

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

United States District Court
Southern District of Texas
FILED

FEB 17 2009

Michael N. Milby, Clerk

UNITED STATES OF AMERICA,

Plaintiff,

v.

JEFFREY TESLER

and

WOJCIECH J. CHODAN,

Defendants.

FILED UNDER SEAL

H - 09 - 09 8
Criminal No. _____

18 U.S.C. § 371

15 U.S.C. § 78dd-2

INDICTMENT

The Grand Jury charges:

General Allegations

At all times material to this Indictment, unless otherwise stated:

1. The Foreign Corrupt Practices Act of 1977, as amended, Title 15, United States Code, Sections 78dd-1, *et seq.* ("FCPA"), was enacted by Congress for the purpose of, among other things, making it unlawful for certain classes of persons and entities to act corruptly in furtherance of an offer, promise, authorization, or payment of money or anything of value to a foreign government official for the purpose of securing any improper

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advantage, or of assisting in obtaining or retaining business for or with, or directing business to, any person.

Relevant Entities and Individuals

KBR, Affiliated Individuals and Entities, and Defendant Chodan

2. The M.W. Kellogg Company and, beginning in September 1998, its successor company, Kellogg, Brown & Root, Inc., were engaged in the business of providing engineering, procurement, and construction (“EPC”) services around the world, including designing and building liquefied natural gas (“LNG”) production plants. Throughout this Indictment, The M.W. Kellogg Company and Kellogg, Brown & Root, Inc. are referred to as “KBR.” KBR was incorporated in Delaware and headquartered in Houston, Texas. Accordingly, KBR was a “domestic concern” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2(h)(1)(B).

3. M.W. Kellogg Ltd. (“MWKL”) was a corporation organized under the laws of the United Kingdom. M.W. Kellogg Ltd. was 55% owned by KBR and 45% owned by “EPC Contractor D,” an engineering and construction company headquartered in Yokohama, Japan.

4. Albert Jackson Stanley (“Stanley”) was a United States citizen and a resident of Houston, Texas. Stanley served in various capacities as an

officer and/or director of KBR. Stanley was a “domestic concern” and an officer, employee, and agent of a “domestic concern” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2(a) and (h)(1)(A).

5. Defendant WOJCIECH CHODAN was a citizen of the United Kingdom and a resident of Maidenhead, England. CHODAN was a sales vice president employed by MWKL from in or about 1988 until December 1998, after which he was a consultant to MWKL until June 16, 2004, when his consulting agreement was terminated. Both as a sales vice president and as a consultant, CHODAN reported to Stanley and other KBR employees, and assisted KBR in winning a series of EPC contracts to design and build an LNG plant and several expansions on Bonny Island, Nigeria (“the Bonny Island Project”). At all times relevant to this Indictment, CHODAN was an “agent” of a “domestic concern” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2(a) and (h)(1)(B).

The Joint Venture, Its Members, and Related Entities

6. The “Joint Venture” was a four-company joint venture formed in 1991 for the purposes of bidding on and, if successful, performing the Bonny Island Project. The Joint Venture consisted of KBR and three other companies referred to herein as “EPC Contractor B,” “EPC Contractor C,” and “EPC Contractor D.” The Steering Committee of the Joint Venture

consisted of high-level executives from each of the four joint venture companies, including Stanley on behalf of KBR. Pursuant to a joint venture agreement, the Steering Committee made major decisions on behalf of the Joint Venture, including whether to hire agents to assist the Joint Venture in winning EPC contracts, whom to hire as agents, and how much to pay the agents. Profits, revenues, and expenses, including the cost of agents, were shared equally among the four joint venture partners.

7. “EPC Contractor B” was engaged in the business of providing EPC services around the world. EPC Contractor B was headquartered in Paris, France. In October 2001, EPC Contractor B became listed on the New York Stock Exchange. As an issuer of publicly traded securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934, Title 15, United States Code, Section 78l, EPC Contractor B was required to file periodic reports with the United States Securities and Exchange Commission under Section 13 of the Securities Exchange Act, Title 15, United States Code, Section 78m. Accordingly, beginning in October 2001, EPC Contractor B was an “issuer” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1.

