

## JUSTICE NEWS

### Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Wednesday, May 29, 2013

## **French Oil and Gas Company, Total, S.A., Charged in the United States and France in Connection with an International Bribery Scheme**

Total, S.A., a French oil and gas company that trades on the New York Stock Exchange, has agreed to pay a \$245.2 million monetary penalty to resolve charges related to violations of the Foreign Corrupt Practices Act (FCPA) in connection with illegal payments made through third parties to a government official in Iran to obtain valuable oil and gas concessions, announced Acting Assistant Attorney General Mythili Raman of the Justice Department's Criminal Division, and U.S. Attorney Neil H. MacBride for the Eastern of Virginia.

As part of the agreed resolution, the department today filed a criminal information in U.S. District Court for the Eastern District of Virginia charging Total with one count of conspiracy to violate the anti-bribery provisions of the FCPA, one count of violating the internal controls provision of the FCPA, and one count of violating the books and records provision of the FCPA. The department and Total agreed to resolve the charges by entering into a deferred prosecution agreement for a term of three years. In addition to the monetary penalty, Total also agreed to cooperate with the department and foreign law enforcement to retain an independent corporate compliance monitor for a period of three years and to continue to implement an enhanced compliance program and internal controls designed to prevent and detect FCPA violations.

Also today, the U.S. Securities and Exchange Commission (SEC) entered into a cease-and-desist order against Total in which the company agreed to pay an additional \$153 million in disgorgement and prejudgment interest. Total also agreed with the SEC to comply with certain undertakings regarding its FCPA compliance program, including the retention of a compliance consultant.

In addition, French enforcement authorities announced earlier today that they had requested that Total, Total's Chairman and Chief Executive Officer, and two additional individuals be referred to the Criminal Court for violations of French law, including France's foreign bribery law.

"Today we announce the first coordinated action by French and U.S. law enforcement in a major foreign bribery case," said Acting Assistant Attorney General Raman. "Our two countries are working more closely today than ever before to combat corporate corruption, and Total, which bought business through bribes, now faces the criminal consequences across two continents."

"The Eastern District of Virginia, through our strong partnership with the Criminal Division's Fraud Section, is committed to holding accountable those who violate the Foreign Corrupt Practices Act," said U.S. Attorney MacBride. "Today's deferred prosecution agreement, with both its punitive and forward-looking compliance provisions, dovetails with our goals of bringing violators to justice and preventing future misconduct."

According to the deferred prosecution agreement, in 1995 Total sought to re-enter the Iranian oil and gas market by attempting to obtain a contract with the National Iranian Oil Company (NIOC) to develop the Sirri A and E oil and gas fields. In May 1995, Total entered into negotiations with an Iranian official who served as the chairman of an Iranian state-owned and state-controlled engineering company. Total subsequently entered into a purported consulting agreement pursuant to which Total would corruptly make payments to an intermediary designated by the Iranian official to secure NIOC signing a development agreement with Total for the Sirri A and E project, which NIOC did in July 1995. Over the next two-and-a-half years, Total paid approximately \$16 million in bribes under the purported consulting agreement.

In 1997, Total sought to negotiate a contract with NIOC to develop a portion of the South Pars gas field, the world's largest gas field. At the direction of the Iranian official, Total and a second intermediary entered into another purported

consulting agreement that called for Total to make large payments to the intermediary. In September 1997, Total executed a contract with NIOC that granted it a 40 percent interest in developing phases two and three of the South Pars gas field. Over the next seven years, Total made unlawful payments of approximately \$44 million pursuant to the second purported consulting agreement.

In sum, between 1995 and 2004, at the direction of the Iranian official, Total corruptly made approximately \$60 million in bribe payments under the agreements for the purpose of inducing the Iranian official to use his influence in connection with Total's efforts to obtain and retain lucrative oil rights in the Sirri A and E and South Pars oil and gas fields. Total mischaracterized the unlawful payments as "business development expenses" when they were, in fact, bribes designed to corruptly influence a foreign official. Further, Total failed to implement effective internal accounting controls, permitting the consulting agreements' true nature and true participants to be concealed and thereby failing to maintain accountability for assets.

The case is being prosecuted by Trial Attorney Andrew Gentin of the Criminal Division's Fraud Section and Assistant U.S. Attorney Charles Connolly of the U.S. Attorney's Office for the Eastern District of Virginia. Significant assistance was provided by the Criminal Division's Office of International Affairs and by the SEC's New York Regional Office. The department also acknowledges and expresses its deep appreciation for the cooperation and partnership of French law enforcement authorities.

Additional information about the Justice Department's FCPA enforcement efforts can be found at [www.justice.gov/criminal/fraud/fcpa](http://www.justice.gov/criminal/fraud/fcpa).

**Related Materials:**

[Information](#)

[DPA](#)

---

**Component(s):**

[Criminal Division](#)

**Press Release Number:**

13-613

*Updated October 8, 2014*