UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 10-20907-CR-MOORE/SIMONTON

15 U.S.C. § 78m(b)(2)(B)
15 U.S.C. § 78m(b)(2)(A)
15 U.S.C. § 78m(b)(5)
15 U.S.C. § 78ff(a)
18 U.S.C. § 2

UNITED STATES OF AMERICA

vs.

ALCATEL-LUCENT, S.A.,
f/k/a "Alcatel, S.A.,"

Defendant.
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INFORMATION

The Department of Justice, Criminal Division, Fraud Section, charges that, at all times relevant to this Information, unless otherwise stated:

GENERAL ALLEGATIONS

The Foreign Corrupt Practices Act

1. The Foreign Corrupt Practices Act of 1977 (hereinafter the "FCPA"), as amended, Title 15, United States Code, Sections 78dd-1 *et seq.*, prohibited certain classes of persons and entities from corruptly making payments to foreign government officials to assist in obtaining or retaining business, as well as required certain entities to maintain accurate books and records and adequate internal controls. In relevant part, the FCPA's anti-bribery provisions prohibited any issuer of publicly traded securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934, 15 U.S.C. § 78*l*, or required to file periodic reports with the United States

Securities and Exchange Commission ("SEC") under Section 13 of the Securities Exchange Act, 15 U.S.C. § 78(0)d (hereinafter "issuer") from making use of the mails or any means or instrumentality of interstate commerce, or doing any other act, corruptly in furtherance of an offer, payment, promise to pay, or authorization of the payment of money or anything of value to any person, while knowing that all or a portion of such money or thing of value would be offered, given, or promised, directly or indirectly, to a foreign official for the purpose of obtaining or retaining business for, or directing business to, any person. 15 U.S.C. § 78dd-1(a). Pertinent to the charges herein, the FCPA required issuers to make and keep books, records, and accounts that accurately and fairly reflect transactions and disposition of the company's assets and prohibited the knowing falsification of an issuer's books, records, or accounts. 15 U.S.C. §§ 78m(b)(2)(A), 78m(b)(5), and 78ff(a). The FCPA's accounting provisions also required that issuers maintain a system of internal accounting controls sufficient to provide reasonable assurances that: (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to (I) permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (II) maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals, and appropriate action is taken with respect to any differences. 15 U.S.C. § 78m(b)(2)(B). The FCPA also prohibited the knowing circumvention or failure to implement such a system of internal accounting controls. 15 U.S.C. §§ 78m(b)(5) and 78ff(a).

Relevant ALCATEL-Related Corporate Entities and Employees

2. Defendant **ALCATEL-LUCENT, S.A.** ("**ALCATEL**"), was a corporation organized under the laws of France with its principal offices in Paris, France. In late 2006, an ALCATEL subsidiary merged with Lucent Technologies, Inc. in the United States (hereinafter the "2006 Merger") and ALCATEL S.A. changed its name to ALCATEL-LUCENT, S.A. ALCATEL was a worldwide provider of a wide variety of telecommunications equipment and services and other technology products. From 2001 to 2005, ALCATEL employed between 55,000 and 100,000 employees through the Alcatel Group. The Alcatel Group operated in more than 130 countries, directly and through certain wholly owned and indirect subsidiaries, including in France, the United States of America, and, as set forth more fully below, in Costa Rica, Honduras, Malaysia, and Taiwan. The Alcatel Group maintained an office in Miami, Florida, in the Southern District of Florida, through which ALCATEL pursued business throughout Central and South America. From at least 1998 until late 2006, American Depositary Shares of ALCATEL were registered with the U.S. Securities and Exchange Commission ("SEC") and traded on the New York Stock Exchange as American Depositary Receipts ("ADRs"). Accordingly, ALCATEL was an "issuer" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1.

3. **Alcatel-Lucent France, S.A.**, which was known before the 2006 Merger as "Alcatel CIT, S.A." (hereinafter "**Alcatel CIT**"), was headquartered in Vélizy, France, just outside Paris. Alcatel CIT was a wholly owned subsidiary of ALCATEL, and was incorporated in France. Accordingly, Alcatel CIT was a "person other than an issuer or a domestic concern" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3. In the 1990s

and continuing until at least late 2006, Alcatel CIT was a commercial arm of ALCATEL and was responsible for contracting with telecommunications providers, including many telecommunications providers owned by foreign governments, to sell ALCATEL's telecommunications equipment and services and other technology products. Throughout the relevant time period, Alcatel CIT had more than 7,000 employees, and its financial results were included in the consolidated financial statements that ALCATEL filed with the SEC. Alcatel CIT and its employees had regular communications with, and Alcatel CIT employees traveled to and met with, ALCATEL personnel located in the office in Miami, Florida, in the Southern District of Florida. Such communications and meetings involved, among other things, discussions about payments to third-party consultants, who passed on some or all of such payments to foreign officials in exchange for obtaining or retaining business. Alcatel CIT also maintained at least one bank account in the United States through which it paid money to third-party consultants that it knew were going to pass on some or all of that money to foreign officials in exchange for obtaining or retaining business.

4. **Alcatel-Lucent Trade International, A.G.**, which was known before the 2006 Merger as "Alcatel Standard, A.G." (hereinafter "**Alcatel Standard**"), was headquartered in Basel, Switzerland. Alcatel Standard was a wholly owned subsidiary of ALCATEL, and was incorporated in Switzerland. Accordingly, Alcatel Standard was a "person other than an issuer or a domestic concern" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3. Alcatel Standard was responsible for entering into most agreements with consultants worldwide on behalf of ALCATEL, Alcatel CIT, and certain other subsidiaries of ALCATEL. Throughout the relevant time period, Alcatel Standard had approximately a dozen employees,

and its financial results were included in the consolidated financial statements that ALCATEL filed with the SEC. Alcatel Standard and its employees had regular communications, including telephone calls, facsimiles, and email, with ALCATEL personnel located in the office in Miami, Florida, in the Southern District of Florida. Such communications involved, among other things, discussions about payments to third-party consultants, who passed on some or all of such payments to foreign officials in exchange for obtaining or retaining business. Alcatel Standard also made some payments to third-party consultants via a correspondent account in the United States.

5. **Alcatel Centroamerica, S.A.**, which was known before the 2006 Merger as "Alcatel de Costa Rica, S.A." (hereinafter "**ACR**"), was formed under the laws of Costa Rica and was headquartered in San Jose, Costa Rica. ACR was a wholly owned subsidiary of ALCATEL. Accordingly, ACR was a "person other than an issuer or a domestic concern" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3. ACR was responsible for the day-to-day commercial operations of ALCATEL in Costa Rica and Honduras during the relevant time period. Throughout the relevant time period, ACR had approximately fifty employees, and its financial results were included in the consolidated financial statements that ALCATEL filed with the SEC. ACR and its employees had regular communications, including telephone calls, facsimiles, and emails, with ALCATEL personnel located in the office in Miami, Florida, in the Southern District of Florida. Such communications involved, among other things, discussions about payments to third-party consultants, who passed on some or all of such payments to foreign officials in exchange for obtaining or retaining business.

6. **Alcatel Network Systems Malaysia Sdn. Bhd.** (“**Alcatel Malaysia**”) was founded as a joint venture in 1992 in Kuala Lumpur, Malaysia. ALCATEL owned a majority share of and exercised control over the joint venture. Alcatel Malaysia’s primary function was to provide product and sales support for ALCATEL’s business units in Malaysia during the relevant time period. Throughout the relevant time period, Alcatel Malaysia’s financial results were included in the consolidated financial statements that ALCATEL filed with the SEC.

7. **Alcatel SEL, A.G.** (“**Alcatel SEL**”) was formed under the laws of Germany and was headquartered in Stuttgart, Germany. Alcatel SEL was an indirect subsidiary of ALCATEL. Alcatel SEL’s Transport Automation Solutions business unit was responsible for bidding on an axle counting contract with the state-owned Taiwan Railway Administration in Taiwan during the relevant time period. Throughout the relevant time period, Alcatel SEL’s financial results were included in the consolidated financial statements that ALCATEL filed with the SEC.

8. **Executive 1** was a citizen of France and served as the Chief Executive Officer of Alcatel Standard in Basel, Switzerland. In this capacity, Executive 1’s final approval was necessary for the hiring of almost all third-party consultants retained by ALCATEL and its subsidiaries, including ensuring that appropriate due diligence was conducted prior to the hiring of each consultant. Executive 1 executed the consultancy agreements with consultants throughout the world on behalf of Alcatel Standard for the benefit of ALCATEL, Alcatel CIT, ACR, and certain other wholly owned and indirect subsidiaries of ALCATEL and its joint ventures. Executive 1 was also responsible, in part, for the training of ALCATEL’s Country Senior Officers on how to process the required paperwork for retaining and using third-party consultants.