8. “EPC Contractor C” was an engineering and construction company headquartered in Milan, Italy. EPC Contractor C was a wholly

owned subsidiary of an integrated energy services company headquartered in Rome, Italy. The parent company of EPC Contractor C was listed on the New York Stock Exchange, had registered securities, and filed periodic reports with the U.S. Securities and Exchange Commission. Accordingly, the parent company of EPC Contractor C was an “issuer” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1.

9. “EPC Contractor D” was an engineering and construction company headquartered in Yokohama, Japan. EPC Contractor D was a “person” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3(f)(1).

10. The Joint Venture operated through three Portuguese special purpose corporations based in Madeira, Portugal: “Madeira Company 1,” “Madeira Company 2,” and “Madeira Company 3.” Both Madeira Company 1 and Madeira Company 2 were owned equally by the four joint venture companies. Madeira Company 3, the entity that the Joint Venture used to enter into consulting agreements with the Joint Venture’s agents, was 50% owned by M.W. Kellogg Ltd., 25% owned by EPC Contractor B, and 25% owned by EPC Contractor C.

Defendant Tesler, Tri-Star, and the Joint Venture's Other Agent

11. Defendant JEFFREY TESLER was a citizen of the United Kingdom and a resident of London, England. The Joint Venture hired TESLER to help it obtain business in Nigeria, including by offering to pay and paying bribes to high-level Nigerian government officials. TESLER was an agent of the Joint Venture. TESLER also was an agent of each of the joint venture companies. At all times relevant to this Indictment, TESLER was an "agent" of an "issuer" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1, an "agent" of a "domestic concern" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2, and an "agent" of a "person" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3.

12. Tri-Star Investments Ltd. ("Tri-Star") was a Gibraltar corporation that TESLER used as a corporate vehicle to enter into agent contracts with and receive payments from the Joint Venture. Between December 1995 and January 2004, the Joint Venture paid Tri-Star over \$130 million for use in bribing Nigerian government officials. Tri-Star was an agent of the Joint Venture. Tri-Star also was an agent of each of the joint venture companies. At all times relevant to this Indictment, Tri-Star was an "agent" of an "issuer" within the meaning of the FCPA, Title 15, United

States Code, Section 78dd-1, an “agent” of a “domestic concern” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2, and an “agent” of a “person” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3.

13. Consulting Company B was a global trading company headquartered in Tokyo, Japan. The Joint Venture hired Consulting Company B to help it obtain business in Nigeria, including by offering to pay and paying bribes to Nigerian government officials. Between April 1996 and June 2004, the Joint Venture paid Consulting Company B over \$50 million for use in bribing Nigerian government officials. Consulting Company B was an agent of the Joint Venture. Consulting Company B also was an agent of each of the joint venture companies. At all times relevant to this Indictment, Consulting Company B was an “agent” of an “issuer” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1, an “agent” of a “domestic concern” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2, and an “agent” of a “person” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3.

The Nigerian Government Entities

14. The Nigerian National Petroleum Corporation (“NNPC”) was a Nigerian government-owned company charged with development of

Nigeria's oil and gas wealth and regulation of the country's oil and gas industry. NNPC was a shareholder in certain joint ventures with multinational oil companies. NNPC was an entity and instrumentality of the Government of Nigeria and its officers and employees were "foreign officials," within the meaning of the FCPA, Title 15, United States Code, Sections 78dd-1(f)(1)(A), 78dd-2(h)(2)(A), and 78dd-3(f)(2)(A).

15. Nigeria LNG Limited ("NLNG") was created by the Nigerian government to develop the Bonny Island Project and was the entity that awarded the related EPC contracts. The largest shareholder of NLNG was NNPC, which owned 49% of NLNG. The other owners of NLNG were multinational oil companies. Through the NLNG board members appointed by NNPC, among other means, the Nigerian government exercised control over NLNG, including but not limited to the ability to block the award of EPC contracts. NLNG was an entity and instrumentality of the Government of Nigeria and its officers and employees were "foreign officials," within the meaning of the FCPA, Title 15, United States Code, Sections 78dd-1(f)(1)(A), 78dd-2(h)(2)(A), and 78dd-3(f)(2)(A).

