

JUDGE COTE

ORIGINAL

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA

- v. -

URIEL SHAREF,
HERBERT STEFFEN,
ANDRES TRUPPEL,
ULRICH BOCK,
EBERHARD REICHERT,
STEPHAN SIGNER,
CARLOS SERGI, and
MIGUEL CZYSCH,

Defendants.

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INDICTMENT

11 CRIM 1056

USDC SDNY DOCUMENT ELECTRONICALLY FILED DOC #: DATE FILED: DEC 12 2011
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COUNT ONE

(Conspiracy to Commit Bribery, Falsify Corporate Books and
Records, Circumvent Internal Controls, and Commit Fraud)

The Grand Jury charges:

Relevant Entities and Persons

1. At all times relevant to this Indictment, Siemens Aktiengesellschaft (hereafter referred to as "Siemens AG," and collectively with its operating groups, divisions, subsidiaries, and affiliates as "Siemens"), was an engineering company headquartered in Munich, Germany that had more than 400,000 employees and operations in approximately 190 countries worldwide, including the United States. Siemens AG's business primarily involved developing, constructing, selling, and servicing equipment and systems for

national, state, and municipal governments. The company employed more than 60,000 people in the United States, derived substantial revenue from sales in the United States, and maintained its U.S. headquarters in Manhattan, New York.

2. As of March 12, 2001, Siemens AG was listed on the New York Stock Exchange and was an "issuer," as that term is used in the Foreign Corrupt Practices Act. See 15 U.S.C. § 78dd-1(a).

3. Siemens AG had a "Supervisory Board" and a "Managing Board," in accordance with German law. The Supervisory Board, which served a function similar to that of a U.S. company's board of directors, appointed and removed members of the Managing Board and oversaw management, but was not permitted to make management decisions. The Managing Board, or the *Vorstand*, was responsible for managing Siemens's business operations and generally was comprised of 10 members. Siemens AG also had a Corporate Executive Committee ("CEC"), or the *Zentral Vorstand*, which was comprised of members of the Managing Board, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), among select others. Members of the CEC were assigned advisory responsibility, under the title of "Coach," for particular areas and regions of Siemens's global business operations and special projects. In turn, senior executives at the group or regional level provided monthly reports to the CEC, briefed the CEC on major projects and other matters of

significance, and regularly engaged with the Coach assigned to their area or region.

4. Siemens's worldwide operations were carried out by operating groups of Siemens AG based in Germany, and by an array of regional Siemens companies situated around the globe.

5. The projects for which Siemens was hired worldwide were typically run out of Germany by units within the Siemens AG operating groups, with support, as needed, from regional companies. These units within the Siemens AG operating groups sometimes took the form of wholly owned subsidiaries of Siemens AG, and typically were themselves split into various subdivisions, with names like "Major Projects." The operating group unit subdivisions were responsible for day-to-day project management, and generally consisted of two components: a "commercial" side, which oversaw the project's administration and finances; and a "technical" side, which provided operational oversight. This dual-management structure served a checks-and-balances function, which was also promoted by a set of principles and guidelines to which managers adhered in conducting Siemens's business. One such rule, known as the "4-eye principle," required signatures of two managers, one commercial and one technical, to authorize third-party disbursements on projects.

6. At all times relevant to this Indictment, Siemens Business Services GmbH & Co. OGH ("SBS"), headquartered in Munich,

Germany, was a wholly owned subsidiary of Siemens AG and a unit in Siemens AG's information and communications operating group. SBS designed, built, operated, maintained, and serviced both discrete and large-scale information and communication systems for public and private sector customers around the globe. SBS had its own board and executive management, including a CEO and CFO, who interacted with the Managing Board and CEC at Siemens AG headquarters, as well as with the Coaches assigned either to SBS specifically or to the region in which SBS was operating a project.

7. At all times relevant to this Indictment, Siemens Power Transmission and Distribution ("Siemens PTD") was a unit in Siemens AG's power operating group. Siemens PTD designed, manufactured, sold, and serviced power generation equipment, software, and network control equipment.

8. At all times relevant to this Indictment, Siemens S.A. ("Siemens Argentina"), based in Buenos Aires, Argentina, was one of Siemens's regional companies and a controlled subsidiary of Siemens AG. Siemens Argentina had its own board and executive management, including a CEO and CFO, who interacted with the Managing Board and CEC, as well as with the Coach assigned to the Americas region. Siemens Argentina's principal responsibility was to sell Siemens's business services in Argentina, mainly by identifying and securing contracts for public works projects.

9. At all times relevant to this Indictment, Siemens IT Services S.A. ("SITS") was a special-purpose subsidiary created by SBS in Argentina for the purpose of bidding for the "DNI" or *Documento Nacional de Identidad* project, which is discussed in further detail below.

The Defendants

10. The following individuals are defendants who were "officer[s], director[s], employee[s], [and] agent[s]" of an "issuer," Siemens AG, as those terms are used in the Foreign Corrupt Practices Act, see 15 U.S.C. § 78dd-1(a):

a. URIEL SHAREF, a dual citizen of Israel and Germany, was employed by Siemens from in or about 1978 to on or about December 31, 2007. From on or about October 1, 2000, until his departure from Siemens, SHAREF was a member of Siemens AG's Managing Board and CEC, with oversight responsibilities as Coach for Siemens AG's power operations group, including Siemens PTD, and Siemens AG's operations in the Americas region, including Siemens Argentina. Prior to his appointment to the Managing Board and CEC, SHAREF held regional management positions at Siemens AG's subsidiaries and affiliates covering areas in Latin America, including Colombia, Venezuela, Ecuador, and Peru. From in or about December 2000 to in or about September 2003, SHAREF was chairperson of the Supervisory Board of Siemens Argentina.

b. HERBERT STEFFEN, a citizen of Germany, was employed by Siemens from in or about 1960 to in or about 2003. From in or about 1996 until his departure from the company, STEFFEN was group president of Siemens AG's transportation systems operating group. Previously, STEFFEN was a group president of Siemens PTD. From in or about 1983 to in or about 1989, STEFFEN was CEO of Siemens Argentina, and from in or about 1989 to in or about 2000, he was chairperson of the Supervisory Board of Siemens Argentina. Previously, STEFFEN had worked for Siemens in Germany, Argentina, and Brazil.

c. ANDRES TRUPPEL, a dual citizen of Germany and Argentina, was employed by Siemens from in or about 1977 to in or about 2002, and thereafter was a consultant to Siemens until in or about 2004. From in or about 1996 until his shift to consultant status, TRUPPEL was CFO of Siemens Argentina. Previously, he had worked for Siemens in Germany, the United States (in San Francisco and Seattle), and Mexico.

d. ULRICH BOCK, a citizen of Germany, was employed by Siemens from in or about 1965 to in or about 2001, and was a paid consultant to Siemens thereafter until in or about May 2007. From in or about 1997 to in or about 2001, BOCK was commercial head of SBS's Major Projects subdivision. Previously, BOCK worked for Siemens in Germany, Austria, and France.

e. EBERHARD REICHERT, a citizen of Germany, was employed by Siemens from in or about 1964 to in or about 2001. From the late 1990s to in or about 2001, REICHERT was technical head of SBS's Major Projects subdivision.

f. STEPHAN SIGNER, a citizen of Germany, was employed by Siemens from in or about 1979 to in or about 2011, with relatively brief hiatuses. From in or about 2000 to in or about 2007, SIGNER worked for SBS as a commercial director in various capacities.

11. The following individuals are defendants who were associated with Siemens AG and served as "agents" of Siemens AG as that term is used in the Foreign Corrupt Practices Act, see 15 U.S.C. § 78dd-1(a), and intermediaries between Siemens and officials of the Government of Argentina (collectively, the "Intermediary Defendants"):

a. CARLOS SERGI, a citizen of Argentina, was a prominent businessman in Latin America with extensive high-level government contacts in Argentina. He was, for a period of 15 years ending in or about 2003, a member of the Supervisory Board of Siemens Argentina, overlapping with URIEL SHAREF, the defendant.

b. MIGUEL CZYSCH, a citizen of Germany and a resident of Switzerland, was a business associate of CARLOS SERGI, the defendant.

Co-Conspirators

12. Co-Conspirator #1, a co-conspirator not named herein as a defendant, was an attorney in Buenos Aires, Argentina and a former senior official in the Argentine Ministry of Justice.

13. Co-Conspirator #2, a co-conspirator not named herein as a defendant, was an attorney in Buenos Aires, Argentina and a former senior official in the Argentine Ministry of Justice.

14. Co-conspirator #3, a co-conspirator not named herein as a defendant, was employed by Siemens from in or about 1964 to in or about 2000. Co-conspirator #3 was CEO of Siemens Argentina from in or about 1996 until his departure from the company.

15. Co-conspirator #4, a co-conspirator not named herein as a defendant, was employed by Siemens from in or about 1972 to in or about 2002. In or about 1993, Co-conspirator #4 became a deputy general counsel in the Legal Services office at Siemens AG headquarters, and continued to serve that function in a consulting capacity from in or about 2002 through the 2000s.

16. Co-conspirator #5, a co-conspirator not named herein as a defendant, was a business partner of CARLOS SERGI, the defendant.

17. Co-conspirator #6, a co-conspirator not named herein as a defendant, was a business partner of MIGUEL CZYSCH, the defendant.

