



U.S. Securities and Exchange Commission

SEC Charges Total S.A. for Illegal Payments to Iranian Official

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Washington, D.C., May 29, 2013 — The Securities and Exchange Commission today charged France-based oil and gas company Total S.A. with violating the Foreign Corrupt Practices Act (FCPA) by paying \$60 million in bribes to intermediaries of an Iranian government official who then exercised his influence to help the company obtain valuable contracts to develop significant oil and gas fields in Iran.

Additional Materials

▶ [SEC Order](#)

The SEC alleges that Total made more than \$150 million in profits through the bribery scheme. Total attempted to cover up the true nature of the illegal payments by entering into sham consulting agreements with intermediaries of the Iranian official and mischaracterizing the bribes in its books and records as legitimate “business development expenses” related to the consulting agreements. Total had inadequate systems to properly review the consulting agreements and lacked sufficient internal controls to comply with federal laws prohibiting bribery.

Total, whose securities are publicly traded on the New York Stock Exchange, agreed to pay more than \$398 million to settle the SEC’s charges and a parallel criminal matter announced today by the U.S. Department of Justice.

“Total used illicit payments to win business in Iran, and reaped substantial financial benefits as a result,” said Andrew M. Calamari, Director of the SEC’s New York Regional Office. “Total must now pay back all of its profits from the company’s corrupt conduct and additionally pay criminal penalties on top of that.”

According to the SEC’s order instituting settled administrative proceedings, Total negotiated a development contract in 1995 with the National Iranian Oil Company (NIOC) for the country’s Sirri A and E oil and gas fields. Prior to executing the contract, Total held a meeting with the Iranian official and agreed to enter into a purported consulting agreement with an intermediary he designated. They agreed that Total would make payments to the intermediary under the guise of a consulting agreement when the real purpose was to induce the Iranian official to use his influence to help obtain NIOC’s approval of the development agreement. After the contract was

executed, Total corruptly made the bribery payments that resulted in NIOC allowing Total to develop the Sirri A and E oil and gas fields and make more than \$150 million in profits.

The SEC's order requires Total to pay disgorgement of \$153 million in illicit profits and retain an independent compliance consultant to review and report on Total's compliance with the FCPA. Total also must cease and desist from committing or causing any violations of Section 30A, Section 13(b)(2)(A), and Section 13(b)(2)(B) of the Securities Exchange Act of 1934.

In the parallel criminal proceedings, Total agreed to pay a \$245.2 million penalty as part of a deferred prosecution agreement. Total also was charged today by the prosecutor of Paris (François Molins, Procureur de la République) of the Tribunal de Grande Instance de Paris for violations of French laws.

The SEC's investigation was led by Sharon Binger, Alex Janghorbani, and Barry O'Connell of the New York Regional Office's Enforcement Division with significant assistance from the SEC Enforcement Division's FCPA Unit and the Department of Justice's Criminal Division's Fraud Section. The SEC also appreciates the assistance of French regulatory authorities.

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