The Bonny Island Project

16. Between 1995 and 2004, the Joint Venture was awarded four EPC contracts to build the Bonny Island Project. Each EPC contract

corresponded to one of the four phases in which the Bonny Island Project was constructed. An LNG “train” was the infrastructure necessary to pipe raw natural gas from wellheads, convert the raw gas to purified LNG, and deliver that LNG to a tanker. The first phase of the Bonny Island Project consisted of two trains (Trains 1 and 2), the second phase consisted of one train (Train 3), the third phase consisted of two trains (Trains 4 and 5), and the fourth phase consisted of one train (Train 6). The first EPC contract, covering Trains 1 and 2, was awarded to the Joint Venture through an ostensibly competitive international tender. The other three EPC contracts were awarded to the Joint Venture on a sole-source, negotiated basis. The four EPC contracts awarded to the Joint Venture collectively were valued at over \$6 billion.

COUNT 1

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

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

18. From at least in or around August 1994, through in or around June 2004, in the Southern District of Texas, and elsewhere, defendants JEFFREY TESLER and WOJCIECH J. CHODAN did unlawfully, willfully, and knowingly combine, conspire, confederate, and agree with the Joint

Venture, KBR, EPC Contractor B, EPC Contractor C, EPC Contractor D, Stanley, Consulting Company B, and others, known and unknown to the Grand Jury, to commit offenses against the United States, that is, to willfully 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 money, and offer, gift, promise to give, and authorization of the giving of anything of value, to a foreign official, to a foreign political party and official thereof, and to a person, while knowing that all or a portion of such money and thing of value would be and had been offered, given, and promised to a foreign official and foreign political party and official thereof, for purposes of: (i) influencing acts and decisions of such foreign official and foreign political party and official thereof in his official capacity; (ii) inducing such foreign official and foreign political party and official thereof to do and omit to do acts in violation of the lawful duties of such official; (iii) securing an improper advantage; and (iv) inducing such foreign official and foreign political party and official thereof to use his influence with a foreign government and instrumentalities thereof to affect and influence acts and decisions of such government and instrumentalities, in order to assist KBR, the Joint Venture, and others in obtaining and retaining business for and with, and directing business to,

KBR, the Joint Venture and others, in violation of Title 15, United States Code, Sections 78dd-1, 78dd-2, and 78dd-3.

Purpose of the Conspiracy

19. The purpose and object of the conspiracy was to obtain and retain billions of dollars in contracts related to the Bonny Island Project through the promise and payment of tens of millions of dollars in bribes to officials of the executive branch of the Government of Nigeria, officials of NNPC, officials of NLNG, and others.

Manner and Means of the Conspiracy

20. TESLER and CHODAN and their co-conspirators employed various manner and means to carry out the conspiracy, including but not limited to the following:

a. CHODAN, Stanley, and their co-conspirators held so-called “cultural meetings” at which they discussed, among other things, the use of particular agents, including TESLER, to pay bribes to officials of the Government of Nigeria in order to secure the officials’ support for the Joint Venture in obtaining and retaining contracts to build the Bonny Island Project.

b. TESLER, CHODAN, Stanley, and their co-conspirators agreed that the Joint Venture would hire Tri-Star to pay bribes to high-level

Nigerian government officials, including top-level executive branch officials, and Consulting Company B to pay bribes to lower level Nigerian government officials, including employees of NLNG, in exchange for the officials' assistance in obtaining and retaining contracts to build the Bonny Island Project.

c. TESLER, CHODAN, Stanley, and their co-conspirators caused Madeira Company 3 to execute consulting contracts with Tri-Star and Consulting Company B providing for the payment of tens of millions of dollars in consulting fees in exchange for vaguely described marketing and advisory services, when in fact the primary purpose of the contracts was to facilitate the payment of bribes to Nigerian government officials on behalf of the Joint Venture and its members.

d. Prior to NLNG's award to the Joint Venture of the various EPC contracts, Stanley and other co-conspirators met with three successive holders of a top-level office in the executive branch of the Government of Nigeria and subsequently negotiated with the office holders' representatives regarding the amount of the bribes that the Joint Venture would pay to the Nigerian government officials.

e. TESLER, CHODAN, Stanley, and their co-conspirators caused wire transfers totaling approximately \$132 million to be sent from