Overview of the Conspiracy

18. In or about August 1994, the Government of Argentina issued a tender for bids to replace an existing system of manually created national identity booklets with state-of-the-art national identity cards (the *Documento Nacional de Identidad* or "DNI" project). The total estimated value of the DNI project was approximately \$1 billion. After bids for the project were solicited by the Argentine Ministry of the Interior, Siemens AG, SBS, and Siemens Argentina organized a multinational consortium to bid on the contract through SITS. Bids were submitted on or about December 27, 1996, and on or about February 19, 1998, the President of Argentina issued a decree awarding the DNI project to SITS. The contract for the DNI project was executed by SITS and the Ministry of the Interior on or about October 6, 1998.

19. From in or about 1996 up to and including on or about August 12, 2009, URIEL SHAREF, HERBERT STEFFEN, ANDRES TRUPPEL, ULRICH BOCK, EBERHARD REICHERT, STEPHAN SIGNER, CARLOS SERGI, MIGUEL CZYSCH, the defendants, and others known and unknown, engaged in a conspiracy on behalf of Siemens to obtain the lucrative proceeds of the DNI project, and to foster future business, by means of bribery, fraud, and other forms of corruption. Members of the conspiracy won the DNI project for Siemens by bribing Argentine government officials. They paid more bribes in the hope of reviving the project when, in

or about 2001, the DNI project was stalled. Ultimately, and as discussed in more detail below, the DNI project was terminated altogether. Even after that point, members of the conspiracy continued to pursue the profits that Siemens had expected to gain from the project. They did so through additional bribes and corrupt conduct, including the pursuit of a fraudulent arbitration in Washington, D.C. against the Argentine government, demanding nearly \$500 million while actively hiding the corruption from the tribunal.

20. Some of the conspirators were employed by Siemens as executives, lawyers, and managers working on DNI project matters; others served as agents and conduits for the payment of bribes to Argentine government officials who were in a position to influence the direction of the DNI project. Integral to the conspiracy, and to the concealment of the illegal objects of the conspiracy, was the conspirators' use of at least 17 conduit entities (collectively, the "Conduit Entities") controlled or otherwise affiliated with the Intermediary Defendants and with various Argentine government officials and candidates for office who were the recipients or intended recipients of bribe payments (the "Argentine Officials").

Means and Methods of the Conspiracy

21. Among the means and methods used by URIEL SHAREF, HERBERT STEFFEN, ANDRES TRUPPEL, ULRICH BOCK, EBERHARD REICHERT, STEPHAN SIGNER, CARLOS SERGI, MIGUEL CZYSCH, the defendants, and

co-conspirators known and unknown, to achieve the objects of the conspiracy were the following:

- a. using cash and withdrawals of funds from general-purpose accounts at Siemens AG to make bribe payments and, thereby, make those illicit transactions more difficult to detect;
- b. using deceptive accounting maneuvers to give bribe payments the appearance of legitimacy and otherwise make those corrupt transactions more difficult to detect;
- c. using the Intermediary Defendants and the Conduit Entities as conduits in transacting bribe payments to insulate Siemens, the bribe recipients, and the defendants from potential adverse consequences of the corrupt transactions;
- d. transferring funds between and through accounts held by the Conduit Entities, as well those held by other entities, to conceal that the funds were to be used in whole and in part to pay bribes and to conceal the identities of the parties to these corrupt transactions;
- e. creating the illusion that the Intermediary Defendants were business consultants in connection with the DNI project, even though the Intermediary Defendants provided no such consulting services on the DNI project, to give bribe payments the appearance of legitimacy;

f. mischaracterizing bribes in the corporate books and records of Siemens AG as consulting fees and other seemingly legitimate expenses;

g. using off-books accounts as a way to conceal corrupt payments;

h. using accounts controlled by Siemens AG business divisions and subsidiaries having no connection to the DNI project as a way to conceal corrupt payments;

i. causing Siemens to enter into consulting "contracts" with many of the Conduit Entities – which were situated at off-shore locations, such as the Bahamas, the British Virgin Islands, Guernsey in the Channel Islands, the Cayman Islands, Panama, Switzerland, and Uruguay – even though these companies provided no legitimate service to Siemens, on the DNI project or otherwise, to give bribe payments the appearance of legitimacy;

j. issuing "invoices" to Siemens that requested payment for services, and authorizing reimbursement for those services, even though no such services had been provided to Siemens, on the DNI project and otherwise, to give bribe payments the appearance of legitimacy;

k. circumventing Siemens AG's compliance and ethics program, including internal and external audits aimed at detecting criminal conduct;

l. giving bribe payments the appearance of legitimacy by disguising them as funds used to settle an arbitration proceeding before an otherwise legitimate international tribunal;

m. engaging in witness tampering by making payoffs to witnesses and otherwise obstructing justice to prevent the exposure of bribery to the public and governmental authorities;

n. engaging in an international money laundering conspiracy by transferring bribe payments through bank accounts held in the United States, as more fully described in Count Two;

o. defrauding the Argentine government of money by means of materially false and fraudulent pretenses, representations, and material omissions, as more fully described in Count Three; and

p. concealing the corrupt manner in which Siemens won the DNI project, concealing the corrupt relationship between Siemens and the Intermediary Defendants, and concealing evidence of corruption in international arbitrations.

Initial Bribe Commitments and Payments

22. In or about February 1998, when the DNI project was initially awarded to Siemens, Co-conspirator #3 and ANDRES TRUPPEL, the defendant, were respectively CEO and CFO of Siemens Argentina, and ULRICH BOCK and EBERHARD REICHERT, the defendants, were respectively the commercial and technical managers of SBS's Major Projects subdivision in charge of the DNI project.

23. To secure the DNI project for Siemens, Co-conspirator #3, and co-conspirators known and unknown, committed Siemens to paying nearly \$100 million in bribes to sitting officials of the Argentine government, members of the opposition party, and candidates for office who were likely to come to power during the performance of the project. Central to the negotiation of these bribe commitments was CARLOS SERGI, the defendant, who helped Siemens form the consortium that bid for the DNI project, but whose value to the conspiracy was his access to influential members of the Argentine government and role as a facilitator, along with MIGUEL CZYSCH, the defendant, Co-conspirator #5, and Co-conspirator #6, for the payment of bribes to those officials.

24. During the early stages of the DNI project, up to approximately late 1999, members of the conspiracy caused Siemens to pay bribes in partial satisfaction of the commitments caused by Co-conspirator #3 and facilitated by CARLOS SERGI, the defendant. Many of these payments were not made pursuant to written contracts, as was Siemens's standard business practice for third-party disbursements on projects. Rather, these payments were made pursuant to what members of the conspiracy referred to as "black contracts" — that is, unwritten contracts. SERGI and Co-conspirator #3 paid some of the bribe payments themselves, and later sought reimbursement from Siemens. Other bribe payments were made through more

complicated mechanisms intended to conceal the illicit nature of the transactions and the identities of the recipients of the funds. For example:

a. ULRICH BOCK, the defendant, and co-conspirators known and unknown, made cash withdrawals from Siemens AG general-purpose accounts in Germany totaling approximately \$10 million. BOCK then transported the cash across the border into Switzerland, and deposited the funds into Swiss bank accounts for transfer to Argentine government officials. BOCK and others used cash to make the transaction more difficult to detect.

b. BOCK and EBERHARD REICHERT, the defendant, and co-conspirators known and unknown, caused SBS to pay millions of dollars to three of the Conduit Entities (Pepcon Corporation S.A., a Costa Rican company, and Mirror Development Inc. and Finli Advisors Group Inc., both organized under the laws of Panama) under the guise of invoices for "consulting services" purportedly rendered by the three Conduit Entities in Chile, Brazil, and Mexico, respectively, in connection with the DNI project. In truth, the purported "consulting services" were neither performed nor relevant to the DNI project. The payments to Pepcon Corporation S.A. were intended as bribe payments to a senior official in the Office of the President in the 1980s and 1990s and a candidate for office and member of the Argentine Congress at various points in the 2000s ("Argentine

Official A"); the payments to Mirror Development Inc. were intended as bribe payments to a senior official in the Ministry of the Interior in the 1990s and a member of the Argentine Congress in the late 1990s and early 2000s ("Argentine Official B"); and the payments to Finli Advisors Group Inc. were intended as bribe payments to a senior official in the Ministry of Migration and the Office of Internal Security in the 1990s, and a member of the Argentine Congress in the 2000s ("Argentine Official C").

c. BOCK, REICHERT, ANDRES TRUPPEL, the defendant, and co-conspirators known and unknown, caused SBS to transfer two wires in the aggregate amount of approximately \$7.4 million to a bank account in Manhattan, New York, ostensibly to settle a foreign exchange hedging contract with a foreign currency company organized under the laws of the Bahamas and not named in this Indictment ("Company #1"). The payments were charged to the DNI project, even though the hedging contract served no legitimate business purpose. In reality, the hedging transaction was a device to conceal bribes to some of the Argentine Officials.

25. In or about 1998 and 1999, ULRICH BOCK, EBERHARD REICHERT, ANDRES TRUPPEL, the defendants, and co-conspirators known and unknown, also caused Siemens to make millions of dollars of payments to CARLOS SERGI and MIGUEL CZYSCH, the defendants, and other intermediaries. These payments, which were transferred through

Conduit Entities, were intended to be bribe payments to several of the Argentine Officials, in partial satisfaction of bribe commitments and to reimburse SERGI for bribe payments he had previously advanced to several of the Argentine Officials; and otherwise to facilitate the conspiracy. For example, members of the conspiracy caused SBS to make transfers of 1,850,000 deutschmarks and 3,582,000 Swiss francs (the equivalent of more than \$3.6 million) to Masters Overseas Corporation, a Conduit Entity organized under the laws of the British Virgin Islands, and two payments in the aggregate amount of approximately \$15 million to Air Traffic Control Corporation, a Conduit Entity organized under the laws of the Cayman Islands. Siemens Argentina also paid Co-Conspirator #1, a former senior official in the Argentine Ministry of Justice, a fee of \$5 million dollars to set up shell companies through which bribes would be paid to the Argentine Officials.