9. **Christian Sapsizian** ("**Sapsizian**") was a citizen of France and was a long-term employee of ALCATEL and its wholly owned subsidiary, Alcatel CIT, eventually rising to the level of Alcatel CIT's Director for Latin America. In this capacity, Sapsizian developed business in Latin America on behalf of ALCATEL and its subsidiaries, including ACR, and spent part of his time working at Alcatel CIT headquarters in France and part of his time traveling throughout Latin America attending to ALCATEL's business in the region.

10. **Edgar Valverde Acosta** ("**Valverde**") was a citizen of Costa Rica and served as the President of ACR and Country Senior Officer ("CSO") for Costa Rica. As the President of ACR and CSO of Costa Rica, Valverde worked with Sapsizian. In this capacity, Valverde was responsible for developing business for ALCATEL's services and equipment with Instituto Costarricense de Electricidad, S.A, the Costa Rican state-owned telecommunications authority. In Costa Rica, Valverde negotiated contracts with third-party consultants who worked on ALCATEL's behalf in Costa Rica. Valverde was himself a former official at Instituto Costarricense de Electricidad, S.A.

11. **Executive 2** and **Executive 3** served as Alcatel Malaysia's CSO and Chief Financial Officer, respectively.

12. **Executive 4** was a citizen of Germany and served as Alcatel SEL's director of international business and sales of Transport Automation Solutions. In that capacity, Executive 4 was responsible for ALCATEL's Taiwan Railway Administration contracts in Taiwan.

Relevant Entities and Foreign Officials in Costa Rica

13. **Instituto Costarricense de Electricidad S.A.** ("**ICE**") was a wholly state-owned telecommunications authority in Costa Rica responsible for awarding and administering public

tenders for telecommunications contracts. ICE was governed by a seven-member board of directors that evaluated and approved, on behalf of the government of Costa Rica, all bid proposals submitted by telecommunications companies. The Board of Directors was led by an Executive President, who was appointed by the President of Costa Rica. The other members of the Board of Directors were appointed by the President of Costa Rica and the Costa Rican governing cabinet. Accordingly, officers, directors and employees of ICE were "foreign officials" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1)(A).

14. **Servicios Notariales, Q.C. S.A.** ("**Servicios Notariales**") was a purported consulting firm based in Costa Rica that entered into several sham consulting agreements with Alcatel Standard on behalf of Alcatel CIT to assist ALCATEL in obtaining telecommunications contracts in Costa Rica.

15. **Intelmar Costa Rica, S.A.** ("**Intelmar**") was a consulting firm based in Costa Rica that entered into numerous sham consulting agreements with Alcatel Standard on behalf of Alcatel CIT to assist ALCATEL in obtaining telecommunications contracts in Costa Rica. Intelmar maintained an office within ACR's office space in Costa Rica.

16. **ICE Official 1** was a director of ICE and had a close relationship with **Senior Government Official 1**, who was a high-ranking official in the Costa Rican executive branch. **ICE Official 2**, **ICE Official 3**, **ICE Official 4**, **ICE Official 5**, and **ICE Official 6** were also officers, directors or employees of ICE. **Legislator 1** was a legislator in the Legislative Assembly (*Asamblea Legislativa*), which was the unicameral legislative branch of the Government of Costa Rica. ICE Officials 1-6, Senior Government Official 1, and Legislator 1

were "foreign officials" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1)(A), and they were each in a significant position to influence the policy decisions made by ICE and the contracts awarded by ICE.

Relevant Entities and Foreign Officials in Honduras

17. **Empresa Hondureña de Telecomunicaciones** ("**Hondutel**") was a wholly state-owned telecommunications authority in Honduras, established under Honduran law, and it was responsible for providing telecommunications services in Honduras which, until late 2002, included evaluating and awarding telecommunications contracts on behalf of the government of Honduras. Several senior government officials sat on Hondutel's Board of Directors. Hondutel's operations were overseen by another Honduran government entity, Comisión Nacional de Telecomunicaciones. Profits earned by Hondutel belonged to the government of Honduras, though part of the profit was permitted to be used by Hondutel for its operations. Accordingly, employees of Hondutel were "foreign officials" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1)(A).

18. **Comisión Nacional de Telecomunicaciones** ("**Conatel**") was the Honduran government agency that regulated the telecommunications sector in Honduras. Conatel issued licenses and concessions for fixed-line and wireless telephony, data transmission, and Internet services. Conatel was part of the Honduran executive branch under the Secretariat of Finance. Conatel's commissioners were appointed by the President of Honduras. Accordingly, officers, commissioners, and employees of Conatel were "foreign officials" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1)(A).

19. **Honduran Consultant 1** was a purported consulting firm based in Honduras that entered into a sham consulting agreement with Alcatel Standard to assist Alcatel CIT and Alcatel Mexico (formerly known as "Alcatel Indetel"), a wholly owned subsidiary of ALCATEL, in obtaining telecommunications contracts in Honduras on behalf of ALCATEL.

20. **Senior Government Official 2** was a high-ranking government official in the Honduran executive branch. **Hondutel Official** and **Conatel Official** were both high-ranking officials within Hondutel and Conatel, respectively. Senior Government Official 2, Hondutel Official, and Conatel Official were "foreign officials" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1)(A), and they were each in a significant position to influence the policy decisions made by the Honduran government, including the awarding of contracts by Hondutel prior to 2003.

Relevant Entities in Malaysia

21. **Telekom Malaysia Berhad** ("**Telekom Malaysia**") was a state-owned and controlled telecommunications provider in Malaysia. Telekom Malaysia was responsible for awarding telecommunications contracts during the relevant time period. The Malaysian Ministry of Finance owned approximately 43% of Telekom Malaysia's shares, had veto power over all major expenditures, and made important operational decisions. The government owned its interest in Telekom Malaysia through the Minister of Finance, who had the status of a "special shareholder." Most senior Telekom Malaysia officers were political appointees, including the Chairman and Director, the Chairman of the Board of the Tender Committee, and the Executive Director. Accordingly, officers, directors and employees of Telekom Malaysia were "foreign

officials" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1)(A).

22. **Malaysian Consultant 1** was a consulting firm with operations in Asia that entered into sham consulting agreements with Alcatel Standard to provide market strategy reports focusing on technology.

23. **Malaysian Consultant 2** was a consulting firm based in Asia that entered into a sham consulting agreement with Alcatel Standard to provide a strategic intelligence report for ALCATEL's Southeast Asia South Region.

Relevant Entities and Foreign Officials in Taiwan

24. **Taiwan Railway Administration** ("**TRA**") was the wholly state-owned authority in Taiwan responsible for managing, maintaining, and running passenger freight service on Taiwan's railroad lines. It was responsible for awarding and administering all public tenders in connection with Taiwan's railroad lines, including contracts to design, manufacture, and install an axle counting system to control rail traffic. TRA was an agency of Taiwan's Ministry of Transportation and Communications, a cabinet-level governmental body responsible for the regulation of transportation and communications networks and operations. Accordingly, officers and employees of TRA were "foreign officials" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1)(A).

25. **Taiwan International Standard Electronics, Ltd.** ("**Taisel**") was based in Taiwan and was a joint venture sixty-percent owned by Alcatel Participations, a wholly owned subsidiary of ALCATEL, and forty-percent owned by a Taiwanese corporation.

26. **Taiwanese Consultant 1** was a consulting firm based in Taiwan that entered into a consulting agreement with Alcatel Standard to assist Alcatel SEL in obtaining axle counting contracts in Taiwan on behalf of ALCATEL.

27. **Taiwanese Consultant 2** was a consulting firm based in Taiwan which entered into a consulting agreement with Taisel on behalf of ALCATEL to assist Alcatel SEL in obtaining axle counting contracts in Taiwan on behalf of ALCATEL.

28. **Legislator 2**, **Legislator 3**, and **Legislator 4** were all members of the Legislative Yuan, the unicameral legislative assembly of the Republic of China, whose territory consists of Taiwan, Penghu, Kinmen, and Matsu Islands. Legislator 2, Legislator 3, and Legislator 4 were "foreign officials" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1)(A), and they were in a significant position to influence the policy decisions made by the Taiwan government, including the awarding of contracts.

Background Regarding ALCATEL's Business Practices and the State Of Its Internal Controls

29. Starting in the 1990s and continuing through at least late 2006, ALCATEL pursued many of its business opportunities around the world through the use of third-party agents and consultants. This business model was shown to be prone to corruption, as consultants were repeatedly used as conduits for bribe payments to foreign officials (and business executives of private customers) to obtain or retain business in many countries. ALCATEL also suffered from a de-centralized business structure, which permitted the different ALCATEL employees around the world to initially vet the third-party consultants, and then rely on Executive 1 at Alcatel Standard to perform due diligence on them. In practice, this de-centralized structure and

approval process permitted corruption to occur, as the local employees were more interested in obtaining business than ensuring that business was won ethically and legally. Meanwhile, Executive 1 performed no due diligence of substance and remained, at best, deliberately ignorant of the true purpose behind the retention of and payment to many of the third-party consultants.