Madeira Company 3's bank account in Amsterdam, The Netherlands, to bank accounts in New York, New York, to be further credited to bank accounts in Switzerland and Monaco controlled by TESLER for TESLER to use to bribe Nigerian government officials.

f. On behalf of the Joint Venture and the four joint venture companies, TESLER wire transferred bribe payments to or for the benefit of various Nigerian government officials, including officials of the executive branch of the Government of Nigeria, NNPC, and NLNG, and for the benefit of a political party in Nigeria.

g. CHODAN, Stanley, and their co-conspirators caused wire transfers totaling over \$50 million to be sent from Madeira Company 3's bank account in Amsterdam, The Netherlands, to Consulting Company B's bank account in Japan for Consulting Company B to use to bribe Nigerian government officials.

Overt Acts

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

a. On or about August 3, 1994, CHODAN sent a facsimile from London, England, to Stanley in Houston, Texas, and to other co-conspirators stating, among other things, that Stanley and other top executives of the joint venture companies had agreed to send a message "to the top man that we are ready to do business in a customary manner" and to ask Consulting Company B to secure support from the key individuals at the working level of NLNG.

b. On or about October 10, 1994, CHODAN and TESLER discussed how to structure bribe payments to top-level Nigerian government officials, including which officials would be included in the arrangement, when TESLER would have a figure for the bribe amounts, and the avoidance of U.S.-owned banks.

c. On or about October 17, 1994, TESLER told CHODAN that he had met a senior official of the Nigerian Ministry of Petroleum about the amount of payments necessary to secure the support of Nigerian government officials for the Joint Venture's bid to construct Trains 1 and 2 of the Bonny Island Project.

d. On or about November 2, 1994, TESLER told CHODAN that he had spoken with the senior official of the Nigerian Ministry of Petroleum, that TESLER's fee would be \$60 million, that the first top-level

executive branch official of the Government of Nigeria would get \$40-45 million of that fee, that other Nigerian government officials would get the remaining \$15-20 million of that fee, and that there would be a meeting between Stanley and the first top-level Nigerian executive branch official before there was any written agreement between the Joint Venture and TESLER.

e. On or about November 8, 1994, CHODAN discussed with Stanley which Nigerian government officials were covered by the \$60 million fee, whether there was room to negotiate the fee further with the senior official of the Nigerian Ministry of Petroleum, the planned meeting between Stanley and the first top-level Nigerian executive branch official, and a proposed meeting between Stanley and the senior official of the Nigerian Ministry of Petroleum.

f. On or about November 30, 1994, Stanley and other co-conspirators met in Abuja, Nigeria, with the first top-level executive branch official of the Government of Nigeria to verify that the official was satisfied with the Joint Venture using TESLER as its agent and to confirm that the official wanted the Joint Venture to negotiate with the senior official of the Ministry of Petroleum the amounts of bribes to various Nigerian government officials.

g. On or about January 4, 1995, CHODAN and Stanley discussed not including any U.S. citizens on the board of managers of Madeira Company 3.

h. On or about March 20, 1995, Madeira Company 3 entered into an agreement with Tri-Star providing, among other things, that Madeira Company 3 would pay \$60 million to Tri-Star if the Joint Venture was awarded a contract to construct Trains 1 and 2 of the Bonny Island Project.

i. On or about December 27, 1995, Madeira Company 3 wire transferred \$1,542,000 to Tri-Star, via a correspondent bank account in New York, New York, in payment of Tri-Star's first invoice under the consulting agreement for Trains 1 and 2.

j. On or about April 9, 1996, Madeira Company 3 entered into an agreement with Consulting Company B whereby it agreed to pay Consulting Company B \$29 million for assisting the Joint Venture in winning the contract to build Trains 1 and 2 of the Bonny Island Project.

k. On or about July 26, 1996, TESLER caused \$63,000 to be wire transferred to a Swiss bank account controlled by the senior official of the Ministry of Petroleum.