**Bribe Commitments to Officials of the New Administration
And the Consolidation of Prior Bribe Commitments
For Payment Under a "White Contract"**

26. In or about May 1999, with work on the DNI project underway, the Government of Argentina suspended the project, as the country faced a mounting economic crisis and a presidential election. A new administration, which came to power in or about December 1999, maintained the suspended status of the DNI project.

27. In or about early 2000, Siemens AG's CEC exercised increased control over business matters in Argentina. HERBERT STEFFEN, the defendant, was assigned oversight responsibility for matters in Argentina, with instructions to continue the DNI project at "whatever the cost," according to an internal Siemens document. At the time, STEFFEN was a senior executive at Siemens AG in Germany, but he had served as CEO of Siemens Argentina in the 1980s and chairman of that company for over a decade, during which time he had developed substantial Argentine government contacts. Then, later in 2000, URIEL SHAREF, the defendant, who had substantial experience with Siemens's business interests in Latin America, was appointed to the Managing Board and CEC and given oversight responsibilities, as Coach, for operations in the Americas, including Argentina and the DNI project.

28. URIEL SHAREF and HERBERT STEFFEN, the defendants, led a campaign on Siemens's part to restart the DNI project. Renegotiation of the contract governing the DNI project was a part of the campaign. STEFFEN lobbied Argentine government officials, as did ULRICH BOCK, EBERHARD REICHERT, and ANDRES TRUPPEL, the defendants. In mid-December 2000, SHAREF met in Buenos Aires with a senior official in the office of the Argentine President ("Argentine Official D"). The meeting engendered optimism at Siemens

that the President of Argentina would soon issue a decree authorizing the resumption of the DNI project.

29. Continuing the payment of bribes was part of the conspirators' effort to revive the DNI project. In or about the Fall of 2000, as the negotiations over the contract progressed, HERBERT STEFFEN, ANDRES TRUPPEL, ULRICH BOCK, EBERHARD REICHERT, CARLOS SERGI, MIGUEL CZYSCH, the defendants, and co-conspirators known and unknown, discussed the subject of bribes in meetings in Germany and Argentina. At these meetings, the conspirators caused Siemens, and SBS specifically, to commit to satisfying a significant portion of the balance of prior bribe obligations to Argentine Officials A, B, and C, among other officials, and to commit to paying additional bribes to officials of the new Administration, including Argentine Official D, a senior official in the Ministry of the Interior in the early 2000s and a member of the Argentine Congress in the mid-2000s ("Argentine Official E"), a senior official in the Ministry of the Interior in the early 2000s and a candidate for office in the Argentine Congress in the mid-2000s ("Argentine Official F"), and a senior official in the Ministry of Interior in the early 2000s ("Argentine Official G").

30. At these meetings, the conspirators also discussed the manner in which the bribes would be paid. They agreed to funnel payments on all existing and new bribe obligations through the

Intermediary Defendants. They also agreed to conceal the bribe payments under a "white contract" – that is, a contract that appeared legitimate on its face, but which did not reflect an actual transaction of business. Specifically, the conspirators agreed to consolidate a portion of the bribe obligations into a sham \$27 million contract between SBS and Mfast Consulting AG ("Mfast"), one of the Conduit Entities controlled by the Intermediary Defendants ("the Mfast Contract"). Members of the conspiracy preferred this "white contract" device to the prior practice of making payments under so-called "black contracts" that did not exist at all. By hiding the payment of bribes through a sham contract with one of the Conduit Entities, the conspirators made it more difficult for the conspiracy to be discovered.

31. In or about January 2001, the Mfast Contract was executed by ULRICH BOCK and EBERHARD REICHERT, the defendants, on behalf of SBS, and by Co-conspirator #6, on behalf of Mfast. Co-conspirator #5 had participated in creating the contract. The contract described services on the DNI project that purportedly had already been performed by Mfast, but in reality those services had not actually been performed and were not expected to be performed.

32. By in or about March 2001, the anticipated decree authorizing the resumption of the DNI project still had not issued. The Argentine government was instead conducting an assessment of the

merits of continuing the DNI project through a body called *Sindicatura General de la Nación* (the General Accounting Agency of the Nation, referred to hereafter as "SIGEN").

33. In a further effort to prevent termination of the DNI project, members of the conspiracy determined to influence SIGEN's assessment in Siemens's favor by bribing a SIGEN board member ("Argentine Official H"). To this end, ANDRES TRUPPEL and EBERHARD REICHERT, the defendants, caused SBS to pay nearly \$1 million to Co-Conspirator #2, an attorney and former official in the Argentine Ministry of Justice who, as TRUPPEL understood, was a close friend of Argentine Official H. The bribe payments were disguised as lobbying expenses.

The Crisis Management Team and the Response to the Termination

34. Despite Siemens's efforts and bribe payments intended for various foreign officials, the Government of Argentina officially terminated the DNI project in or about May 2001. Siemens AG responded at the CEC level: URIEL SHAREF, the defendant, who was a CEC member and Coach of the Americas region, assembled a "Crisis Management Team" ("CMT"), consisting of SBS and Siemens Argentina managers and Siemens AG lawyers. SHAREF assigned overall responsibility for coordinating the CMT's activities to Co-conspirator #4, an in-house lawyer for Siemens, and the SBS manager in charge of the DNI project, STEPHAN SIGNER, the defendant,

who had effectively replaced ULRICH BOCK, the defendant, who was in semi-retired status. ANDRES TRUPPEL, the defendant, and co-conspirators not named as defendants in this Indictment, were also named to the CMT. In addition, SHAREF directed that HERBERT STEFFEN, the defendant, would provide necessary support to the CMT's efforts.

35. In furtherance of the conspiracy, the conspirators - acting through the CMT and otherwise - continued the bribe scheme to (i) ensure that Siemens recognized the economic benefits of the contract for the DNI project, notwithstanding its termination and the corrupt manner by which it had been procured, (ii) prevent public disclosure of the bribery associated with the DNI project, and (iii) ensure Siemens's ability to secure future government contracts in Argentina and elsewhere in the region. The conspirators sought to achieve these related goals by paying down outstanding bribe obligations to Argentine Officials through a complex series of transactions, paying down bribe obligations through a sham arbitration in Switzerland, and seeking to recoup the anticipated financial benefits of the DNI project through a fraudulent arbitration in Washington, D.C.

**Payments of the Outstanding Bribe
Obligations through Complex Transactions**

36. On or about July 5, 2001, ANDRES TRUPPEL and ULRICH BOCK, the defendants, met in Miami, Florida, with CARLOS SERGI and MIGUEL CZYSCH, the defendants, to re-negotiate the amount of the

outstanding bribe commitments to the Argentine Officials. TRUPPEL and BOCK agreed to seek payment of this amount from SBS through the previously executed Mfast Contract.

37. Payment of additional bribes proved more difficult than anticipated, however, because of Siemens's own internal controls. To circumvent those controls, members of the conspiracy were forced to employ less direct means of payment. Ultimately, they succeeded, causing Siemens to pay more than \$28 million to the Argentine Officials and the Intermediary Defendants between in or about 2002 and in or about 2007. Three of the payments towards the outstanding bribe debt were as follows:

- \$5.2 million, in or about July 2002;
- \$9.5 million, in or about April and July 2003; and
- \$4.7 million, in or about January and February 2004.

The July 2002 Partial Payment of \$5.2 Million

38. In or about July 2002, the conspirators caused SBS to pay approximately \$5.2 million to the Argentine Officials and the Intermediary Defendants. The payment was made through Meder Holding Corporation S.A. ("Meder"), a company registered in Uruguay that was associated with ANDRES TRUPPEL, the defendant, and through bank accounts held by the Conduit Entities. The conspirators used fictitious invoices and an illusory consulting contract to give the payments the appearance of legitimacy. In or about May 2002, TRUPPEL

sent to STEPHAN SIGNER, the defendant, a series of four Meder invoices that requested payment for "market development in Chile and Uruguay," and provided wire transfer instructions for payment through a bank account in Manhattan, New York. Even though SBS had not sought or contemplated Meder's services, in or about June 2002 an SBS manager executed a consultancy contract with Meder, which was backdated to on or about October 3, 2000, to make it appear that services had previously been provided, even though no services were provided at any time. Thereafter, payment was made to Meder, pursuant to Meder's invoices, through the New York-based account. Once the payment reached Meder, a significant portion of the money was forwarded through bank accounts in Manhattan, New York, to accounts held elsewhere by Milmar Ltd. and Pine Top Corporation, two of the Conduit Entities. Milmar Ltd. was a company organized under the laws of the British Virgin Islands. It was associated with addresses in the British Virgin Islands and two addresses in Miami, Florida. One of the Miami addresses – a residential ranch-style house – was the same address with which Masters Overseas Corporation and Tidwell Investments S.A., two other Conduit Entities, were associated.

*Plans for Payment of the Balance of the Outstanding
Bribe Obligations*

39. The Meder payment was only a partial payment of the outstanding bribe obligations, and CARLOS SERGI, the defendant,

continued to put pressure on other members of the conspiracy to pay the remaining debt.