30. ALCATEL's organizational structure consisted of geographic Regions (each responsible for marketing and sales to customers within their territorial boundaries), Business Groups (further subdivided into Business Divisions, which were responsible for product-related activities, including the tendering process), and Units (legal entities with the ability to sign contracts and incur financial obligations). ALCATEL's Units were structured in a matrix operating model that featured (a) large, autonomous legal entities with worldwide responsibility for researching, developing, and manufacturing particular product lines, and (b) similarly autonomous legal entities with a local presence in many countries responsible for the sale and support of those product lines in defined geographic areas. Units were located in specific geographical Regions and could also house specific Business Division operations.

31. ALCATEL typically set up a subsidiary or affiliated entity, such as ACR or Alcatel Malaysia, in a country to obtain contracts. A Country Senior Officer, or CSO, managed the subsidiary and selected consultants to solicit business for ALCATEL from government officials in that country. The CSO engaged a consultant by preparing a form called a Service Agreement Request ("SAR"). The SAR identified the consultant, the project for which the consultant was being engaged, and the terms of the engagement. The SAR required approval by the ALCATEL Region or Area President. The SAR was accompanied by a Consultant Profile, a form that the consultant was supposed to complete with information concerning its ownership,

business activities, capabilities, banking arrangements, and professional references. The completed Consultant Profile also required approval by the Area President.

32. A separate form called a Forecast of Sales Expenses ("FSE") was prepared to document approval of the expense of using a sales and/or marketing consultant. The FSE identified the project and the amount of the fee or commission to be paid to the consultant, but did not call for the consultant to be identified by name or for any information concerning the consultant's qualifications or expected activities. The FSE required the signatures of: (a) the Area President, to indicate his approval of the selection of the consultant; (b) the President of the Business Division responsible for the product involved in the transaction, to indicate his approval of the commission expense as a profit and loss charge to his Business Division; (c) the President of the actual legal entity within ALCATEL responsible for fulfilling the customer bid or contract, to indicate his approval of the payment by his entity of the consultant's commission; and, finally, (d) the Chief Executive Officer ("CEO") of Alcatel Standard, namely, Executive 1.

33. Upon execution of the FSE by the Area President, the Business Division President, and the President of the relevant legal entity, the SAR, Consultant Profile, and FSE were transmitted to Alcatel Standard. Alcatel Standard would then typically request a Dun & Bradstreet report to confirm the existence and address of the consultant as stated in the Consultant Profile. Executive 1 would then sign the FSE to confirm that all of the necessary approvals had been obtained. Finally, Executive 1 would execute the contract with the consultant, which at times called for the consultant to perform vaguely-described marketing services.

34. Executive 1 made no effort, or virtually no effort, to verify the information provided by the consultant in the Consultant Profile, apart from using Dun & Bradstreet reports to confirm the consultant's existence and physical address. There was no requirement for the provision of information regarding conflicts of interest or relationships with government officials. Indeed, even where the Dun & Bradstreet report disclosed problems, inconsistencies, or red flags, typically nothing was done. Thus, even if the consultant was a close relative of a high-ranking foreign official, as was the case in some instances, this information was not listed on the Consultant Profile and little or no effort was made to address such obvious conflicts and risks. Rather, if the paperwork was completed, regardless of any obvious issues (such as close relationships with foreign officials or a clear lack of skill, experience or telecommunications expertise), Executive 1 authorized hiring and paying the third-party consultant.

35. In many instances, Alcatel Standard would contract with the third-party consultant and then Alcatel CIT would pay the consultant, to the extent that Alcatel CIT was the responsible legal entity. Typically when ALCATEL received payment for its telecommunications services and equipment from its customers (which were often governments or agencies or instrumentalities of governments), Alcatel CIT would then pay the consultant who assisted in securing that business. As such, the payments by Alcatel CIT to the agents retained by Alcatel Standard occurred over a number of years, and because of the value of many of these contracts, the payments made to these consultants involved millions of dollars paid out over many years. To pay this money, among other things, Alcatel CIT maintained a bank account at ABN Amro Bank in New York, New York, which was used, in part, to pay third-party consultants located around the world.

36. Often senior executives at Alcatel CIT, Alcatel Standard, and ACR, among others, knew bribes were being paid, or were aware of the high probability that many of these third-party consultants were paying bribes, to foreign officials to obtain or retain business. For example, in a significant number of instances, the consultant contracts were executed *after* ALCATEL had already obtained the customer business, the consultant commissions were excessive, and lump sum payments were made to the consultants that did not appear to correspond to any one contract. In other instances, the same person would establish more than one consulting company, and Alcatel Standard would retain those multiple companies (knowing or purposefully ignoring that they were owned and operated by the same person). This would make it appear that the commission rate paid to the consulting company was not excessive, when in truth and in fact, the aggregate commission rate was exorbitant, thereby enabling the consultant to make payments to foreign officials.

37. In order to further conceal the illegal nature of these business practices, Alcatel CIT and ACR employees sometimes employed aliases in their emails to keep secret the names of foreign officials who were receiving bribes and who were providing ALCATEL entities with non-public information.

38. Alcatel CIT, Alcatel Standard, ACR, and certain employees of Alcatel CIT, Alcatel Standard, and ACR knew, or purposefully ignored, that many of the SARs and FSEs did not accurately reflect the true nature and purpose of the agreements. Likewise, Alcatel CIT, Alcatel Standard, ACR, and certain employees of Alcatel CIT, Alcatel Standard, and ACR knew, or purposefully ignored, that many of the invoices submitted by various third-party consultants falsely claimed that legitimate work had been completed, while the true purpose of the monies

sought by the invoices was to funnel all or some of the money to foreign officials, directly or indirectly. Moreover, Alcatel CIT, Alcatel Standard, ACR, and certain employees of Alcatel CIT, Alcatel Standard, and ACR knew, or purposefully ignored, that the payments in connection with the SARs, FSEs, and invoices were going to be passed to foreign officials. These transactions were designed to circumvent ALCATEL's internal controls system and were further undertaken knowing that they would not be accurately and fairly reflected in Alcatel CIT, Alcatel Standard, and ACR's books and records, which were included in the consolidated financial statements that ALCATEL filed with the SEC.

Conduct in Costa Rica

39. In or around 2001, Valverde and Sapsizian, acting on behalf of ACR and Alcatel CIT, respectively, negotiated consultancy agreements on behalf of Alcatel CIT with two Costa Rican consultants, which were intended to make improper payments to Costa Rican government officials in exchange for telecommunications contracts. The two consultants were Servicios Notariales, which was headed by Valverde's brother-in-law, and Intelmar. Both consultants had many personal contacts at ICE.

40. Alcatel Standard, on behalf of Alcatel CIT, executed at least five consulting agreements with Servicios Notariales, in which Alcatel Standard on behalf of Alcatel CIT, promised to pay Servicios Notariales a percentage of the value of a specific contract obtained from ICE. This percentage was as high as 9.75%, a much higher commission rate than ALCATEL normally awarded to a legitimate consultant. Executive 1 of Alcatel Standard signed each of these consulting agreements. In return for the commissions, the agreements required Servicios Notariales to perform vaguely-described marketing and advisory services. Servicios

Notariales created approximately eleven phony invoices between 2001 and 2003, totaling approximately $14.5 million, purportedly for commissions related to the contracts awarded to ALCATEL, and submitted those invoices, through Valverde at ACR, to Alcatel CIT.

41. Similarly, Alcatel Standard, on behalf of Alcatel CIT, entered into at least four consulting agreements with Intelmar to assist ALCATEL in obtaining telecommunications contracts with ICE. Executive 1 of Alcatel Standard signed each of these consulting agreements. The agreements required Intelmar to perform vaguely-described advisory services. Intelmar subsequently created approximately seven invoices reflecting largely inflated commissions totaling approximately $3 million between 2001 and 2004, purportedly for commissions related to the contracts awarded to ALCATEL, and submitted those invoices to Alcatel CIT.

42. During this time period, Sapsizian's supervisor, the President of Area 1 (formerly known as the Chief Operating Officer for Latin America), worked in the Miami office, in the Southern District of Florida, and signed the Consultant Profile forms for Servicios Notariales and Intelmar and approved more than $18 million in payments to the consultants despite their huge amounts. According to Sapsizian, the President of Area 1 told him on several occasions that he knew he was "risking jail time" as a result of his approval of these payments, which he understood would, at least in part, ultimately wind up in the hands of public officials.