1. On or about May 1, 1997, Stanley and other co-conspirators met in Abuja, Nigeria, with the first top-level executive branch official of the Government of Nigeria and requested that the official designate a representative with whom the Joint Venture should negotiate the bribes to Nigerian government officials in exchange for the first top-level executive branch official's support of the award of the Train 3 EPC contract to the Joint Venture.

m. On or about September 18, 1998, TESLER told CHODAN that he had told an adviser of the second top-level executive branch official that TESLER had stopped paying the first top-level executive branch official and had earmarked the funds for the second top-level executive branch official.

n. On or about February 26, 1999, TESLER sent a fax to CHODAN stating that "his clients" wanted to review documentation after the upcoming meeting on February 28.

o. On or about February 28, 1999, Stanley and other co-conspirators met in Abuja, Nigeria, with the second top-level executive branch official of the Government of Nigeria to request that the official designate a representative with whom the Joint Venture should negotiate the bribes to Nigerian government officials in exchange for the second top-level

executive branch official's support of the award of the Train 3 EPC contract to the Joint Venture.

p. On or about March 5, 1999, Stanley and other co-conspirators met in London, England, with the representative designated by the second top-level executive branch official of the Government of Nigeria to negotiate the bribes to Nigerian government officials in exchange for the award of the Train 3 EPC contract to the Joint Venture.

q. On or about March 10, 1999, CHODAN transmitted to Madeira Company 3 an invoice from TESLER requesting payment of \$270,000 via a correspondent bank account in New York, New York.

r. On or about March 18, 1999, Madeira Company 3 entered into an agreement with Tri-Star providing, among other things, that Madeira Company 3 would pay \$32.5 million to Tri-Star if the Joint Venture was awarded a contract to construct Train 3 of the Bonny Island Project.

s. On or about March 24, 1999, CHODAN joined the board of managers of Madeira Company 3 as one of KBR's representatives.

t. On or about April 9, 1999, CHODAN executed a consulting agreement with MWKL that provided he would be paid £40,000 per year plus £10,000 in "start up costs" to be a consultant for MWKL, though CHODAN actually reported to and worked on behalf of KBR.

u. On or about March 13, 2000, Madeira Company 3 entered into a consulting agreement with Consulting Company B promising to pay it \$4 million in connection with Train 3 of the Bonny Island Project.

v. On or about January 16, 2001, TESLER caused \$2.5 million to be wire transferred to a Swiss bank account controlled by the representative designated by the second top-level executive branch official of the Government of Nigeria.

w. On or about May 7, 2001, CHODAN executed a consulting agreement with MWKL that provided he would be paid £120,000 plus expenses to assist the Joint Venture in obtaining the EPC contract for Trains 4 and 5, though CHODAN actually reported to and worked on behalf of KBR.

x. On or about November 11, 2001, Stanley and a KBR salesperson (the "KBR Salesperson") met in Abuja, Nigeria, with a third top-level executive branch official of the Government of Nigeria and an NNPC official (the "NNPC Official") to request that the top-level executive branch official designate a representative with whom the Joint Venture should negotiate the bribes to Nigerian government officials in exchange for the third top-level executive branch official's support of the award of the Trains 4 and 5 EPC contract to the Joint Venture.

y. On or about December 20, 2001, CHODAN, Stanley, and the KBR Salesperson met with the NNPC Official at a restaurant in London, England, to discuss Trains 4 and 5 of the Bonny Island Project.

z. On or about December 24, 2001, Madeira Company 3 entered into an agreement with Tri-Star providing, among other things, that Madeira Company 3 would pay \$51 million to Tri-Star if the Joint Venture was awarded a contract to construct Trains 4 and 5 of the Bonny Island Project.

aa. On or about May 13, 2002, CHODAN executed a consulting agreement with MWKL that provided he would be paid £25,000 plus expenses to assist the Joint Venture in obtaining the Train 6 EPC contract from NLNG, though CHODAN actually reported to and worked on behalf of KBR.

bb. On or about May 28, 2002, CHODAN and others authorized Madeira Company 3 to sign a consulting agreement with Tri-Star for the Train 6 contract at a meeting of the board of managers of Madeira Company 3 in Paris, France.

cc. In or about June 2002, TESLER, the NNPC Official, and an employee of one of the Joint Venture's subcontractors (the "Subcontractor") met at a hotel in London, England, to discuss the NNPC

Official's request that the Subcontractor help funnel payments from TESLER to a political party in Nigeria.

dd. On or about June 14, 2002, Madeira Company 3 entered into a consulting agreement with Consulting Company B providing, among other things, that Madeira Company 3 would pay \$25 million to Consulting Company B in connection with Trains 4 and 5 of the Bonny Island Project.