40. In or about August 2002, HERBERT STEFFEN and ANDRES TRUPPEL, the defendants, met in Madrid, Spain with CARLOS SERGI, the defendant, and Argentine Official C. After the meeting, TRUPPEL and STEFFEN faxed a handwritten note to URIEL SHAREF, the defendant, explaining that "the situation with respect to the familiar themes [had] reached a critical point again," and that the "plan to gain time using certain strategies [was] apparently failing." A month later, SERGI sent a letter to SHAREF urging Siemens to make additional payments, suggesting that the payments would help Siemens secure "future projects," and offering to mediate the dispute with the "client" – a reference to the Argentine Officials. By a second letter, in December 2002, SERGI asked SHAREF to meet with him in January 2003 and warned of "damage to the image and good reputation" of Siemens if it did not come up with a "proper solution."

41. On or about January 15, 2003, URIEL SHAREF, the defendant, traveled to Manhattan, New York, in part to discuss the outstanding bribe obligations with CARLOS SERGI, the defendant. Within a week, SHAREF met with HERBERT STEFFEN and ANDRES TRUPPEL, the defendants, in Munich, Germany, to prepare them for a meeting soon thereafter with SERGI and Argentine Official C. SHAREF instructed STEFFEN and TRUPPEL to appease SERGI and Argentine

Official C by assuring them that SHAREF himself would authorize additional bribe payments, and that SHAREF would be amenable to using as a mechanism for partial payment an arbitration claim that SERGI was threatening to bring in Switzerland against SBS for breach of the Mfast Contract.

Payment of \$9.5 Million

42. Meanwhile, however, more immediate action needed to be taken. In or about mid-February 2003, SERGI warned TRUPPEL and STEFFEN, by letter, that if Siemens did not satisfy the outstanding bribe obligations by making additional payments, "we will forgo the confidentiality requested by the Company from the start of the project for its entire duration," adding that this "might well be detrimental to the image of the Corporation and its managers." SERGI was more blunt in a note attached to the letter, threatening to upend Siemens AG's arbitration claim in Washington, D.C. by exposing the bribery. For example, SERGI wrote that the "questionable procedures and criticism of the competitive bidding . . . [would] doubtlessly generate a problem at public sector level that would make a positive resolution of the claim by Siemens filed in Washington against the Argentine Government impossible, and result in a loss for the Company." TRUPPEL forwarded the letter and note to SHAREF, suggesting that the missives were indicative of the "pressure we are under."

43. In or about early March 2003, to satisfy CARLOS SERGI, the defendant, and the Argentine Officials, URIEL SHAREF and ANDRES TRUPPEL, the defendants, orchestrated a complex transaction involving two Siemens AG operating groups, an entity in Dubai, United Arab Emirates ("Company #2"), and two of the Conduit Entities with bank accounts in the Bahamas, all of which resulted in a set of disguised transfers, in the aggregate amount of approximately \$9.5 million, from Siemens to the Argentine Officials and the Intermediary Defendants in April and July 2003. SHAREF initiated the transaction by directing that a payment be arranged by Siemens PTD, a division of Siemens AG's power operating group. SHAREF was the CEC's Coach for the power operating group, as he was for the Americas region. Company #2, using wiring instructions provided by TRUPPEL, transferred funds in a corresponding amount to bank accounts held in the Bahamas by Chatarella Investors Ltd. and Rockney Consultants Ltd., two of the Conduit Entities. Siemens PTD reimbursed Company #2 for the payments, disguising them as payments related to a project in China. Over the next several months, at SHAREF'S direction, Siemens PTD recouped the payment from SBS, through a series of fictitious credits for services that were not actually performed. In or about December 2003, STEPHAN SIGNER, the defendant, told Co-conspirator #4 that approximately \$10 million had been paid to

the "friends" of the Intermediary Defendants – that is, the Argentine Officials.

Payment of \$4.7 Million

44. In late January and early February 2004, members of the conspiracy reduced the outstanding bribe obligation even further by causing SBS to make four more payments, in the aggregate amount of approximately \$4.7 million, to the Argentine Officials and the Intermediary Defendants. The payments were transferred to bank accounts held by four of the Conduit Entities – Consultora Neelrey S.A of Uruguay, Linfarm Inc. S.A. of Uruguay, Rodmarton Ltd. of the British Virgin Islands, and Silverlinks Company Ltd. of Guernsey in the Channel Islands – all of which were controlled by the Intermediary Defendants and other intermediaries. ANDRES TRUPPEL and STEPHAN SIGNER, the defendants, and co-conspirators known and unknown, used backdated invoices for phantom services to make the payments look like legitimate business expenditures.

**The Partial Payment of \$8.8 Million, Disguised
As a Settlement of SERGI's Swiss Arbitration Claim**

45. CARLOS SERGI, the defendant, filed a formal claim on behalf of Mfast against SBS in a Swiss arbitral tribunal on or about March 15, 2005. The stated purpose of the arbitration was to enforce the Mfast Contract. Although the members of the conspiracy knew that none of the services described in the Mfast contract were performed and were not expected to be performed, and that the Mfast Contract

was a sham used to disguise illegal bribe obligations, none of the conspirators acknowledged as much before the Swiss tribunal.

46. To the contrary, URIEL SHAREF and URLICH BOCK, the defendants, provided testimony before the arbitral tribunal in which they omitted any mention of bribery, and STEPHAN SIGNER, the defendant, and Co-conspirator #4 otherwise caused Siemens to prevent disclosure of any evidence of corruption in the proceedings. For example, SIGNER arranged to have BOCK, who had retired from Siemens by the time of the Swiss arbitration, paid a "consulting" fee of more than \$300,000 in exchange for giving testimony in the Swiss and Washington, D.C. arbitrations that omitted mention of bribery. As BOCK would later acknowledge in an email requesting payment of his "consulting" fee, "I have arranged my witness statements . . . in such a way that Siemens is protected from damage. . . ."

47. In or about October 2006, URIEL SHAREF and STEPHAN SIGNER, the defendants, Co-conspirator #4, and co-conspirators known and unknown, caused SBS to settle Mfast's claim for approximately \$8.8 million. Although an arbitration settlement on its face, the settlement was actually a mechanism to disguise a partial payment of bribe obligations to the Argentine Officials.

48. On or about January 16, 2007, SBS caused a wire transfer of the settlement amount into a Swiss bank account controlled by attorneys for Mfast. The next day, substantially the

same amount was transferred to two of the Conduit Entities associated with CARLOS SERGI, the defendant, and other intermediaries, through bank accounts in Manhattan, New York.

The Washington, D.C. Arbitration

49. In furtherance of the conspiracy, URIEL SHAREF and STEPHAN SIGNER, the defendants, Co-conspirator #4, and other members of the Crisis Management Team, orchestrated the filing of a fraudulent arbitration claim in Washington, D.C., in May 2002 to cause the Argentine government to pay Siemens AG damages in an amount equivalent to incurred expenses and the total profits the company would have earned from the DNI project had it not been terminated. Siemens AG's claim was brought pursuant to a treaty between Argentina and Germany that protected the business investments of the parties and companies organized under their laws. Exposure of the bribery associated with the DNI project would have likely rendered the arbitration claim futile because the contract would have been procured through illegal corruption.

50. The Swiss arbitration settlement also preserved the merits of Siemens AG's arbitration claim in Washington, D.C. Of critical importance to the conspirators was a provision in the settlement agreement that expressly barred CARLOS SERGI and MIGUEL CZYSCH, the defendants, and Co-conspirator #5 from "involv[ing] themselves in [the Washington, D.C. arbitration] proceedings, either

directly or indirectly, or in any other manner influenc[ing] said proceedings, even if only by passing on information." Once the settlement had been reached, Co-conspirator #4 sent an email to URIEL SHAREF, the defendant, stating that a major objective of the defense of the Swiss arbitration had been achieved: avoiding "contamination" of Siemens AG's arbitration in Washington, D.C. Co-conspirator #4 further explained that the settlement agreement would require "absolute silence" in that arbitration proceeding.

51. For nearly three years, URIEL SHAREF and STEPHAN SIGNER, the defendants, Co-conspirator #4, and other members of the Crisis Management Team successfully kept evidence of bribery out of the arbitration in Washington, D.C. The conspirators accomplished this by filing a claim and supporting evidence, including witness statements of ANDRES TRUPPEL and ULRICH BOCK, the defendants, which contained material misrepresentations and omissions relating to the DNI project's origins, among other matters. As a result, in or about August 2004, the arbitral tribunal determined that jurisdiction existed to decide Siemens AG's claim. In or about June 2005, however, SHAREF and Co-conspirator #4 were tipped off by an executive at Siemens Argentina that a high-ranking Argentine official had begun talking about how the DNI project bidding process was corrupted. A few months later, Argentina sought to raise a defense based on corruption; it made reference in its filing to a pending Argentine

corruption investigation. SHAREF, SIGNER, Co-conspirator #4, and co-conspirators known and unknown, caused Siemens AG's attorney to flatly deny the allegation. In a letter filed in the arbitration, the attorney wrote that "the insinuations of corruption intended by Argentina against Siemens and SITS through the filing of these documents are completely false."

52. The arbitral tribunal sided with Siemens AG, and on or about February 6, 2007, it awarded Siemens AG \$217,838,439 in loss of investment, plus interest of 2.66% compounded annually. (On or about August 12, 2009, Siemens AG personnel who were not members of the conspiracy caused the company to waive its right to the award.)

