

Home » Briefing Room » Justice News

JUSTICE NEWS

Department of Justice

Office of Public Affairs

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**Foreign Bribery Charges Unsealed Against Former Chief
Executive Officers of Oil Services Company**

Two former chief executive officers of PetroTiger Ltd. – a British Virgin Islands oil and gas company with operations in Colombia and offices in New Jersey – have been charged for their alleged participation in a scheme to pay bribes to foreign government officials in violation of the Foreign Corrupt Practices Act (FCPA), to defraud PetroTiger, and to launder proceeds of those crimes. In addition, PetroTiger’s former general counsel pleaded guilty to bribery and fraud charges in connection with the same scheme.

Acting Assistant Attorney General Mythili Raman of the Justice Department’s Criminal Division, U.S. Attorney Paul J. Fishman of the District of New Jersey and Special Agent in Charge Aaron T. Ford of the FBI’s Newark Division made the announcement after the charges and guilty plea were unsealed today.

“We have said – repeatedly and emphatically – that foreign corruption, whether committed by companies or by the individuals entrusted to run those companies, will not be tolerated. And, our track record in vigorously enforcing the FCPA has shown that message to be undeniably true,” said Acting Assistant Attorney General Raman. “The charges unsealed today against two former CEOs of PetroTiger and the guilty plea announced today of the former General Counsel reaffirm our clear message that we will prosecute corruption and fraud wherever we find it. Bribery distorts what should be a level playing field and deprives corporations and governments of funds that should instead be used to strengthen those institutions. Today’s announcement should be a reminder to CEOs and other executives who seek to corrupt the system at the expense of honest businesses: we are not going away.”

“Bribery of public officials, whether at home or abroad, corrupts business opportunity and undermines trust in government,” said U.S. Attorney Fishman. “The under-the-table deals alleged in today’s charges are not an acceptable way of doing business.”

“The FBI is committed to pursuing those who disrupt the level playing field to which companies in the U.S. and around the world are entitled,” said FBI Special Agent in Charge Ford. “We will continue to investigate these matters by working with law enforcement agencies, both foreign and domestic, to ensure that both corporations and executives who bribe foreign officials for lucrative contracts are punished.”

According to the charges, former co-CEOs of PetroTiger Joseph Sigelman, 42, formerly of Miami and the Philippines, and Knut Hammarskjold, 42, of Greenville, S.C.; former general counsel Gregory Weisman, 42, of Moorestown, N.J., and others allegedly paid bribes to an official in Colombia in exchange for the official’s assistance in securing approval for an oil services contract worth roughly \$39 million.

Hammarskjold was arrested Nov. 20, 2013, at Newark Liberty International Airport. Sigelman was arrested on Jan. 3, 2014, in the Philippines and appeared this afternoon (ChST) in Guam before U.S. Magistrate Judge Joaquin V.E. Manibusan III. Sigelman will have an initial appearance in New Jersey federal court on a date to be determined. Sigelman and Hammarskjold were charged by sealed complaints filed in the District of New Jersey

on Nov. 8, 2013, with conspiracy to commit wire fraud, conspiracy to violate the FCPA, conspiracy to launder money and substantive violations of the FCPA.

Weisman pleaded guilty on Nov. 8, 2013, to a criminal information charging one count of conspiracy to violate the FCPA and to commit wire fraud. The charges and guilty plea were also unsealed today.

The charges allege the defendants made three separate payments from PetroTiger's bank account in the United States to the official's bank account in Colombia to secure approval from Colombia's state-owned and state-controlled oil company for a lucrative oil services contract in the country. According to the charges, to conceal the bribes, the defendants first attempted to make the payments to a bank account in the name of the foreign official's wife, for purported consulting services she did not perform. The charges allege that Sigelman and Hammarskjold provided Weisman invoices including her bank account information. The defendants made the payments directly to the official's bank account when attempts to transfer the money to his wife's account failed.

In addition, court documents allege that the defendants attempted to secure kickback payments at the expense of PetroTiger's board members. According to the criminal charges, the defendants were negotiating an acquisition of another company on behalf of PetroTiger, including on behalf of several members of PetroTiger's board of directors who were helping to fund the acquisition. In exchange for negotiating a higher purchase price for the acquisition, two of the owners of the target company agreed to kick back to the defendants a portion of the increased purchase price. According to the charges, to conceal the kickback payments, the defendants had the payments deposited into Sigelman's bank account in the Philippines, created a "side letter" to falsely justify the payments, and used the code name "Manila Split" to refer to the payments amongst themselves.

The conspiracy to commit wire fraud count carries a maximum penalty of 20 years in prison and a fine of the greater of \$250,000 or twice the value gained or lost. The conspiracy to commit violations of the FCPA count carries a maximum penalty of five years in prison and a fine of the greater of \$250,000 or twice the value gained or lost. The FCPA counts each carry a maximum penalty of five years in prison and a fine of the greater of \$250,000 or twice the value gained or lost. The conspiracy to commit money laundering count carries a maximum penalty of 20 years in prison and a fine of the greater of \$500,000 or twice the value of the property involved in the transaction.

The charges contained in the complaint are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

The department has worked closely with and has received significant assistance from its law enforcement counterparts in the Republic of Colombia and greatly appreciates their assistance in this matter. The department also thanks the Republic of the Philippines, including the Bureau of Immigration, for its assistance in this matter. Significant assistance was also provided by the Criminal Division's Office of International Affairs.

The case is being investigated by the FBI's Newark Division. The case is being prosecuted by Assistant Chief Daniel S. Kahn of the Criminal Division's Fraud Section and Assistant U.S. Attorney Aaron Mendelsohn of the District of New Jersey.

Additional information about the Justice Department's FCPA enforcement efforts can be found at www.justice.gov/criminal/fraud/fcpa.

NOTE: The court documents are attached.

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Related Material:

- Hammarskjold Complaint
- Sigleman Complaint
- Weisman Information

14-007

Criminal Division