ee. On or about June 18, 2002, the KBR Salesperson caused to be sent an e-mail for transmittal to TESLER regarding the Tri-Star Train 6 agreement, arrangements with Consulting Company B, and a paid trip for the NNPC Official to the United States.

ff. On or about June 28, 2002, Madeira Company 3 entered into an agreement with Tri-Star providing, among other things, that Madeira Company 3 would pay \$23 million to Tri-Star if the Joint Venture was awarded a contract to construct Train 6 of the Bonny Island Project.

gg. In or about August 2002, an employee of the Subcontractor, using funds that TESLER had caused to be wire transferred to the Subcontractor, delivered a pilot's briefcase containing one million U.S. dollars in one-hundred dollar bills to the NNPC Official at a hotel in Abuja, Nigeria, for the benefit of a political party in Nigeria.

hh. On or about November 22, 2002, CHODAN executed a consulting agreement with MWKL that provided he would be paid £120,000 plus expenses to assist the Joint Venture in obtaining the Train 6 contract from NLNG, though CHODAN actually reported to and worked on behalf of KBR.

ii. On or about March 4, 2003, CHODAN caused to be e-mailed to two KBR executives in Houston, Texas, a draft memo for release to French authorities investigating potential crimes in connection with the Bonny Island Project that included false statements about how TESLER had helped the Joint Venture to win the various EPC contracts.

jj. In or about April 2003, an employee of the Subcontractor, using funds that TESLER had caused to be wire transferred to the Subcontractor, delivered a vehicle containing Nigerian currency valued at approximately \$500,000 to the hotel of the NNPC Official in Abuja, Nigeria, for the benefit of a political party in Nigeria, leaving the vehicle in the hotel parking lot until the NNPC Official caused the money to be removed.

kk. On or about July 7, 2003, TESLER caused \$2.2 million to be wire transferred to a Swiss bank account controlled by the

representative designated by the second top-level executive branch official of the Government of Nigeria.

ll. In or about October 2003, CHODAN agreed to continue serving on the board of managers of Madeira Company 3.

mm. On or about February 1, 2004, CHODAN executed a consulting agreement with MWKL that provided he would be paid £50,000 plus expenses to assist the Joint Venture in obtaining the Train 6 contract from NLNG and to perform other work in Nigeria, though CHODAN actually reported to and worked on behalf of KBR.

nn. On or about June 15, 2004, Madeira Company 3 wire transferred \$3 million to Consulting Company B in payment of one of Consulting Company B's invoices under the agreement for Trains 4 and 5.

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

COUNTS 2-3

Foreign Corrupt Practices Act (15 U.S.C. § 78dd-2)

22. Paragraphs 1 through 16 and 19 through 21 are realleged and incorporated by reference as though fully set forth herein.

23. On or about the dates set forth below, in the Southern District of Texas, and elsewhere, defendants TESLER and CHODAN, being agents of a domestic concern, willfully did use and cause to be used means and

instrumentalities of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, and authorization of the payment of money, and offer, gift, promise to give, and authorization of the giving of anything of value, to a foreign official, to a foreign political party and official thereof, and to a person, while knowing that all or a portion of such money and thing of value would be and had been offered, given, and promised to a foreign official and foreign political party and official thereof, for purposes of: (i) influencing acts and decisions of such foreign official and foreign political party and official thereof in his official capacity; (ii) inducing such foreign official and foreign political party and official thereof to do and omit to do acts in violation of the lawful duties of such official; (iii) securing an improper advantage; and (iv) inducing such foreign official and foreign political party and official thereof to use his influence with a foreign government and instrumentalities thereof to affect and influence acts and decisions of such government and instrumentalities, in order to assist KBR, the Joint Venture, and others in obtaining and retaining business for and with, and directing business to, KBR, the Joint Venture, and others, to wit, defendants TESLER and CHODAN caused the following e-mail communications to be sent to and through Houston, Texas, in furtherance of the scheme to bribe Nigerian government officials:

Count	Date	Description
2	6/18/2002	E-mail from KBR Salesperson for transmittal to TESLER re: Tri-Star Train 6 agreement, arrangements with Consulting Company B, and paid trip for NNPC Official
3	3/4/2003	E-mail caused to be transmitted by CHODAN re: Tri-Star and French investigation

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

COUNTS 4-11

Foreign Corrupt Practices Act (15 U.S.C. § 78dd-2)

24. Paragraphs 1 through 16 and 19 through 21 are realleged and incorporated by reference as though fully set forth herein.