Statutory Allegations

53. From in or about 1996 up to and including on or about August 12, 2009, in the Southern District of New York and elsewhere, URIEL SHAREF, HERBERT STEFFEN, ANDRES TRUPPEL, ULRICH BOCK, EBERHARD REICHERT, STEPHAN SIGNER, CARLOS SERGI, MIGUEL CZYSCH, the defendants, and co-conspirators known and unknown, willfully and knowingly combined, conspired, confederated, and agreed together and with each other to commit offenses against the United States, to wit, violations of the Foreign Corrupt Practices Act, Title 15, United States Code, Sections 78dd-1(a), 78dd-3(a), 78m(b)(2)(A), 78m(b)(2)(B), 78m(b)(5) and 78ff(a), and the wire fraud statute, Title 18, United States Code, Section 1343.

54. It was a part and an object of the conspiracy that URIEL SHAREF, HERBERT STEFFEN, ANDRES TRUPPEL, ULRICH BOCK, EBERHARD REICHERT, STEPHAN SIGNER, CARLOS SERGI, MIGUEL CZYSCH, the defendants, and co-conspirators known and unknown, being officers, directors, employees and agents of an issuer of securities registered pursuant to the Securities and Exchange Act of 1934, willfully, that is, with the intent to further the objects of the conspiracy, would and did make use of the mails and means and instrumentalities of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, and authorization of the payment of any money, offer, gift, promise to give, and authorization of the giving of anything of value, to a foreign official, and to a person, while knowing that all and a portion of such money and thing of value would be and had been offered, given, and promised, directly and indirectly to a foreign official, and a candidate for foreign political office, for purposes of: (i) influencing acts and decisions of such foreign official in his or her official capacity; (ii) inducing such foreign official to do and omit to do acts in violation of the lawful duty of such official; (iii) securing an improper advantage; and (iv) inducing such foreign official to use his or her influence with a foreign government and agencies and instrumentalities thereof to affect and influence acts and decisions of such government and agencies and instrumentalities, in order to assist the defendants,

and others known and unknown, in obtaining and retaining business for and with, and directing business to, Siemens, in violation of Title 15, United States Code, Sections 78dd-1(a) and 78ff(c)(2)(A).

55. It further was a part and an object of the conspiracy that URIEL SHAREF, HERBERT STEFFEN, ANDRES TRUPPEL, ULRICH BOCK, EBERHARD REICHERT, STEPHAN SIGNER, CARLOS SERGI, MIGUEL CZYSCH, the defendants, and co-conspirators known and unknown, while in the territory of the United States, willfully, that is, with the intent to further the objects of the conspiracy, and corruptly would and did make use of the mails and means and instrumentalities of interstate commerce and did any other act in furtherance of an offer, payment, promise to pay, and authorization of the payment of any money, offer, gift, promise to give, and authorization of the giving of anything of value, to a foreign official, and to a person, while knowing that all and a portion of such money and thing of value would be and had been offered, given, and promised, directly and indirectly to a foreign official, and a candidate for foreign political office, for purposes of: (i) influencing acts and decisions of such foreign official in his or her official capacity; (ii) inducing such foreign official to do and omit to do acts in violation of the lawful duty of such official; (iii) securing an improper advantage; and (iv) inducing such foreign official to use his or her influence with a foreign government and agencies and instrumentalities thereof to

affect and influence acts and decisions of such government and agencies and instrumentalities, in order to assist the defendants, and others known and unknown, in obtaining and retaining business for and with, and directing business to, Siemens, in violation of Title 15, United States Code, Sections 78dd-3(a) and 78dd-3(e)(2)(A).

56. It further was a part and an object of the conspiracy that URIEL SHAREF, HERBERT STEFFEN, ANDRES TRUPPEL, ULRICH BOCK, EBERHARD REICHERT, STEPHAN SIGNER, CARLOS SERGI, MIGUEL CZYSCH, the defendants, and co-conspirators known and unknown, would and did knowingly and willfully, directly and indirectly, falsify and cause to be falsified books, records, and accounts required to, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Siemens AG, an issuer of securities registered pursuant to the Securities and Exchange Act of 1934, in violation of Title 15, United States Code, Sections 78m(b)(2)(A), 78m(b)(5) and 78ff(a), and Title 17, Code of Federal Regulations, Section 240.13b2-1.

57. It further was a part and an object of the conspiracy that URIEL SHAREF, HERBERT STEFFEN, ANDRES TRUPPEL, ULRICH BOCK, EBERHARD REICHERT, STEPHAN SIGNER, CARLOS SERGI, MIGUEL CZYSCH, the defendants, and co-conspirators known and unknown, would and did knowingly and willfully circumvent a system of internal accounting

controls sufficient to provide reasonable assurances that transactions were recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and any other criteria applicable to such statements, and to maintain accountability for assets at Siemens AG, an issuer of securities registered pursuant to the Securities and Exchange Act of 1934, in violation of Title 15, United States Code, Sections 78m(b)(2)(B), 78m(b)(5) and 78ff(a).

58. It further was a part and an object of the conspiracy that URIEL SHAREF, HERBERT STEFFEN, ANDRES TRUPPEL, ULRICH BOCK, EBERHARD REICHERT, STEPHAN SIGNER, CARLOS SERGI, MIGUEL CZYSCH, the defendants, and co-conspirators known and unknown, having devised and intended to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, would and did willfully and knowingly transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce, writings, signs, signals, and pictures for the purpose of executing such scheme and artifice, to wit, a scheme to defraud that is more fully described in Count Three, in violation of Title 18, United States Code, Section 1343.

Overt Acts

59. In furtherance of said conspiracy and to effect the illegal objectives thereof, URIEL SHAREF, HERBERT STEFFEN, ANDRES TRUPPEL, ULRICH BOCK, EBERHARD REICHERT, STEPHAN SIGNER, CARLOS SERGI, MIGUEL CZYSCH, the defendants, and co-conspirators known and unknown, committed the following overt acts, among others, in the Southern District of New York and elsewhere:

a. In or about 1998, BOCK transported approximately \$10 million in cash from Germany to Switzerland for deposit into Swiss bank accounts.

b. On or about September 4, 1998, in Argentina and Germany, BOCK, REICHERT, Co-conspirator #3, and co-conspirators known and unknown, caused Siemens to wire transfer approximately 1,850,000 deutschmarks (approximately \$1 million) to a bank account held in Zurich, Switzerland by Masters Overseas Corporation, a Conduit Entity controlled by SERGI and other intermediaries.

c. On or about December 2, 1998, in Miami, Florida, a bank account was opened in the name of Rodmarton Ltd., listing Co-conspirator #6 as a director of that Conduit Entity.

d. On or about December 28, 1998, in Argentina and Germany, BOCK, REICHERT, and Co-conspirator #3 caused SBS to wire transfer approximately \$10 million to a bank account held in

Switzerland by Air Traffic Control Corporation, a Conduit Entity controlled by SERGI and other intermediaries.

e. On or about September 15, 1999, in Argentina and Germany, TRUPPEL, BOCK, REICHERT, and Co-conspirator #3 caused SBS to wire transfer approximately \$3,552,500 to a bank account held in Manhattan, New York by Company #1, a foreign exchange firm with which the same defendants had caused SBS to enter into a fictitious hedging contract, dated on or about January 13, 1999.

f. On or about October 15, 1999, in Argentina and Germany, TRUPPEL, BOCK, REICHERT, and Co-conspirator #3 caused SBS to wire transfer approximately \$3,864,500 to a bank account held in Manhattan, New York by Company #1.

g. On or about October 28, 1999, in Germany, BOCK and REICHERT authorized SBS to pay approximately \$820,000 to Pepcon Corporation S.A., \$890,000 to Mirror Development Inc., and \$915,000 to Finli Advisors Group Inc., Conduit Entities affiliated with Argentine Officials A, B, and C, respectively.

h. On or about February 15, 2000, in Miami, Florida, a bank account was opened in the name of Silverlinks Company Ltd., listing CZYSCH as an authorized signatory and Co-conspirator #6 as the president and sole director of that Conduit Entity.

i. On or about November 2, 2000, payment demands were faxed to REICHERT, in Germany, from a telephone service business,

located in a strip mall in Miami, Florida, on behalf of Conduit Entities Pepcon Corporation S.A. (at 12:53 p.m.), Finli Advisors Group Inc. (at 12:54 p.m.), Mirror Development Inc. (at 12:55 p.m.), and LaGironde Investments Inc. (at 12:55 p.m.).

j. In or about November and December 2000, in Germany and Argentina, TRUPPEL, BOCK, REICHERT, SERGI, CZYSCH, and co-conspirators known and unknown, met to discuss outstanding bribe obligations to Argentine Officials, and consolidating certain bribe obligations through a \$27 million "white contract" between SBS and Mfast.

k. On or about January 3, 2001, in Germany and Switzerland, a contract between SBS and Mfast was executed as a result of negotiations between BOCK, REICHERT, CZYSCH, and co-conspirators unknown and unknown.

l. On or about March 15, 2001, in Argentina and Germany, TRUPPEL, REICHERT, and co-conspirators known and unknown, caused SITS to enter into a \$1 million consultancy contract with Co-conspirator #2, intending that proceeds of the contract be used to pay bribes to Argentine Official H.