43. Following the approval by the President of Area 1, Executive 1 also approved the retention of and payments to Servicios Notariales and Intelmar despite some obvious indications that these "consultants" were performing little or no work yet receiving millions of dollars in payments reflecting a significant percentage of value of the entire transaction. Indeed, ALCATEL had three consultants assisting on ICE projects at that time. But Executive 1 turned a

blind eye to this and other evidence, which made it substantially certain that some part of these payments would be passed on to foreign officials to assist in obtaining or retaining business.

44. ALCATEL, Alcatel CIT, Alcatel Standard, and ACR conducted insufficient due diligence of Servicios Notariales and Intelmar. Neither ALCATEL nor any of its subsidiaries took sufficient steps to ensure that the consultants were complying with the FCPA or other relevant anti-corruption laws.

45. In or around November 2000, prior to a formal vote by the ICE Board of Directors, Sapsizian and Valverde offered ICE Official 1 1.5% to 2% of the value of a future contract to develop a Global System for Mobile ("GSM") technology network in Costa Rica and to provide 400,000 lines of mobile telephone service (the "400K GSM Contract") in exchange for ICE Official 1's assistance in favor of opening a bid round for a GSM-based mobile network, rather than a network based on a different technology not offered by ALCATEL (yet that was offered by ALCATEL's competitors). ICE Official 1 accepted the offer and subsequently agreed to share part of this fee with Senior Government Official 1. Subsequently, ICE Official 1 used his influence, and the ICE Board later voted to open a bid round for developing a mobile network in Costa Rica using the GSM technology that ALCATEL was offering.

46. On or about June 12, 2001, in part as a result of ICE Official 1's influence, ICE awarded Alcatel CIT a separate contract, valued at approximately $44 million, to supply equipment for ICE's fixed network (the "Fixed Network Contract").

47. On or about August 28, 2001, in part as a result of ICE Official 1's influence, ICE awarded Alcatel CIT the 400K GSM Contract described above in Paragraph 45. This contract was valued at approximately $149.5 million.

48. After ALCATEL received the two ICE contracts described above, from in or around December 2001 to in or around October 2003, Alcatel CIT wire transferred approximately $14.5 million from its account at ABN Amro Bank in New York to an account at a correspondent bank, the International Bank of Miami in the Southern District of Florida, to be further credited to Servicios Notariales' account at Cuscatlan International Bank in Costa Rica. This amount of money bore no relation to any actual services provided by Servicios Notariales because it was, in reality, used in large part to make bribe payments to Costa Rican government officials. Specifically, Servicios Notariales used at least $7 million of that money to pay the following Costa Rican government officials for assisting Alcatel CIT in obtaining and retaining business in Costa Rica, including:

Official	Approximate Amount of Bribe
ICE Official 1	$2,560,000 and $100,000 in certificates of deposit
Senior Government Official 1	$950,000 (through the ICE Official 1)
ICE Official 2	$945,000
ICE Official 3	$145,000
ICE Official 4	$110,000
ICE Official 5	$1,300,000
Legislator 1	$550,000

49. Valverde and Sapsizian each received kickbacks from Servicios Notariales. Sapsizian received more than $300,000 from Servicios Notariales, an amount wired to a Panamanian bank account held by an entity he controlled. Valverde and his family members

received more than $4.7 million in kickbacks from Servicios Notariales.

50. In addition, from in or around 2001 to in or around May 2004, Alcatel CIT wire transferred from its account at ABN Amro Bank in New York approximately $3.9 million to Intelmar in Costa Rica. This amount of money bore no relation to actual services provided by Intelmar and also was used to make bribe payments to Costa Rican government officials. For example, Intelmar made payments from in or around December 2002 to in or around October 2003 totaling approximately $930,000 to ICE Official 6.

51. ALCATEL's efforts in Costa Rica were further rewarded on or about May 23, 2002, when ICE awarded Alcatel CIT a third contract, for additional switching equipment for the fixed network, valued at approximately $109.5 million.

52. Moreover, Sapsizian, on behalf of Alcatel CIT, approved the payment of approximately $25,000 in travel, hotel, and other expenses incurred by ICE officials during a primarily pleasure trip to Paris in or around October 2003 to discuss the GSM contract. Sapsizian instructed an Alcatel CIT employee to pay for some of these expenses in cash to conceal the payments and avoid leaving a paper trail leading to ALCATEL. This trip was partially intended to reward these government officials for providing ALCATEL with lucrative contracts, and the expenses were not bona fide promotional expenses under Title 15, United States Code, Section 78dd-1(c)(2).

53. Through the above-referenced conduct, employees of Alcatel CIT, Alcatel Standard, and ACR knowingly circumvented ALCATEL's internal controls system and made inaccurate and false entries in the books and records of Alcatel CIT, Alcatel Standard, and ACR, whose financial results were included in the consolidated financial statements of ALCATEL

submitted to the SEC. As a result of the contracts won by Alcatel CIT in Costa Rica as a result of bribe payments, ALCATEL earned approximately $23,661,000 in profits.

Conduct in Honduras

54. Besides operating in Costa Rica, ACR provided assistance to Alcatel de Honduras S.A., a wholly owned subsidiary of ALCATEL which ran operations in Honduras. Employees of ACR, along with Sapsizian, pursued business opportunities on behalf of ALCATEL in Honduras with Hondutel and Conatel. Alcatel CIT and Alcatel Mexico pursued business in Honduras by retaining certain consultants through Alcatel Standard. Alcatel CIT and Alcatel Mexico made large commission payments to at least one consultant, knowing that all or some of the money paid to that consultant would be paid to a close relative of a Honduran government official, with the high probability that some or all of the money would be passed on to the Honduran government official, in exchange for favorable treatment of ALCATEL, Alcatel CIT, and Alcatel Mexico.

55. In or around 2002, at the request of the brother of Senior Government Official 2 in Honduras, Alcatel Standard retained a new consultant in Honduras, Honduran Consultant 1, to perform vaguely described marketing and advisory services such as "maintaining liaisons with appropriate government officials." Honduran Consultant 1, however, was, in fact, an exclusive distributor of "brand name perfumes," and had no contacts in, or prior experience with, the telecommunications industry in Honduras or anywhere else. Rather, Honduran Consultant 1 was selected by Senior Government Official 2's brother, who instructed Sapsizian and an ACR employee to use Honduran Consultant 1 as an agent. Sapsizian and other ACR employees believed that all or some of the money paid to Honduran Consultant 1 would be paid to Senior

Government Official 2 and the family of Senior Government Official 2 in exchange for favorable treatment.

56. In retaining Honduran Consultant 1, Alcatel Standard knowingly failed to conduct appropriate due diligence on Honduran Consultant 1 and did not follow up on numerous, obvious red flags. First, Honduran Consultant 1 was a perfume distributor with no experience in telecommunications. Honduran Consultant 1's Company Profile, signed by Honduran Consultant 1 and ALCATEL's Area President, listed Honduran Consultant 1's main business as the distribution of "fine fragrances and cosmetics in the Honduran market." The Dun & Bradstreet report provided to the Executive 1 of Alcatel Standard stated that the company was "engaged in cosmetic sales, house-to-house." Second, the brother of Senior Government Official 2 regularly communicated with ALCATEL employees via an e-mail address from a domain name affiliated with Senior Government Official 2 and that official's family. Third, in or around late 2003, Senior Government Official 2's brother directly contacted Alcatel's Area 1 President in an effort to collect sales commissions ALCATEL owed to Honduran Consultant 1. Senior Government Official 2 then personally met with ALCATEL's Area 1 President in March 2004 in Spain as part of this effort.

57. Using Alcatel Standard's agreement to retain Honduran Consultant 1 and Alcatel CIT's and Alcatel Mexico's payments to Honduran Consultant 1, ALCATEL, Alcatel CIT, and Alcatel Mexico sought to secure an improper advantage in seeking business with Hondutel, and were able to retain contracts that may have otherwise been rescinded. In fact, Hondutel awarded ALCATEL one contract in or around 2002: The Pair Gain Project, valued at approximately $1 million. ALCATEL was awarded four additional contracts in or around 2003, for a combined

contract value of approximately $47 million. These projects were: (1) the National Fiber Optic project; (2) the Fixed Lines project; (3) the National Radio Network project; and (4) the Hondutel call center project. Alcatel CIT and Alcatel Mexico were able to retain these contracts in spite of significant performance problems.

58. Alcatel CIT and ACR employees arranged for several other Honduran government officials to take primarily pleasure trips to France, which were paid by Alcatel CIT or ACR directly. From in or around 2002 to in or around 2004, a high-ranking executive of Conatel, Conatel Official, provided Alcatel CIT and ACR employees with several sets of confidential internal Conatel documents, including confidential Hondutel bid documents. Conatel Official also provided confidential documents to the brother of Senior Government Official 2 indicating in his email that the documents were "for your eyes only." The brother forwarded these documents to Alcatel CIT and ACR employees. Alcatel CIT and ACR employees subsequently arranged for Conatel Official to travel to Europe on three separate occasions, including one trip that had nothing to do with ALCATEL business and for which the official received full reimbursement.