25. On or about the dates set forth below, in the Southern District of Texas, and elsewhere, defendants TESLER and CHODAN, being agents of a domestic concern, willfully did use and cause to be used means and instrumentalities of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, and authorization of the payment of money, and offer, gift, promise to give, and authorization of the giving of anything of value, to a foreign official, to a foreign political party and official thereof, and to a person, while knowing that all or a portion of such money and thing of value would be and had been offered, given, and promised to a foreign official and foreign political party and official thereof, for purposes of: (i)

influencing acts and decisions of such foreign official and foreign political party and official thereof in his official capacity; (ii) inducing such foreign official and foreign political party and official thereof to do and omit to do acts in violation of the lawful duties of such official; (iii) securing an improper advantage; and (iv) inducing such foreign official and foreign political party and official thereof to use his influence with a foreign government and instrumentalities thereof to affect and influence acts and decisions of such government and instrumentalities, in order to assist KBR, the Joint Venture, and others in obtaining and retaining business for and with, and directing business to, KBR, the Joint Venture, and others, to wit, defendants TESLER and CHODAN caused the following corrupt U.S. dollar payments to be wire transferred from Madeira Company 3's bank account in Amsterdam, The Netherlands, via correspondent bank accounts in New York, New York, to bank accounts controlled by TESLER in Monaco and Switzerland for use in bribing Nigerian government officials:

Count	Date	Amount	Description
4	2/28/2003	\$243,750	Payment to Account in Monaco Pursuant to Consulting Agreement for Train 3

5	3/31/2003	\$217,750	Payment to Account in Monaco Pursuant to Consulting Agreement for Train 3
6	3/31/2003	\$5,100,000	Payment to Account in Switzerland Pursuant to Consulting Agreement for Trains 4&5
7	5/1/2003	\$136,500	Payment to Account in Monaco Pursuant to Consulting Agreement for Train 3
8	5/30/2003	\$123,500	Payment to Account in Monaco Pursuant to Consulting Agreement for Train 3
9	6/30/2003	\$5,073,000	Payment to Account in Switzerland Pursuant to Consulting Agreement for Trains 4&5
10	9/30/2003	\$5,100,000	Payment to Account in Switzerland Pursuant to Consulting Agreement for Trains 4&5
11	1/14/2004	\$3,600,000	Payment to Account in Switzerland Pursuant to Consulting Agreement for Trains 4&5

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

Forfeiture Allegations

26. Paragraphs 1 through 16, 19 through 21, 23, and 25 are realleged and incorporated by reference as if set forth fully herein.

Upon conviction of one or more of the offenses in violation of Title 18, United States Code, Section 371, and Title 15, United States Code,

Section 78dd-2, alleged in Counts 1 through 11 of this Indictment, defendants TESLER and CHODAN shall forfeit to the United States, pursuant to Title 28, United States Code, Section 2461, and Title 18, United States Code, Section 981(a)(1)(C), all property, real and personal, which constitutes or is derived from proceeds traceable to the violations, including but not limited to the following:

Approximately \$132 million in United States Currency, all interest and other return thereon, and all property traceable thereto.

If any of the property described above as being subject to forfeiture, as a result of any act or omission of defendants TESLER and CHODAN,

- (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 divided without difficulty,

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), incorporated by Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of defendants TESLER and CHODAN up to the value of the above forfeitable property.

All pursuant to Title 18, United States Code, Section 2461, and Title 18, United States Code, Section 981(a)(1)(C), and Rule 32.2 of the Federal Rules of Criminal Procedure.

A TRUE BILL

ORIGINAL SIGNATURE ON FILE

Foreperson

STEVEN A. TYRRELL, CHIEF
FRAUD SECTION
CRIMINAL DIVISION
U.S. DEPARTMENT OF JUSTICE

By: William J. Stuckwisch
William J. Stuckwisch
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