m. On or about July 6, 2001, in Miami, Florida, TRUPPEL, BOCK, SERGI, CZYSCH, and co-conspirators known and unknown, met to discuss a settlement of the outstanding bribe payment obligations to the Argentine Officials.

n. On or about May 21, 2002, in Germany, Argentina, and Washington, D.C., SHAREF, STEFFEN, TRUPPEL, SIGNER, Co-conspirator #4, and co-conspirators known and unknown, caused Siemens AG to file an arbitration claim in Washington, D.C. against the Republic of Argentina, seeking to recover investment and lost profits in connection with the DNI project.

o. On or about May 23, 2002, STEFFEN sent a facsimile to TRUPPEL which listed bribe obligations to the Argentine Officials that STEFFEN had received from SERGI and Argentine Official C.

p. On or about May 24, 2002, in Germany, SHAREF had a telephone conversation with an SBS executive, after which the executive authorized up to \$10 million in bribe payments in connection with the DNI project.

q. On or about June 26, 2002, in Germany, TRUPPEL, SIGNER, BOCK, and co-conspirators known and unknown, caused SBS to enter into a contract with Meder Holding Corporation S.A, which was backdated to October 3, 2000.

r. On or about July 22, 2002, in Argentina and Germany, SHAREF, TRUPPEL, BOCK, SIGNER, and co-conspirators known and unknown, caused SBS to wire transfer approximately \$5,213,561 to a bank account in Manhattan, New York, for further credit to a bank account held in Uruguay by Meder Holding Corporation S.A., based

on the backdated contract referred to in the preceding Overt Act, and five invoices that TRUPPEL had faxed to SIGNER on or about May 9, 2002.

s. On or about August 13, 2002, in Uruguay, TRUPPEL caused Meder Holding Corporation S.A. to transfer \$3,090,000 through a bank account in Manhattan, New York that was associated with Milmar S.A., a Conduit Entity controlled by SERGI.

t. On or about December 27, 2002, in Argentina, SERGI sent a letter to SHAREF, requesting a meeting with SHAREF on or before January 15, 2003, and warning of "damage to the image and good reputation" of Siemens if they did not come up with a "proper solution."

u. On or about January 15, 2003, SHAREF traveled from Germany to Manhattan, New York, intending to meet with SERGI and TRUPPEL to discuss bribe payment obligations to the Argentine Officials.

v. On or about January 24, 2003, in Germany, SHAREF met with STEFFEN and TRUPPEL to discuss the results of a meeting between SHAREF and SERGI.

w. On or about February 10, 2003, in Argentina, SERGI sent a letter to TRUPPEL and STEFFEN, which threatened to expose Siemens's "questionable procedures" in procuring the contract for the DNI project, and warned that such exposure would "doubtlessly

generate a problem at public sector level" and "make a positive resolution of the claim by Siemens filed in Washington against the Argentine Government impossible, and result in a loss for the Company."

x. On or about February 26, 2003, in Germany, BOCK and TRUPPEL, and co-conspirators known and unknown, prepared false and fraudulent witness statements and caused the statements to be sent to the arbitral tribunal in Washington, D.C.

y. In or about March 2003, in Germany, SHAREF requested a senior executive of Siemens PTD to find a way to transfer approximately €12 million to South America.

z. On or about April 19, 2003, in Argentina and Germany, SHAREF and TRUPPEL, and co-conspirators known and unknown, caused Company #2 to wire transfer \$3,500,000 to a bank account held in the Bahamas by Conduit Entity Chatarella Investors Ltd.

aa. On or about April 22, 2003, in Argentina and Germany, SHAREF and TRUPPEL, and co-conspirators known and unknown, caused Company #2 to send wire transfers of \$1,100,000 and \$1,807,000 to a bank account held in the Bahamas by Chatarella Investors Ltd.

bb. On or about April 28, 2003, in Argentina and Germany, SHAREF and TRUPPEL, and co-conspirators known and unknown, caused Company #2 to wire transfer \$593,000 to a bank account held in the Bahamas by Chatarella Investors Ltd.

cc. On or about July 6, 2003, in Argentina and Germany, SHAREF and TRUPPEL, and co-conspirators known and unknown, caused Company #2 to wire transfer \$600,000 to a bank account held in the Bahamas by Conduit Entity Rockney Consultants Ltd.

dd. On or about July 11, 2003, in Argentina and Germany, SHAREF and TRUPPEL, and co-conspirators known and unknown, caused Company #2 to wire transfer \$1,500,000 to a bank account held in the Bahamas by Rockney Consultants Ltd.

ee. On or about July 13, 2003, in Argentina and Germany, SHAREF and TRUPPEL, and co-conspirators known and unknown, caused Company #2 to wire transfer \$400,000 to a bank account held in the Bahamas by Rockney Consultants Ltd.

ff. In or about January 2004, in Germany, SIGNER requested that an SBS manager provide back-dated authorization for payments totaling \$4.7 million to Conduit Entities Rodmarton Ltd., Linfarm Inc. S.A., Silverlinks Company Ltd., and Consultora Neelrey S.A.

gg. On or about January 28, 2004, in Germany and Argentina, SHAREF, TRUPPEL, STEFFEN, SIGNER, SERGI, CZYSCH, and co-conspirators known and unknown, caused SBS to send a wire transfer of approximately \$1,244,120 to a bank account held in Miami, Florida by Rodmarton Ltd.

hh. On or about January 29, 2004, in Germany and Argentina, SHAREF, TRUPPEL, STEFFEN, SIGNER, SERGI, CZYSCH, and co-conspirators known and unknown, caused SBS to send a wire transfer of approximately \$1,116,230 to a bank account held in Uruguay by Linfarm Inc. S.A.

ii. On or about February 2, 2004, in Germany and Argentina, SHAREF, TRUPPEL, STEFFEN, SIGNER, SERGI, CZYSCH, and co-conspirators known and unknown, caused SBS to wire transfer approximately \$1,098,900 to a bank account held in Uruguay by Consultora Neelrey S.A.

jj. On or about February 3, 2004, in Germany and Argentina, SHAREF, TRUPPEL, STEFFEN, SIGNER, SERGI, CZYSCH, and co-conspirators known and unknown, caused SBS to wire transfer approximately \$1,240,750 to a bank account held in Miami, Florida, by Silverlinks Company Ltd.

kk. On or about July 8, 2004, in Argentina, TRUPPEL told STEFFEN by email that he had agreed to provide testimony on SERGI's behalf in the impending Mfast arbitration, adding that TRUPPEL would testify that he had meetings with SHAREF at which SHAREF asked TRUPPEL and STEFFEN to "find a solution to make the payments" and that certain payments were made, but not the "full agreed amount."

ll. On or about July 12, 2004, in Germany, STEFFEN forwarded the email referred to in the preceding Overt Act to SHAREF,

who in turn forwarded it to Co-conspirator #4, stating that he (SHAREF) could not "understand the email from Mr. Truppel to Mr. Steffen."

mm. On or about July 14, 2004, in Germany, Co-conspirator #4 told another Siemens attorney that SHAREF was "upset" by TRUPPEL's July 8 email, but wanted to stay out of it, except for instructing Co-conspirator #4 to make sure STEFFEN and TRUPPEL are "muzzled."

nn. On or about March 15, 2005, in Zurich, Switzerland, SERGI, CZYSCH, Co-conspirator #5, and Co-conspirator #6 caused Mfast to file notice of an international arbitration against SBS.

oo. On or about September 23, 2005, in Germany, SHAREF, SIGNER, Co-conspirator #4, and co-conspirators known and unknown, caused a facsimile to be sent from Argentina to the arbitral tribunal in Washington, D.C., which stated that the "insinuations of corruption" raised by Argentina are "completely false."

pp. On or about December 21, 2005, in Germany, SHAREF, SIGNER, Co-conspirator #4, and co-conspirators known and unknown, caused a facsimile to be sent from Argentina to the arbitral tribunal in Washington, D.C., which stated that Argentina's "references to payments made by SITS to Argentine public officials are false and inappropriate."

qq. In or about November 2006, SHAREF, SIGNER, Co-conspirator #4, and co-conspirators known and unknown, caused SBS to settle Mfast's claim for approximately \$8.8 million, including in the settlement agreement a provision expressly barring SERGI, CZYSCH and Co-conspirator #5 from "involv[ing] themselves in [the Washington, D.C. arbitration] proceedings, either directly or indirectly, or in any other manner influenc[ing] said proceedings, even if only by passing on information."

rr. On or about January 16, 2007, in Germany, SHAREF, TRUPPEL, STEFFEN, BOCK, REICHERT, SIGNER, SERGI, CZYSCH, Co-conspirator #4, and co-conspirators known and unknown, caused Siemens to wire transfer \$8.8 million to a bank account in Zurich, Switzerland as a settlement of the arbitration claim by Mfast.

ss. On or about January 17, 2007, in Uruguay, SERGI received approximately \$4 million that had been transferred from Switzerland, to and through a bank account in Manhattan, New York, to an investment account held by Conduit Entity Milmar Ltd.

tt. On or about January 17, 2007, in Uruguay, SERGI received approximately \$4 million that had been transferred from Switzerland to and through a bank account in Manhattan, New York, to an investment account held by Conduit Entity Tidwell Investments S.A.

uu. On or about February 2, 2007, in Germany, BOCK wrote an email to SHAREF and SIGNER in which he complained about not receiving "consulting payments" that Siemens had promised him in connection with the then-ongoing arbitrations in Washington, D.C. and Zurich, Switzerland; in justifying prompt payment, BOCK explained, "I have arranged my witness statements for the [Washington, D.C. and Mfast] arbitration proceedings in such a way that Siemens is protected from damage"

vv. On or about May 9, 2007, in Miami, Florida, a bank account held by a company associated with TRUPPEL received a transfer of approximately \$100,000 from a Uruguay investment account held by Milmar Ltd. that was controlled by SERGI.

ww. On or about July 23, 2007, in Miami, Florida, a bank account held by a company associated with TRUPPEL received a transfer of approximately \$100,000 from a Uruguay investment account held by Tidwell Investments S.A. that was controlled by SERGI.

xx. On or about November 2, 2007, in Miami, Florida, a bank account held by a company associated with TRUPPEL received a transfer of approximately \$100,000 from a Uruguay investment account held by Tidwell Investments S.A. that was controlled by SERGI.