59. A high-ranking executive at Hondutel, Hondutel Official, who was appointed to his position by Senior Government Official 2, also received gifts and improper payments from Alcatel CIT and ACR employees. In or around 2004, Hondutel Official solicited and then received a payment of approximately $2,000 from ACR for an educational trip for his daughter. Alcatel CIT and ACR employees also arranged and paid for Hondutel Official to take a trip to Paris, France in or around 2003 with Hondutel Official's spouse. During part of the 2003 trip to

Paris, the Hondutel Official was lobbied to direct business to ALCATEL, but most of the trip consisted of touring activities via a chauffeur-driven vehicle.

60. Alcatel CIT also made payments to a Hondutel attorney who worked on the Pair Gain contract. Alcatel CIT paid for a leisure trip to Paris taken by the attorney and the attorney's daughter in or around June 2003, and then made a payment to the attorney of approximately $1,500 to thank the attorney for the attorney's work on the Pair Gain contract. The ALCATEL employee who helped arrange the trip to Paris was informed by an Alcatel CIT employee that it was "based around the idea of a visit to Paris. Versailles, Mont St. Michel, chauffeur, lido, excursion boat, . . . , hotel in Paris." The itinerary for June 7, 2003, was listed as "Visit Germany (?) (unless they want to go shopping in Paris)."

61. In engaging in the above-referenced conduct, employees of Alcatel CIT, Alcatel Standard, and ACR knowingly circumvented ALCATEL's internal controls system and caused inaccurate and false entries in the books and records of Alcatel CIT and Alcatel Standard, whose financial results were included in the consolidated financial statements of ALCATEL submitted to the SEC. Alcatel CIT's financial results were included in the consolidated financial statements of ALCATEL submitted to the SEC. As a result of the bribe payments, ALCATEL earned approximately $870,000 in profits.

Conduct in Malaysia

62. ALCATEL also pursued business in Malaysia through Alcatel Malaysia. Telekom Malaysia was the largest telecommunications company in Malaysia and was controlled by the government of Malaysia. Telekom Malaysia was Alcatel Malaysia's largest client. Celcom was

Telekom Malaysia's wholly owned subsidiary and focused exclusively on mobile communications services.

63. In at least 17 instances from in or around 2004 to in or around 2006, Alcatel Malaysia employees, with the consent and approval of Alcatel Malaysia's management, such as Executive 2 and Executive 3, made improper payments to Telekom Malaysia employees in exchange for nonpublic information relating to ongoing public tenders. The documents purchased generally consisted of internal assessments by Celcom's tender committee of non-public competitor pricing information.

64. Eight of the 17 improper payments to Telekom Malaysia employees were made in connection with a single public tender that Alcatel Malaysia ultimately won in or around June 2006: Phase II of a two-part mobile network contract with Celcom, valued at approximately $85 million. For each of these payments, Alcatel Malaysia employees created invoices falsely referring to various types of "document fees," but on at least one occasion accurately referring to "purchase of tender documents." Each of these invoices was approved for payment by Alcatel Malaysia's management, such as Executive 2 and Executive 3, and subsequently paid out of Alcatel Malaysia's petty cash account.

65. ALCATEL typically paid its agents and consultants commission rates based on the total value of a contract rather than pay a fixed fee for services. In late 2005 and early 2006, Alcatel Standard, however, entered into consulting agreements with Malaysian Consultant 1 for more than $500,000 for marketing reports and studies. At the time payments were made to Malaysian Consultant 1, Alcatel Malaysia and Alcatel Standard were aware of a significant risk that Malaysian Consultant 1 would pass on all or a part of these payments to foreign officials.

None of the reports or studies appear to have ever been generated.

66. Similarly, in mid-2005, Alcatel Standard entered into a consulting agreement on behalf of Alcatel Malaysia with Malaysian Consultant 2 under which Alcatel Standard agreed to pay a total of $500,000 for a "strategic intelligence report on Celcom's positioning in the cellular industry in relation to its competitors." Despite paying Malaysian Consultant 2 half a million dollars for this report, as with Malaysian Consultant 1, there is no evidence that Malaysian Consultant 2 did any actual work for Alcatel Malaysia or ever produced the report. In or around June 2005, Malaysian Consultant 2 sent Executive 1 of Alcatel Standard a copy of a thirteen-slide PowerPoint presentation, which appears to have been created by Celcom rather than Malaysian Consultant 2. When making this payment, executives of Alcatel Standard and Alcatel Malaysia were aware of a significant risk that Malaysian Consultant 2 was serving merely as a conduit for bribe payments to foreign officials.

67. Malaysia Consultant 1 worked for Alcatel Malaysia to benefit ALCATEL before formal agreements were finalized and executed, under what were called "gentlemen's agreements," which required that consulting agreements be entered into retroactively.

68. Alcatel Malaysia lacked internal controls, such as formal policies covering expenditures for gifts, travel, and entertainment for customers, leading to Alcatel Malaysia employees giving lavish gifts to Telekom Malaysia officials.

69. Through the above-referenced conduct, Alcatel Standard and Alcatel Malaysia knowingly circumvented ALCATEL's internal controls system and caused inaccurate and false entries in the books and records of Alcatel Standard and Alcatel Malaysia, whose financial results were included in the consolidated financial statements of ALCATEL submitted to the

SEC. Although ALCATEL won the $85 million Celcom contract, ALCATEL did not generate any profits from it.

Conduct in Taiwan

70. ALCATEL also pursued business in Taiwan through its indirect subsidiary, Alcatel SEL. Executive 4 of Alcatel SEL hired two third-party consultants, Taiwanese Consultant 1 and Taiwanese Consultant 2, to assist Alcatel SEL and Taisel, an ALCATEL joint venture, in obtaining an axle counting contract from the TRA initially valued at approximately $27 million. Both consultants claimed to have close ties to certain legislators in the Taiwanese government who were understood to have influence in awarding the contract due to their particular responsibilities in the legislature.

71. In or around June 2000, Taiwanese Consultant 1 entered into a consulting agreement with Alcatel Standard, which approved the agreement despite conducting little due diligence on the consultant. The Dun & Bradstreet report for Taiwanese Consultant 1, which was provided to Alcatel Standard in or around 2001 after the consulting agreement was entered, indicated that attempts to contact Taiwanese Consultant 1 were unsuccessful as the telephone number, facsimile number, and address provided did not relate to Taiwanese Consultant 1. The company profile, which was not signed by a Taiwanese Consultant 1 representative and the ALCATEL Area President until in or around 2002, reflected that Taiwanese Consultant 1 had no relevant market experience or knowledge, indicating that the company's main line of business was "Trading for Bar Code Reader, Printer & Ribbon, POS terminal, DATA terminal, CASH draws."

72. The original Taiwanese Consultant 1 consulting agreement provided for a 3% commission; amended agreements signed in or around March 2003 and in or around April 2004 provided that Taiwanese Consultant 1 would receive 4.75% and 6%, respectively, of the value of the contract. The agreements provided that Taiwanese Consultant 1 would promote Alcatel SEL's efforts to secure the TRA axle counting contract, including providing advice and market intelligence and keeping Alcatel SEL informed of "potential clients' requirements, decisions and future plans." Executive 1 of Alcatel Standard signed the original agreement and the amended agreements.

73. In fact, the purpose behind ALCATEL's hiring of Taiwanese Consultant 1 was so that Alcatel SEL could make improper payments to three Taiwanese legislators who had influence in the award of the TRA axle counting contract. On or about May 10, 2004, after Taisel had been awarded the contract, Alcatel SEL paid Taiwanese Consultant 1 a commission of approximately $921,413 by wire transfer from Alcatel SEL's ABN Amro bank account in New York, New York. Taiwanese Consultant 1, in turn, made improper payments to two Taiwanese legislators: Legislator 2 and Legislator 3.

74. Legislator 2 was a member of the Committee of Transport of the Legislative Council, which had oversight authority for telecommunications contracts in Taiwan. Legislator 2 assisted Alcatel SEL in convincing TRA that Alcatel SEL satisfied the technical requirements of the tenders. Legislator 2 also publicly supported Alcatel SEL's bid and provided advice to ALCATEL concerning its TRA bid documents.

75. Legislator 3 attempted to alter TRA's technical specifications to improve Alcatel SEL's bidding chances. Taiwanese Consultant 1 promised approximately $180,000 in campaign

funds for Legislator 3's 2004 election campaign and then paid Legislator 3 approximately $90,000 in or around 2004, after Alcatel SEL won the bid. Taiwanese Consultant 1 kept some of the commission and kicked back approximately $150,000 to Executive 4.

