at a correspondent bank, the International Bank of Miami in Miami, Florida, for further credit to Servicios Notariales' account at Cuscatlan International Bank, in Costa Rica.

119. On or about April 2, 2003, Servicios Notariales caused a wire transfer of approximately \$576,000 from its account at Cuscatlan International Bank in Costa Rica to an account in the name of ICE Official 1's wife at BCT Bank International in Panama.

120. On or about April 7, 2003, ALCATEL CIT caused a wire transfer of approximately \$1,231,042 from its account at ABN Amro Bank in New York, New York, to Intelmar's account at Cuscatlan International Bank in Costa Rica, from which account Intelmar paid hundreds of thousands of dollars to ICE Official 6.

121. On or about June 19, 2003, ALCATEL CIT caused a wire transfer of approximately \$1,099,630 from its account at ABN Amro Bank in New York, New York, to an account at a correspondent bank, the International Bank of Miami in Miami, Florida, for further credit to Servicios Notariales' account at Cuscatlan International Bank in Costa Rica.

122. On or about July 7, 2003, Servicios Notariales caused a wire transfer of approximately \$339,000 from its account at Cuscatlan International Bank in Costa Rica to an account in the name of ICE Official 1's wife at BCT Bank International in Panama.

123. On or about September 26, 2003, Servicios Notariales submitted an invoice to ALCATEL CIT, to the attention of Sapsizian, for partial payment of “commissions” in the approximate amount of \$1,155,418.

124. On or about September 26, 2003, Servicios Notariales submitted an invoice to ALCATEL CIT, to the attention of Sapsizian, for partial payment of “commissions” in the approximate amount of \$3,555,091.

125. On or about October 20, 2003, ALCATEL CIT caused two separate wire transfers totaling approximately \$1,178,764 from its account at ABN Amro Bank in New York, New York, to Intelmar’s account at Cuscatlan International Bank in Costa Rica, from which account Intelmar paid hundreds of thousands of dollars to ICE Official 6.

126. On or about October 23, 2003, ALCATEL CIT caused two separate wire transfers totaling approximately \$4,710,509 from its account at ABN Amro Bank in New York, New York, to an account at a correspondent bank, the International Bank of Miami in Miami, Florida, for further credit to Servicios Notariales’ account at Cuscatlan International Bank in Costa Rica.

127. On or about October 27, 2003, Servicios Notariales caused a wire transfer of approximately \$450,000 from its account at Cuscatlan International Bank in Costa Rica to an account in the name of ICE Official 1’s wife at BCT Bank International in Panama.

Honduras

128. In or around February 2002, in Key Biscayne, Florida, Sapsizian, on behalf of ALCATEL CIT, and another ACR employee met with the brother of Senior Government Official 2 to discuss how the high-ranking official and Alcatel could assist each other.

129. On or about November 12, 2003, Executive 1 of ALCATEL STANDARD executed a consultancy agreement with Honduran Consultant 1 concerning a National Fiber Optic contract without Executive 1 performing the appropriate due diligence as part of an internal controls program.

130. On or about December 11, 2003, the brother of Senior Government Official 2 sent an email from a domain name affiliated with Senior Government Official 2 and the family of Senior Government Official 2 to Alcatel's Deputy Country Senior Officer for Central America stating that Alcatel had clearly "been favored with over \$50 million of business" and had "access to the highest levels of government."

131. On or about February 11, 2004, employees of ALCATEL CIT and ACR caused Alcatel Mexico, a wholly owned subsidiary of Alcatel, to wire transfer approximately \$215,060 from its account at ABN Amro Bank in New York, New York, to an account controlled by Honduran Consultant 1 at BAC International Bank in Panama.

132. On or about April 14, 2004, the owner of Honduran Consultant 1 sent a letter to the President of Area 1 stating that "thanks to our activities all doors remain open for Alcatel in Honduras: beginning with Hondutel, Conatel (regulating body) and up to and including the highest levels of the Executive Branch."

133. On or about June 2, 2004, employees of ALCATEL CIT and ACR caused Alcatel Mexico to wire transfer approximately \$134,198 from its account at ABN Amro Bank in New York, New York, to an account controlled by Honduran Consultant 1 at BAC International Bank in Panama.

134. On or about June 25, 2004, Executive 1 of ALCATEL STANDARD executed a consultancy agreement with Honduran Consultant 1 concerning the Pair Gain project.