(Title 18, United States Code, Section 371.)

COUNT TWO
(Conspiracy to Commit Money Laundering)

The Grand Jury further charges:

60. Paragraphs 1 through 20 and 22 through 52 of this Indictment are repeated and realleged and incorporated by reference as though fully set forth herein.

61. From in or about 1996 up to and including in or about November 2007, in the Southern District of New York and elsewhere, URIEL SHAREF, HERBERT STEFFEN, ANDRES TRUPPEL, ULRICH BOCK, EBERHARD REICHERT, STEPHAN SIGNER, CARLOS SERGI, MIGUEL CZYSCH, the defendants, and co-conspirators known and unknown, willfully and knowingly combined, conspired, confederated, and agreed together and with each other to violate Title 18, United States Code, Sections 1956 and 1957.

62. It was a part and an object of the conspiracy that URIEL SHAREF, HERBERT STEFFEN, ANDRES TRUPPEL, ULRICH BOCK, EBERHARD REICHERT, STEPHAN SIGNER, CARLOS SERGI, MIGUEL CZYSCH, the defendants, and co-conspirators known and unknown, knowingly would and did conduct a financial transaction affecting interstate commerce and foreign commerce, which financial transaction involved the proceeds of specified unlawful activity, that is, a felony violation of the Foreign Corrupt Practices Act, codified at Title 15, United States Code, Section 78dd-1, *et seq.*, knowing that the financial transaction was designed in whole and in part to conceal

and disguise the nature, location, source, ownership, and control of the proceeds of said specified unlawful activity, and that while conducting such financial transaction, knew that the property involved in the financial transaction represented the proceeds of some form of unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

63. It further was a part and an object of the conspiracy that URIEL SHAREF, HERBERT STEFFEN, ANDRES TRUPPEL, ULRICH BOCK, EBERHARD REICHERT, STEPHAN SIGNER, CARLOS SERGI, MIGUEL CZYSCH, the defendants, and co-conspirators known and unknown, knowingly would and did transmit and transfer a monetary instrument and funds from a place in the United States to and through a place outside the United States and to a place in the United States from and through a place outside the United States with the intent to promote the carrying on of specified unlawful activity, to wit, a felony violation of the Foreign Corrupt Practices Act, codified at Title 15, United States Code, Section 78dd-1, *et seq.*, in violation of Title 18, United States Code, Section 1956(a)(2)(A).

64. It further was a part and an object of the conspiracy that URIEL SHAREF, HERBERT STEFFEN, ANDRES TRUPPEL, ULRICH BOCK, EBERHARD REICHERT, STEPHAN SIGNER, CARLOS SERGI, MIGUEL CZYSCH, the defendants, and co-conspirators known and unknown, unlawfully and knowingly would and did transmit and transfer a monetary instrument

and funds involving the proceeds of specified unlawful activity, that is, a felony violation of the Foreign Corrupt Practices Act, codified at Title 15, United States Code, Section 78dd-1, *et seq.*, from a place in the United States to and through a place outside the United States and to a place in the United States from and through a place outside the United States knowing that the monetary instrument and funds involved in the transmission and transfer represented the proceeds of some form of unlawful activity and knowing that such transmission and transfer was designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of said specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(2)(B)(i).

65. It further was a part and an object of the conspiracy that URIEL SHAREF, HERBERT STEFFEN, ANDRES TRUPPEL, ULRICH BOCK, EBERHARD REICHERT, STEPHAN SIGNER, CARLOS SERGI, MIGUEL CZYSCH, the defendants, and co-conspirators known and unknown, knowingly would and did engage in a monetary transaction by, through, and to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than \$10,000 and having been derived from a specified unlawful activity, that is, a felony violation of the Foreign Corrupt Practices Act, codified at Title 15, United States Code, Section 78dd-1, *et seq.*, in violation of Title 18, United States Code, Section 1957(a).

Means and Methods of the Conspiracy

66. Among the means and methods used by URIEL SHAREF, HERBERT STEFFEN, ANDRES TRUPPEL, ULRICH BOCK, EBERHARD REICHERT, STEPHAN SIGNER, CARLOS SERGI, MIGUEL CZYSCH, the defendants, and co-conspirators known and unknown, to achieve the objects of the conspiracy were those set forth in Count One, paragraph 21, which are repeated and realleged and incorporated by reference as though fully set forth herein.

Overt Acts

67. In furtherance of said conspiracy and to effect the illegal objectives thereof, URIEL SHAREF, HERBERT STEFFEN, ANDRES TRUPPEL, ULRICH BOCK, EBERHARD REICHERT, STEPHAN SIGNER, CARLOS SERGI, MIGUEL CZYSCH, the defendants, and co-conspirators known and unknown, committed the following overt acts, among others, in the Southern District of New York and elsewhere:

a. On or about September 15, 1999, TRUPPEL, BOCK, REICHERT, and Co-conspirator #3 caused funds intended to be used in whole and in part to pay bribes, in the approximate amount of \$3,552,500, to be transmitted and transferred from a bank account held by Siemens at a place outside the United States to and through a bank account held by Company #1 in Manhattan, New York.

b. On or about October 15, 1999, TRUPPEL, BOCK, REICHERT, and Co-conspirator #3 caused funds intended to be used in

whole and in part to pay bribes, in the approximate amount of \$3,864,500, to be transmitted and transferred from a bank account held by Siemens at a place outside the United States to and through a bank account held by Company #1 in Manhattan, New York.

c. On or about July 22, 2002, SHAREF, TRUPPEL, BOCK, and SIGNER caused funds intended to be used in whole and in part to pay bribes, in the approximate amount of \$5,213,561, to be transmitted and transferred from a bank account held by Siemens at a place outside the United States to and through a bank account associated with Meder Holding Corporation S.A. in Manhattan, New York, and from that bank account to and through a bank account held by Meder Holding Corporation S.A. in Uruguay, and thereafter:

i. on or about August 13, 2002, caused funds intended to be used in whole and in part to pay bribes, in the approximate amount of \$3,090,000, to be transmitted and transferred from a bank account held by Meder Holding Corporation S.A. in Uruguay to and through a bank account associated with Milmar Ltd. in Manhattan, New York, and from that bank account to and through a bank account held by Milmar Ltd. in Uruguay.

d. On or about January 28, 2004, SHAREF, TRUPPEL, STEFFEN, SIGNER, SERGI, CZYSCH, Co-conspirator #5, and Co-conspirator #6 caused funds intended to be used in whole and in part to pay bribes, in the approximate amount of \$1,244,120, to be

transmitted and transferred from a bank account held by Siemens at a place outside the United States to and through a bank account held by Rodmarton Ltd. in Miami, Florida, and thereafter:

i. on or about May 10, 2004, caused funds intended to be used in whole and in part to pay bribes, in the approximate amount of \$584,000, to be transmitted and transferred from a bank account held by Rodmarton Ltd. in Miami, Florida to and through a bank account held in Uruguay by Tidwell Investments S.A.

e. On or about January 16, 2007, SHAREF, TRUPPEL, STEFFEN, BOCK, REICHERT, SIGNER, SERGI, CZYSCH, Co-conspirator #4, Co-conspirator #5, and Co-conspirator #6 caused funds intended to be used in whole and in part to pay bribes, in the approximate amount of \$8.8 million, to be transmitted and transferred from a bank account held by Siemens at a place outside the United States to and through a bank account held by an attorney for Mfast Consulting AG in Switzerland, and thereafter:

i. on or about January 17, 2007, caused funds intended to be used in whole and in part to pay bribes, in the approximate amount of \$4 million, to be transmitted and transferred from a bank account held by an attorney for Mfast Consulting AG in Switzerland to and through a bank account associated with Tidwell Investments S.A. in Manhattan, New York, and from that bank account

to and through an investment account held by Tidwell Investments S.A. in Uruguay.

f. On or about May 9, 2007, in Miami, Florida, a bank account held by a company associated with TRUPPEL received a transfer of approximately \$100,000 from a Uruguay investment account held by Milmar Ltd. that was controlled by SERGI.

g. On or about July 23, 2007, in Miami, Florida, a bank account held by a company associated with TRUPPEL received a transfer of approximately \$100,000 from a Uruguay investment account held by Tidwell Investments S.A. that was controlled by SERGI.

h. On or about November 2, 2007, in Miami, Florida, a bank account held by a company associated with TRUPPEL received a transfer of approximately \$100,000 from a Uruguay investment account held by Tidwell Investments S.A. that was controlled by SERGI.

(Title 18, United States Code, Section 1956(h).)

COUNT THREE
(Wire Fraud)

The Grand Jury further charges:

68. Paragraphs 1 through 20 and 22 through 52 of this Indictment are repeated and realleged and incorporated by reference as though fully set forth herein.