76. Executive 4 and Taiwanese Consultant 1 also spent approximately $8,000 on trips to Germany in or around May 2002 for an assistant in the office of Legislator 2, and in or around October 2003 for a secretary to the Taiwan Transportation and Communications Minister. Both trips were primarily for personal, entertainment purposes, with only nominal business justification. Indeed, the secretary of the Taiwan Transportation and Communications Minister brought his ex-wife on the trip, also at ALCATEL's expense. Alcatel SEL paid for the hotel and meal expenses directly and reimbursed Executive 4 and Taiwanese Consultant 1 for train tickets, taxis, and gifts. According to a February 2006 Group Audit Services report, Alcatel SEL's management knew of and approved reimbursement of these expenses. In addition, in or around January 2004, Alcatel SEL paid Taiwanese Consultant 1 approximately $3,000 to reimburse it for a set of crystal given to the secretary of the Taiwan Transportation and Communications Minister.

77. In or around 2002, Executive 4 hired Taiwanese Consultant 2 on behalf of Alcatel SEL because Taiwanese Consultant 2's owner was the brother of Legislator 4, who had influence with respect to TRA matters. Executive 4 met with Taiwanese Consultant 2's owner and Legislator 4, who requested that Alcatel SEL pay him a 2% success fee through Taiwanese Consultant 2 in connection with the axle counting contract. To bribe Legislator 4, Alcatel SEL arranged for a bogus consulting agreement between Taisel and Taiwanese Consultant 2. In reality, it was never expected that Taiwanese Consultant 2 would provide any legitimate services

to Taisel. On or about April 1, 2004, at Executive 4's instruction, Taisel signed a subcontract with Taiwanese Consultant 2 that called for Taisel to pay Taiwanese Consultant 2 approximately $383,895. Taisel paid approximately $36,561 to Taiwanese Consultant 2 on or about May 12, 2004, by wire transfer.

78. Neither Taiwanese Consultant 1 nor Taiwanese Consultant 2 provided legitimate services to ALCATEL or Alcatel SEL. Their only function was to pass on improper payments to three Taiwanese legislators on behalf of Alcatel SEL and Taisel. On or about December 30, 2003, Taisel's bid was accepted by the TRA, which granted Taisel a supply contract worth approximately $19.2 million, an amount lowered from the originally proposed $27 million contract as a result of an alteration in the scope of the work required.

79. Alcatel SEL's financial results were included in the consolidated financial statements of ALCATEL submitted to the SEC. As a result of the contracts won by ALCATEL in Taiwan as a result of bribe payments, ALCATEL earned approximately $4,342,600 in profits.

Conduct in Kenya

80. In or around 1999, the Communications Commission of Kenya invited mobile telecommunications operators to pre-qualify for Kenyan government approval to bid for a license known as the "2nd GSM" license. Only bidders with a local Kenyan partner owning at least 60% of the company's equity could apply for pre-qualification. A French telecommunications and entertainment company ("French Telecom"), which was not an ALCATEL entity, and a Kenyan company ("Kenyan Company") formed a joint venture ("Kenyan JV") to apply for this license. After a bidding process in which the Kenyan JV bid approximately $55 million, the

Communications Commission of Kenya awarded the 2nd GSM license to the Kenyan JV on or about January 28, 2000.

81. After Kenya awarded the Kenyan JV the 2nd GSM license, several companies bid to provide infrastructure and services to the Kenyan JV. This frame supply agreement, valued at approximately $87 million, included construction of a switching center, an operations and maintenance center, and base stations for the mobile network. After the initial stages of bidding, the Kenyan JV "short-listed" Alcatel CIT and another company to make final bids for the contract. Two groups within Alcatel CIT handled the bidding -- the Radio Communications Division ("RCD") and Area 4, which was the geographic operations area that included France and Africa.

82. Although the bid was technically made to the Kenyan JV, the bidding process was handled by personnel from French Telecom. French Telecom informed the President of the Mobile Division that Alcatel CIT would win the bid under one condition: an ALCATEL entity had to make improper payments to an intermediary in the approximate amount of $20 million. The President of the Mobile Division and other employees agreed to this condition. In or around February 2000, French Telecom informed Alcatel CIT that the Kenyan JV had selected Alcatel CIT's bid.

83. In subsequent meetings with Alcatel CIT, personnel from the French telecommunication company provided further details regarding the improper payments to the intermediary. French Telecom requested that an ALCATEL entity hire the intermediary and fold the intermediary's fees into the contract price. French Telecom explained that it wanted the intermediary to be hired by an ALCATEL entity as a way to pass money to Kenyan Company.

French Telecom structured the transaction so that it would cover the costs of hiring the intermediary by increasing the total price on the contract between Alcatel CIT and the Kenyan JV. The President of RCD and the President of Area 4 spoke about the French telecommunication company's request with Executive 1 of Alcatel Standard, who approved the payments. Alcatel Standard thereafter hired the intermediary, passing the cost through to the Kenyan JV. Alcatel CIT increased the contract price by approximately $20 million to cover the payments requested by French Telecom. In so doing, this transaction was not accurately and fairly reflected in ALCATEL's books, records, and accounts.

84. The contract between Alcatel CIT and the Kenyan JV was also accompanied by a side agreement signed on or about March 7, 2000, which provided that the Kenyan JV would make a payment to Alcatel CIT if the contract was terminated before certain benchmarks were reached. The true purpose of the side agreement was to ensure that Alcatel CIT was reimbursed for any fees paid to the intermediary if the underlying contract was cancelled for any reason. As such, this transaction was not accurately and fairly reflected in ALCATEL's books, records, and accounts.

85. The intermediary met with the Vice-President of Area 4 and Executive 1 in or around February 2000. Executive 1 met with the intermediary three additional times. Alcatel Standard performed insufficient due diligence on the intermediary and the intermediary's company ("Company T"). Executive 1 signed the first contract with Company T on or about March 17, 2000, which called for a $5 million lump sum payment within thirty days of the signing of the contract. A company located in Mauritius acted as an agent for Company T and generated Company T's invoices. Alcatel Standard executed a separate agreement with the

Mauritius agent, which provided for a $3 million payment to the Mauritius agent. Alcatel Standard executed four additional contracts for a total value of approximately $4,185,000 with the Company T, all of which were signed by Executive 1 on or about April 7, 2000. These aforementioned contracts failed to accurately and fairly reflect the true nature and purpose of the respective transactions.

86. In or around June 2000, the intermediary met with Executive 1 and the Vice-President of Area 4 in Vélizy, France, and requested that Alcatel CIT enter into another consulting contract with him. The intermediary suggested that Alcatel Standard enter into the contract with another company ("Company Z"). Executive 1 executed an agreement with Company Z on or about July 11, 2000, which provided for a lump sum payment of approximately $8.3 million to Company Z. According to the back-up documentation compiled for this contract, the payment was in connection with the "GSM 2nd license project." Again, this back-up documentation did not fairly and accurately reflect this transaction on ALCATEL's books and records. The Dun & Bradstreet report collected by Alcatel CIT indicated that Company Z was an offshore holding of Kenyan Company.

87. The payments to the Company T were made to Deutsche Bank (Mauritius); the payment to Mauritius agent was made to Hong Kong & Shanghai Bank Corporation; and the payment to Company Z was made to the Middle East Bank, Ltd. in Dubai. Each payment was described in ALCATEL's accounting system as "commissions on sales." The total amount of the payments was approximately $20 million. The reason that the payments went to three different entities, and not just to Company T, was because Alcatel Standard knew that it would have

trouble justifying a $20 million payment to just one consultant if the payments were ever examined.

88. After entering into the various contracts, the intermediary provided monthly reports and economic intelligence on the telecommunications market in Africa, but never provided any information related to the 2nd GSM license or the Kenyan telecommunications market. In light of the huge amounts of the payments, the fact that the intermediary performed little legitimate work in connection with the 2nd GSM license, and the fact that Company Z was an offshore holding of Kenyan Company, there is a high probability that all or a portion of the approximately $20 million in payments made by Alcatel CIT to the intermediary and the related entities was passed on to Kenyan Company, which in turn passed on the funds to Kenyan government officials who had played a role in awarding the original contract to French Telecom.

Conduct in Nigeria

89. Two ALCATEL entities, ITT Nigeria and Alcatel-Lucent Nigeria (formerly known as "Alcatel Nigeria Ltd.") operated in Nigeria during the relevant time period. Between in or around 1999 and in or around 2007, ALCATEL pursued business with various Nigerian customers.

90. Certain ALCATEL subsidiaries made improper payments to government officials in Nigeria in the following contexts: (a) payments made to government officials for the purpose of reducing tax or other liabilities; (b) payments made to government officials to obtain security services from the Nigerian police; (c) a payment of approximately $75,000 to a former Nigerian Ambassador to the United Nations for the purpose of arranging meetings between ALCATEL representatives and Nigerian Senior Government Official 1, a high-ranking official in the

Nigerian executive branch; (d) payments made to government officials for the purpose of securing recovery of a debt totaling approximately $36.5 million owed by the government of Nigeria to ITT Nigeria; and (e) a payment to a People's Democratic Party official. These payments were not described accurately and fairly on ALCATEL's books and records.