135. On or about September 23, 2004, ALCATEL CIT caused a wire transfer of approximately \$45,586 from its account at ABN Amro Bank in New York, New York, to an account controlled by Honduran Consultant 1 at BAC International Bank in Panama.

136. On or about September 23, 2004, employees of ALCATEL CIT and ACR caused Alcatel Mexico to wire transfer approximately \$41,022 from its account at ABN Amro Bank in New York, New York, to an account controlled by Honduran Consultant 1 at BAC International Bank in Panama.

137. On or about March 3, 2005, employees of ALCATEL CIT and ACR caused Alcatel Mexico to wire transfer approximately \$161,726 from its account at ABN Amro Bank in New York, New York, to an account controlled by Honduran Consultant 1 at BAC International Bank in Panama.

138. On or about July 7, 2005, employees of ALCATEL CIT and ACR caused Alcatel Mexico to wire transfer approximately \$26,667 from its account at ABN Amro Bank in New York, New York, to an account controlled by Honduran Consultant 1 at BAC International Bank in Panama.

139. On or about June 29, 2006, ALCATEL CIT wire transferred approximately \$80,130 from its account at ABN Amro Bank in New York, New York, to an account controlled by Honduran Consultant 1 at BAC International Bank in Panama.

Malaysia

140. On or about October 25, 2004, an Alcatel Malaysia employee made a payment of approximately \$300 in cash to a Telekom Malaysia employee.

141. On or about January 11, 2005, an Alcatel Malaysia employee made a payment of approximately \$300 in cash to a Telekom Malaysia employee.

142. On or about May 11, 2005, an Alcatel Malaysia employee made a payment of approximately \$300 in cash to a Telekom Malaysia employee.

143. On or about June 20, 2005, Executive 1, on behalf of ALCATEL STANDARD, executed a consulting agreement with Malaysian Consultant 2 under which ALCATEL STANDARD agreed to pay a total of \$500,000 for a "strategic intelligence report on Celcom's positioning in the cellular industry in relation to its competitors" without Executive 1 performing the appropriate due diligence as part of an internal controls program.

144. On or about June 6, 2005, an Alcatel Malaysia employee made a payment of approximately \$790 in cash to a Telekom Malaysia employee.

145. On or about June 29, 2005, an Alcatel Malaysia employee made a payment of approximately \$790 in cash to a Telekom Malaysia employee.

146. On or about September 1, 2005, ALCATEL STANDARD wire transferred approximately \$500,000 from its account at Credit Suisse in Zurich, Switzerland, to Malaysian Consultant 2's account at Standard Chartered Bank in Hong Kong.

147. On or about December 13, 2005, an Alcatel Malaysia employee made a payment of approximately \$1,500 in cash to a Telekom Malaysia employee.

148. On or about February 14, 2006, Executive 1, on behalf of ALCATEL STANDARD, executed a consulting agreement with Malaysian Consultant 1 under which ALCATEL STANDARD agreed to pay a total of approximately \$200,000 for a series of market reports analyzing conditions in the Malaysian telecommunications market without Executive 1 performing the appropriate due diligence as part of an internal controls program.

149. On or about January 13, 2006, an Alcatel Malaysia employee made a payment of approximately \$900 in cash to a Telekom Malaysia employee.

150. On or about January 16, 2006, an Alcatel Malaysia employee made a payment of approximately \$600 in cash to a Telekom Malaysia employee.

151. On or about February 6, 2006, an Alcatel Malaysia employee made a payment of approximately \$1,500 in cash to a Telekom Malaysia employee.

152. On or about February 15, 2006, an Alcatel Malaysia employee made a payment of approximately \$6,000 in cash to a Telekom Malaysia employee.

153. On or about March 13, 2006, ALCATEL STANDARD wire transferred approximately \$100,000 from its account at Credit Suisse in Zurich, Switzerland, via its correspondent account at Deutsche Bank in New York, New York, to Malaysian Consultant 1's account at Calyon Bank in Hong Kong.

154. On or about March 17, 2006, ALCATEL STANDARD wire transferred approximately \$50,000 from its account at Credit Suisse in Zurich, Switzerland, via its correspondent account at Deutsche Bank in New York, New York, to Malaysian Consultant 1's account at Calyon Bank in Hong Kong.

155. On or about April 20, 2006, Executive 1, on behalf of ALCATEL STANDARD, executed a consulting agreement with Malaysian Consultant 1 under which ALCATEL STANDARD agreed to pay a total of approximately \$310,000 for a “3G Technology and Broadband Wireless Access Market Study” without Executive 1 performing the appropriate due diligence as part of an internal controls program.