69. From in or about June 2001 up to and including on or about August 12, 2009, in the Southern District of New York and elsewhere, URIEL SHAREF, HERBERT STEFFEN, ANDRES TRUPPEL, ULRICH BOCK, EBERHARD REICHERT, STEPHAN SIGNER, CARLOS SERGI, MIGUEL CZYSCH, the defendants, and co-conspirators known and unknown, having devised and intended to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, willfully, and knowingly transmitted and caused to be transmitted by means of wire communication in interstate and foreign commerce, writings, signs, signals, and pictures for the purpose of executing such scheme and artifice, to wit, SHAREF, STEFFEN, TRUPPEL, BOCK, REICHERT, SIGNER, SERGI, and CZYSCH engaged in a scheme to defraud the Argentine government of money by means of an arbitration claim that was premised on and supported by materially false representations and omissions.

70. It was part of the scheme and artifice that URIEL SHAREF, HERBERT STEFFEN, ANDRES TRUPPEL, ULRICH BOCK, EBERHARD REICHERT, STEPHAN SIGNER, the defendants, and others known and unknown, knowing that an arbitration claim brought by Siemens AG in Washington, D.C. against the Republic of Argentina for breach of treaty obligations in connection with the DNI project would fail if it were revealed in the arbitration that the contract for the DNI project was procured in a corrupt manner, caused Siemens AG to file

such an arbitration claim, knowing that the claim falsely represented that the contract for the DNI project was procured in a non-corrupt manner and omitted that, in truth and fact, the contract for the DNI project was procured in a corrupt manner.

71. It further was a part of the scheme and artifice that URIEL SHAREF, HERBERT STEFFEN, ANDRES TRUPPEL, ULRICH BOCK, EBERHARD REICHERT, STEPHAN SIGNER, the defendants, and others known and unknown, knowing that an arbitration claim brought by Siemens AG in Washington, D.C. against the Republic of Argentina for breach of treaty obligations in connection with the DNI project would fail if it were revealed in the arbitration that the contract for the DNI project was procured in a corrupt manner, caused Siemens AG to make additional filings in support of such an arbitration claim, including testimonial witness statements of TRUPPEL and BOCK, knowing that said filings falsely represented that the contract for the DNI project was procured in a non-corrupt manner and omitted that, in truth and fact, the contract for the DNI project was procured in a corrupt manner.

72. It further was a part of the scheme and artifice that URIEL SHAREF, HERBERT STEFFEN, ANDRES TRUPPEL, ULRICH BOCK, EBERHARD REICHERT, STEPHAN SIGNER, CARLOS SERGI, MIGUEL CZYSCH, the defendants, and others known and unknown, knowing that an arbitration claim brought by Siemens AG in Washington, D.C. against the Republic

of Argentina for breach of treaty obligations in connection with the DNI project would fail if it were revealed in the arbitration that the contract for the DNI project was procured in a corrupt manner, agreed that SERGI, CZYSCH, and Co-conspirator #5 would not reveal in such an arbitration that the contract for the DNI project was procured in a corrupt manner, and caused Siemens to pay money to SERGI, CZYSCH, Co-conspirator #5, and ultimately the Argentine Officials, for that purpose, including by wire transfers to and through bank accounts in Manhattan, New York.

73. It further was a part of the scheme and artifice that URIEL SHAREF, HERBERT STEFFEN, ANDRES TRUPPEL, ULRICH BOCK, EBERHARD REICHERT, STEPHAN SIGNER, CARLOS SERGI, MIGUEL CZYSCH, the defendants, and others known and unknown, caused to be transmitted by means of wire communication in interstate and foreign commerce, the following writings, signs, signals, and pictures among others:

a. On or about May 21, 2002, a facsimile from Argentina to the arbitral tribunal in Washington, D.C. on behalf of Siemens AG, containing a "Request for Arbitration" against the Government of Argentina.

b. On or about September 23, 2005, a facsimile from Argentina to the arbitral tribunal in Washington, D.C. on behalf of Siemens AG, stating that the "insinuations of corruption" raised by the Government of Argentina are "completely false."

c. On or about October 4, 2005, a facsimile from the arbitral tribunal in Washington, D.C. to counsel for the respective parties in Argentina, effectively denying Argentina's request to raise corruption as a defense to the arbitration claim.

d. On or about October 7, 2005, a facsimile and electronic mail from the arbitral tribunal in Washington, D.C. to counsel for the respective parties in Argentina, effectively denying Argentina's request for reconsideration of the decision communicated in the October 4, 2005 facsimile, referred to above.

e. On or about December 21, 2005, a facsimile from Argentina to the arbitral tribunal in Washington, D.C. on behalf of Siemens AG, stating that the Government of Argentina's "references to payments made by SITS to Argentine public officials are false and inappropriate."

f. On or about February 17, 2006, a facsimile from Argentina to the arbitral tribunal in Washington, D.C. on behalf of Siemens AG, stating that resort to "any bad practice . . . has clearly not been the Siemens case."

g. On or about March 9, 2006, a facsimile from Argentina to the arbitral tribunal in Washington, D.C. on behalf of Siemens AG, stating that "misleading allegations" of "bad practices" have been "fully discredited by [Siemens] in its prior submissions."

h. On or about February 6, 2007, a facsimile and electronic mail from the arbitral tribunal in Washington, D.C. to counsel for the respective parties in Argentina, stating that the Government of Argentina shall pay Siemens AG compensation in the amount of \$208,440,540 on account of Siemens's investment in the DNI project, \$9,178,000 on account of consequential damages, and \$219,899 on account of unpaid bills for services provided by SITS.

(Title 18, United States Code, Sections 1343 and 2.)

FORFEITURE ALLEGATIONS AS TO COUNTS ONE AND THREE

74. As the result of committing the criminal conspiracy offense in violation of Title 18, United States Code, Section 371, Title 15, United States Code, Sections 78dd-1(a), 78dd-3(a), 78m(b)(2)(A)-(B), 78m(b)(5), and 78ff(a), and Title 18, United States Code, Sections 1343 & 2, alleged in Count One of this Indictment, URIEL SHAREF, HERBERT STEFFEN, ANDRES TRUPPEL, ULRICH BOCK, EBERHARD REICHERT, STEPHAN SIGNER, CARLOS SERGI, and MIGUEL CZYSCH, the defendants, shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461, all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the offense.

75. As a result of committing the wire fraud offense in violation of Title 18, United States Code, Sections 1343 and 2, alleged in Count Three of this Indictment, URIEL SHAREF, HERBERT

STEFFEN, ANDRES TRUPPEL, ULRICH BOCK, EBERHARD REICHERT, STEPHAN SIGNER, CARLOS SERGI, and MIGUEL CZYSCH, the defendants, shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461, all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the offense.

Substitute Asset Provision

76. If any of the above-described forfeitable property, as a result of any act or omission of the defendants:

- (1) cannot be located upon the exercise of due diligence;
- (2) has been transferred or sold to, or deposited with, a third person;
- (3) has been placed beyond the jurisdiction of the Court;
- (4) has been substantially diminished in value; or
- (5) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), to seek forfeiture of any other property of said defendants up to the value of the above forfeitable property.

(Title 15, United States Code, Sections 78dd-1(a), 78dd-3(a), 78m(b)(2)(A), 78m(b)(2)(B), 78m(b)(5) & 78ff(a); Title 18, United States Code, Sections 371, 981, 1343 & 2; Title 21, United States Code, Section 853; and Title 28, United States Code, Section 2461.)

FORFEITURE ALLEGATIONS AS TO COUNT TWO

77. As the result of committing the money laundering offenses in violation of Title 18, United States Code, Sections 1956(h), 1956(a)(1)(B)(i), 1956(a)(2)(A), 1956(a)(2)(B)(i), and 1957(a), alleged in Count Two of this Indictment, URIEL SHAREF, HERBERT STEFFEN, ANDRES TRUPPEL, ULRICH BOCK, EBERHARD REICHERT, STEPHAN SIGNER, CARLOS SERGI, and MIGUEL CZYSCH, the defendants, shall forfeit to the United States pursuant to 18 U.S.C. § 982, all property, real and personal, involved in the money laundering offenses and all property traceable to such property.

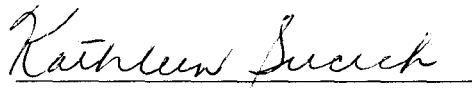
Substitute Asset Provision

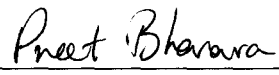
78. If any of the above-described forfeitable property, as a result of any act or omission of the defendants:

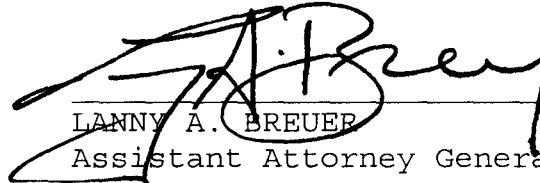
- (1) cannot be located upon the exercise of due diligence;
- (2) has been transferred or sold to, or deposited with, a third person;
- (3) has been placed beyond the jurisdiction of the Court;
- (4) has been substantially diminished in value; or
- (5) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to 18 U.S.C. § 982(b), to seek forfeiture of any other property of said defendants up to the value of the above forfeitable property.

(Title 18, United States Code, Sections 982, 1956, and 1957.)


FOREPERSON


PREET BHARARA
United States Attorney


LANNY A. BREUER
Assistant Attorney General
Department of Justice
Criminal Division