91. ALCATEL personnel also made improper payments via a consultant ("Nigerian Consultant 1") to a Senior Executive at Nigerian Telecommunications Company 1, a telecommunications company based in Lagos, Nigeria. ALCATEL also made large improper payments to two other consultants ("Nigerian Consultant 2" and "Nigerian Consultant 3"), which were owned at least in part by a relative of the Senior Executive at Nigerian Telecommunications Company 1. These payments were not described accurately and fairly on ALCATEL's books and records.

92. Specifically, beginning in or around March 2001, ALCATEL sought the assistance of Nigerian Consultant 1, a Mauritania-based consulting company, to obtain a GSM license for an affiliate of a Nigerian Telecommunications Company 1. Nigerian Consultant 1 also became involved in obtaining a Second National Operator ("SNO") license for Nigerian Telecommunications Company 1. Nigerian Consultant 1 was hired primarily because its principal had significant connections to Nigerian Senior Government Official 2, a high-ranking official in the Nigerian executive branch. Nigerian Telecommunications Company 1 won the SNO license in or around August 2002. Although the affiliate of Nigerian Telecommunications Company 1 won the bid for the GSM license, it did not pay the required fee for the license within the requisite amount of time and thereby lost the license.

93. ALCATEL also directed Nigerian Consultant 1 to make several commercial bribe payments totaling approximately €700,000 to the Senior Executive at Nigerian Telecommunications Company 1 directly and to another company, which was likely owned by the Senior Executive. These payments were made in order to secure contracts between ALCATEL subsidiaries and Nigerian Telecommunications Company 1. Alcatel CIT paid Nigerian Consultant 1 a total of €2,170,000 in consulting fees, all of which were made from Alcatel CIT's bank account at Société Generales Paris Opera in France.

94. Alcatel Standard never signed a consulting agreement with Nigerian Consultant 1 related to its assistance with the GSM or SNO licenses. Instead, on or about February 6, 2003, Alcatel Standard entered into a consulting agreement with Nigerian Consultant 1 to assist Alcatel CIT and Alcatel Nigeria in obtaining a certain Purchase Order No. 1 with Nigerian Telecommunications Company 1. According to several witnesses, the consulting agreement was created to allow ALCATEL to compensate Nigerian Consultant 1 for the "services" it provided in or around 2001-02 with respect to the GSM and SNO licenses and to make commercial bribe payments to the Senior Executive in connection with Nigerian Telecommunications Company 1 contracts. Accordingly, the aforementioned consulting agreement failed to accurately and fairly reflect the true nature and purpose of the transaction.

95. After ending the consulting relationship with Nigerian Consultant 1, Alcatel Standard hired Nigerian Consultant 2 and Nigerian Consultant 3, both of which were owned at least in part by a relative of the Senior Executive. These consultants likely were involved in funneling improper payments to the Senior Executive to secure Nigerian Telecommunications Company 1 contracts. In total, Alcatel CIT made payments totaling approximately $7,767,644 to

Nigerian Consultant 2 and Nigerian Consultant 3. Four payments totaling approximately $1,500,000 were paid to Nigerian Consultant 2 through Alcatel CIT's bank account with ABN Amro in New York. Fifteen payments totaling approximately $6,267,644 were made from Alcatel CIT's bank account in France to Nigerian Consultant 3's bank account in Switzerland. A single payment of approximately €32,256 was made from Alcatel Italia's bank account in Italy to Nigerian Consultant 3's bank account in the United Kingdom. The description of these payments on ALCATEL's books and records failed to accurately and fairly reflect the true nature and purpose of the transaction.

Conduct in Bangladesh

96. ALCATEL generated a significant portion of its revenue in Bangladesh from Bangladesh Telegraph and Telephone Board ("BTTB"), the state-controlled telecommunications services provider. All major telecommunications tenders in Bangladesh required approval from the Telecommunications Ministry and the Minister of Finance. During the relevant period, ALCATEL used an agent in Bangladesh ("Bangladesh Consultant"). Alcatel Standard did not conduct adequate due diligence on Bangladesh Consultant.

97. Alcatel Standard appears to have retained Bangladesh Consultant in connection with the Bangladesh Singapore Cable Network ("BSCN") project in or around 2000. Bangladesh Consultant appears to have suggested that ALCATEL make improper payments to BTTB officials. Ultimately, BTTB recommended that another company be awarded the project. The BSCN project was subsequently canceled and instead BTTB chose to participate in the much larger SEA-ME-WE-4 network, a submarine cable project connecting fourteen countries. This decision was made in spite of BSCN's alleged cost/benefit superiority over SEA-ME-WE-4.

98. In or around November 2003, Alcatel Standard retained Bangladesh Consultant in connection with the SEA-ME-WE-4 project. The SEA-ME-WE-4 project was ultimately awarded to ALCATEL and another company; ALCATEL's portion of the contract was approximately $258 million. Alcatel Standard executed an agreement in or around October 2004 with Bangladesh Consultant, fixing the agent's compensation at 2% of the value of the contract. Ultimately, Alcatel CIT paid Bangladesh Consultant approximately $626,492 in compensation for services provided in connection with the SEA-ME-WE-4 project and, between August 22, 1997, and April 25, 2006, approximately $2,524,939 in connection with various upgrades to a predecessor of the SEA-ME-WE-4 project. At the time payments were made to Bangladesh Consultant, Alcatel Standard was aware of a significant risk that Bangladesh Consultant would pass on all or a part of these payments to foreign officials.

Conduct in Ecuador

99. ALCATEL conducted business in Ecuador with three major telecommunications customers, all of which were state-owned: Andinatel, Pacifictel, and Empresa Municipal de Telecomunicaciones, Agua Potable, Alcantarillados y Saneamiento ("ETAPA"). ALCATEL operated in Ecuador through Alcatel de Ecuador, a local subsidiary. During the relevant time period, contracts for equipment sales and major projects were directly executed by Alcatel CIT, Alcatel Standard, or Alcatel Bell (Antwerp).

100. ALCATEL retained a consultant in Ecuador during the relevant time period ("Ecuadorian Consultant"). Ecuadorian Consultant was a wealthy businessman who had a longstanding relationship with Executive 1 of Alcatel Standard, who participated directly in negotiating Ecuadorian Consultant's consulting contracts. Ecuadorian Consultant had an

arrangement whereby he typically received a commission of 10-14% of the value of the sales contract on all work he performed for ALCATEL.

101. Because this percentage was much higher than ALCATEL typically paid its consultants, Executive 1 suggested that ALCATEL enter into consulting agreements with three or four different Ecuadorian Consultant-controlled entities for each sales contract so that the percentage would not appear as high. As a result, each of the Ecuadorian Consultant-controlled entities typically received 3-5% of the sales commission for each project, which allowed Ecuadorian Consultant to retain his 10-14% commission rate.

102. The consulting companies that Ecuadorian Consultant controlled all maintained one or more bank accounts in Miami, Florida, and received at least some payments from ALCATEL in those bank accounts.

103. From in or around 1999 to in or around 2004, ALCATEL entities executed at least fifty-eight consulting agreements with these Ecuadorian Consultant-controlled companies relating to work purportedly done in connection with government-owned telecommunications companies in Ecuador. Payments from ALCATEL entities to these Ecuadorian Consultant-controlled companies totaled approximately $8,875,477. Of this amount, approximately $8,087,477 was paid by Alcatel CIT and approximately $788,000 was paid by Alcatel Standard.

104. The consulting agreements the ALCATEL entities entered into with the Ecuadorian Consultant entities stated that the consulting firms were to perform such services as preparing market evaluations, providing client and competition analysis, and assisting in contract negotiations. In fact, Ecuadorian Consultant and the entities he controlled did little legitimate work for ALCATEL. Instead, it was anticipated that Ecuadorian Consultant would funnel a

portion of the funds ALCATEL paid him to officials of the Ecuadorian state-owned telecommunications companies in order to secure business and other benefits for ALCATEL. Improper payments were anticipated to be made or offered in connection with at least nine contracts with government-owned telecommunications companies.

105. ALCATEL also paid for trips taken by officials of the three telecommunications companies that were principally for pleasure. For example, both the Vice-President and the Chairman of the Board of Pacifictel received improper all-expenses paid trips to France.

Conduct in Nicaragua

106. ALCATEL operated in Nicaragua through its subsidiary Alcatel Centroamerica (formerly known as "Alcatel de Costa Rica"). ALCATEL's only customer in Nicaragua was Empresa Nicaraguense de Telecomunicaciones S.A. ("Enitel"), which was state-owned during the relevant time period. Ecuadorian Consultant also served as ALCATEL's consultant in Nicaragua. Alcatel Standard entered into consultancy agreements with an Ecuadorian Consultant-controlled entity for Enitel-related assistance.