156. On or about May 4, 2006, ALCATEL STANDARD wire transferred approximately \$150,000 from its account at Credit Suisse in Zurich, Switzerland, via its correspondent account at Deutsche Bank in New York, New York, to Malaysian Consultant 1’s account at Calyon Bank in Hong Kong.

157. On or about June 12, 2006, ALCATEL STANDARD wire transferred approximately \$160,000 from its account at Credit Suisse in Zurich, Switzerland, via its correspondent account at Deutsche Bank in New York, New York, to Malaysian Consultant 1’s account at Calyon Bank in Hong Kong.

158. On or about July 28, 2006, ALCATEL STANDARD wire transferred approximately \$50,000 from its account at Credit Suisse in Zurich, Switzerland, via its correspondent account at Deutsche Bank in New York, New York, to Malaysian Consultant 1’s account at Calyon Bank in Hong Kong.

Taiwan

159. On or about June 9, 2000, Executive 1, on behalf of ALCATEL STANDARD, executed a consultancy agreement with Taiwanese Consultant 1 in which ALCATEL STANDARD agreed to pay Taiwanese Consultant 1 3% of the contract amount if Alcatel SEL

won the TRA contract, without Executive 1 performing the appropriate due diligence as part of an internal controls program.

160. On or about April 11, 2002, Executive 1 of ALCATEL STANDARD sent a letter to Taiwanese Consultant 2's owner promising Taiwanese Consultant 2 a 2% commission if Alcatel SEL's bid for the axle counting contract was successful, without Executive 1 performing the appropriate due diligence as part of an internal controls program.

161. In or around May 2002, Alcatel SEL paid approximately \$5,000 for travel expenses in connection with a trip taken to Germany by an assistant to Legislator 1 that was primarily for personal, entertainment purposes.

162. On or about March 12, 2003, Executive 1, on behalf of ALCATEL STANDARD, executed an amended consultancy agreement with Taiwanese Consultant 1 in which ALCATEL STANDARD agreed to pay 4.75% of the contract amount if Alcatel won the TRA contract, without Executive 1 performing the appropriate due diligence as part of an internal controls program.

163. In or around October 2003, Alcatel SEL paid approximately \$3,000 for travel expenses in connection with a trip taken to Germany by a secretary to the Taiwan Transportation and Communications Minister that was primarily for personal, entertainment purposes.

164. In or around January 2004, Alcatel SEL paid Taiwanese Consultant 1 approximately \$3,000 to reimburse it for a set of crystal given to the secretary to the Taiwan Transportation and Communications Minister.

165. On or about March 15, 2004, Taiwanese Consultant 1 sent Alcatel SEL an invoice for approximately \$921,413.

166. On or about April 1, 2004, at Executive 1's instruction, Taisel executed a subcontract with Taiwanese Consultant 2 that called for Taisel to pay Taiwanese Consultant 2 approximately \$383,895, which bypassed internal controls.

167. On or about April 15, 2004, Executive 1, on behalf of ALCATEL STANDARD, executed an amended consultancy agreement with Taiwanese Consultant 1 in which ALCATEL STANDARD agreed to pay 6% of the TRA contract amount, without Executive 1 performing the appropriate due diligence as part of an internal controls program.

168. On or about April 28, 2004, Taiwanese Consultant 2 submitted an invoice to Taisel for a down payment in the amount of approximately \$36,561.

169. On or about May 10, 2004, Alcatel SEL wire transferred approximately \$921,413 from its account at ABN Amro Bank in New York, New York, to Taiwanese Consultant 1's bank account at the Taiwan branch of the International Commercial Bank of China.


170. In or around 2004, after receiving the commission in the amount of approximately \$921,413 from Alcatel SEL, Taiwanese Consultant 1 paid approximately \$90,000 to Legislator 2.

171. On or about May 12, 2004, Taisel wire transferred approximately \$36,561 to Taiwanese Consultant 2's account at the Standard Chartered Bank in Taiwan.

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

DENIS J. McINERNEY
Chief, Fraud Section

By:



CHARLES E. DUROSS
Deputy Chief, Fraud Section

By:



ANDREW GENTIN
Trial Attorney, Fraud Section

United States Department of Justice
Criminal Division
1400 New York Ave., N.W.
Washington, D.C. 20005
(202) 353-7691

UNITED STATES OF AMERICA

CASE NO. _____

vs.

CERTIFICATE OF TRIAL ATTORNEY*

ALCATEL-LUCENT FRANCE, S.A.,
f/k/a "Alcatel CIT, S.A."
ALCATEL-LUCENT TRADE INT'L, A.G.,
f/k/a "Alcatel Standard, A.G." and
ALCATEL CENTROAMERICA, S.A.,
f/k/a "Alcatel de Costa Rica, S.A."

Defendant.

Superseding Case Information:

Court Division: (Select One)

X Miami _____ Key West _____
_____ FTL _____ WPB _____ FTP _____

New Defendant(s)

Yes _____ No _____

Number of New Defendants _____

Total number of counts _____

I do hereby certify that:

1. I have carefully considered the allegations of the indictment, the number of defendants, the number of probable witnesses and the legal complexities of the Indictment/Information attached hereto.
2. I am aware that the information supplied on this statement will be relied upon by the Judges of this Court in setting their calendars and scheduling criminal trials under the mandate of the Speedy Trial Act, Title 28 U.S.C. Section 3161.

3. Interpreter: (Yes or No) No
List language and/or dialect _____

4. This case will take 0 days for the parties to try.

5. Please check appropriate category and type of offense listed below:

(Check only one)

(Check only one)

I	0 to 5 days	<u>X</u>	Petty	_____
II	6 to 10 days	_____	Minor	_____
III	11 to 20 days	_____	Misdem.	_____
IV	21 to 60 days	_____	Felony	<u>X</u>
V	61 days and over	_____		

6. Has this case been previously filed in this District Court? (Yes or No) No

If yes:

Judge: _____

Case No. _____

(Attach copy of dispositive order)

Has a complaint been filed in this matter? _____

(Yes or No)

If yes:

Magistrate Case No. _____

Related Miscellaneous numbers: _____

Defendant(s) in federal custody as of _____

Defendant(s) in state custody as of _____

Rule 20 from the _____

District of _____

Is this a potential death penalty case? (Yes or No) No

7. Does this case originate from a matter pending in the Northern Region of the U.S. Attorney's Office prior to October 14, 2003? _____ Yes X No

8. Does this case originate from a matter pending in the Central Region of the U.S. Attorney's Office prior to September 1, 2007? _____ Yes X No

CHARLES E. DUROSS
DEPUTY CHIEF, FRAUD SECTION, U.S. DEPT. OF JUSTICE
Florida Bar No./Court No. A5500618

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

PENALTY SHEET

Defendant's Name: ALCATEL-LUCENT FRANCE, S.A., f/k/a "Alcatel CIT, S.A."

Case No: _____

Count #: 1

Conspiracy to Violate the Foreign Corrupt Practices Act

18 U.S.C. § 371

*** Max. Penalty:** Fine of \$500,000 or twice the gross gain or loss (18 U.S.C. § 3571(d))

Count #:

***Max. Penalty:** _____

Count #:

***Max. Penalty:** _____

Count #:

***Max. Penalty:** _____

***Refers only to possible term of incarceration, does not include possible fines, restitution, special assessments, parole terms, or forfeitures that may be applicable.**

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

PENALTY SHEET

Defendant's Name: ALCATEL-LUCENT TRADE INTERNATIONAL, A.G., f/k/a
"Alcatel Standard, A.G."

Case No: _____

Count #: 1

Conspiracy to Violate the Foreign Corrupt Practices Act

18 U.S.C. § 371

*** Max. Penalty:** Fine of \$500,000 or twice the gross gain or loss (18 U.S.C. § 3571(d))

Count #:

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Count #:

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Count #:

***Max. Penalty:** _____

***Refers only to possible term of incarceration, does not include possible fines, restitution, special assessments, parole terms, or forfeitures that may be applicable.**

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

PENALTY SHEET

Defendant's Name: ALCATEL CENTROAMERICA, S.A., f/k/a "Alcatel de Costa Rica, S.A."

Case No: _____

Count #: 1

Conspiracy to Violate the Foreign Corrupt Practices Act

18 U.S.C. § 371

* Max. Penalty: Fine of \$500,000 or twice the gross gain or loss (18 U.S.C. § 3571(d))

Count #:

*Max. Penalty:

Count #:

*Max. Penalty:

Count #:

*Max. Penalty:

***Refers only to possible term of incarceration, does not include possible fines, restitution, special assessments, parole terms, or forfeitures that may be applicable.**