107. With the assistance of Ecuadorian Consultant, Alcatel CIT secured two contracts with Enitel during the relevant time period. The contracts, valued at approximately $1.6 million and $370,000, were each awarded in or around 2001. Consultancy agreements relating to the two projects were executed by Alcatel Standard and an Ecuadorian Consultant-controlled entity in 2002. The agreements required the Ecuadorian Consultant-controlled entity to use its best efforts to promote Alcatel CIT's offers through such measures as "market evaluation," "client analysis and competition analysis," "bid evaluation and follow-up of tender process and assistance for the preparation of offers and financing facilities," and "assistance in negotiations of contracts with

clients." Each agreement provided for compensation to the Ecuadorian Consultant-controlled entity in the amount of 8% of the total contract value plus lump sum payments of $100,000 and $25,000, respectively.

108. Ecuadorian Consultant and the Ecuadorian Consultant-controlled entity appear to have done little to no legitimate work in connection with these consultancy agreements. Alcatel CIT made payments totaling approximately $229,382 to the Miami bank account of the Ecuadorian Consultant-controlled entity in 2002 pursuant to the consultancy agreements. Ecuadorian Consultant likely used a portion of these payments to bribe certain key Enitel officials in order to influence Enitel to award the two contracts to ALCATEL, to obtain confidential information about competing bids, and to secure favorable financial terms. In subsequent correspondence with Christian Sapsizian, Ecuadorian Consultant referred to "commitments" he made at certain meetings to Enitel officials, whom he referred to as "amigos," and attributed to them the favorable contract terms granted to ALCATEL. The payments to the Ecuadorian Consultant-controlled entity were identified in ALCATEL's books and records as consulting fees, and thus the description of those payments did not accurately and fairly reflect those transactions.

109. Alcatel CIT also provided a trip to Paris and Madrid to two Enitel officials in late 2001 in order to encourage the execution of one of the two contracts. The purpose of the trip was largely for pleasure, and it appears that Alcatel CIT covered all travel costs and a large portion of the expenses.

Other Consultancy Agreements
Entered into Without Proper Due Diligence

110. "Angolan Company 1" was a company registered in Mauritius with operations in Angola. Angolan Company 1 had an affiliated company, "Angolan Company 2," registered in Angola. In or around 2006, Alcatel Standard signed two consultancy agreements with Angolan Company 1 and Angolan Company 2 without performing the appropriate due diligence as part of an internal controls program. These agreements had stated commission rates of 2%, 8.16%, and 9%, and were valued at approximately €5.3 million, €6.6 million, and €34.9 million, respectively. The customer on all three projects was an Angolan telecommunications company with close ties to "Angolan Senior Government Official," a high-ranking Angolan executive branch official, and his family. Angolan Company 1 was paid approximately $3.5 million by Alcatel-Lucent France in or around 2007 pursuant to these agreements. These amounts were recorded in ALCATEL's books and records as consulting fees.

111. Angolan Company 2 had close ties to both Angolan Senior Government Official and the Angolan telecommunications company. The sole shareholder of Angolan Company 2 was related to Angolan Senior Government Official. Another close relative of the Angolan Senior Government Official owned a 40% stake in the Angolan telecommunications company and was known to act as a front for the Angolan Senior Government Official. As a result, ALCATEL's payments to Angolan Company 1 were likely intended to influence the private Angolan telecommunications company, either directly or through Angolan Senior Government Official's family, to award business to ALCATEL.

112. "Ivory Coast Company" was a company registered in the Ivory Coast with operations in the Ivory Coast and Burkina Faso. Alcatel Standard, and later Alcatel-Lucent Trade International, signed sixty-one consultancy agreements with Ivory Coast Company between May 2002 and June 2007 without performing the appropriate due diligence as part of an internal controls program. The commission rates in these agreements ranged from 1% to 4% on contract amounts ranging from €90,000 to €16 million. The customers on these agreements, all of which were private companies, included two companies in Burkina Faso and six companies in the Ivory Coast. Ivory Coast Company was paid approximately $3 million by Alcatel CIT (and later Alcatel-Lucent France) between 2002 and 2007 pursuant to these agreements. These amounts were recorded in ALCATEL's books and records as consulting fees.

113. Ivory Coast Company was owned by an Ivory Coast government official. This government official ran Ivory Coast Company's operations from his government office and was a close advisor to a high-ranking official in the Ivory Coast executive branch. As a result, at the time payments were made to Ivory Coast Company, Alcatel Standard was aware, or should have been aware, of a significant risk that Ivory Coast Company would pass on all or a part of these payments to foreign officials.

114. "Ugandan Company" was a company registered and with operations in Uganda. Alcatel Standard signed four consultancy agreements with Ugandan Company between March 2004 and June 2006 without performing the appropriate due diligence as part of an internal controls program even though a state-owned entity was the underlying customer. The stated commission rate in three of these contracts was 2.5%; the fourth had a commission rate of 9.7%. The value of the underlying contracts ranged from €60,000 to €5.3 million. Ugandan Company

was paid $382,355 by Alcatel CIT (and later Alcatel-Lucent France) between 2005 and 2008 pursuant to these agreements. These amounts were recorded in ALCATEL's books and records as consulting fees, and thus the description of those payments did not accurately and fairly reflect those transactions

115. Ugandan Consultant was one of the owners of Ugandan Company. Ugandan Consultant was a close friend of an advisor to a high-ranking official in the Ugandan executive branch. Ugandan Consultant was also reputed to be involved in other criminal activities. As a result, at the time payments were made to Ugandan Company, Alcatel Standard was aware, or should have been aware, of a significant risk that Ugandan Company would pass on all or a part of these payments to foreign officials.

116. "Malian Company 1" was a company incorporated in Mali and was owned by Malian Consultant. During the relevant time period, a relative of Malian Consultant ("Relative 1") was married to a high-ranking official in the Malian executive branch. Additionally, another relative of the Malian Consultant ("Relative 2"), individually and through a company controlled by him, "Malian Company 2," served as a consultant to Alcatel CIT, including during a time period in which Relative 2 was a senior executive of the state-controlled cellular telephone company. During this same time period, Relative 2 was the president and owner of Malian Company 2 as well as managing director of Malian Company 1.

117. During Relative 2's tenure as a foreign official, Malian Company 2 consulted for Alcatel CIT on the execution of a contract with the state-controlled cellular telephone company. The consulting agreement was executed by Relative 2 on or about April 8, 2000, and by Alcatel Standard on or about May 2, 2000, and provided for a 12% commission rate on the total contract

value of 45 million French francs (approximately $9,684,407). Alcatel Standard entered into this consultancy relationship with Malian Consultant without performing the appropriate due diligence as part of an internal controls program. Alcatel CIT also made additional payments to Relative 2 for consulting services in Mali. ALCATEL's arrangement with Malian Company 1 entitled Malian Company 1 to a 2% share of any Malian contract for which another consultant was used. While Relative 2 was a foreign official, he was paid approximately $13,480 on August 15, 1999, and approximately $32,897 on February 9, 1999, for this arrangement. Relative 2 signed Malian Company 1's exclusive agency agreement in or around April 2000 while he was a foreign official. As a result, at the time payments were made to Relative 2, Alcatel Standard was aware, or should have been aware, that these payments were improper. These amounts were recorded in ALCATEL's books and records as consulting fees.

COUNT ONE
(FCPA – Internal Controls)

118. Paragraphs 1 though 117 of this Information are realleged and incorporated by reference as if fully set forth herein.

119. From in or around 1998 through in or around 2007, within the Southern District of Florida, and elsewhere, the defendant,

ALCATEL-LUCENT, S.A.,
f/k/a "Alcatel, S.A.,"

knowingly circumvented and knowingly failed to implement a system of internal accounting controls sufficient to provide reasonable assurances that: (i) transactions were executed in accordance with management's general and specific authorization; (ii) transactions were recorded as necessary (I) to permit preparation of financial statements in conformity with generally accepted accounting principles and any other criteria applicable to such statements, and (II) to maintain accountability for assets; (iii) access to assets was permitted only in accordance with management's general and specific authorization; and (iv) the recorded accountability for assets was compared with the existing assets at reasonable intervals and appropriate action was taken with respect to any differences, *to wit*: the defendant knowingly: (a) failed to implement sufficient anti-bribery compliance policies and procedures; (b) failed to maintain a sufficient system for the selection and approval of consultants, which, in turn, permitted corrupt conduct to occur at certain subsidiaries; (c) entered into purported business consulting agreements with no apparent basis, and without performing any due diligence, sometimes after the company had already won the relevant project; (d) failed to verify information provided by consultants, including failing to follow up in circumstances in which managers knew or were substantially certain illicit activity was taking place; (e) failed to prevent consultants from using multiple shell companies to receive commissions in excess of 10% knowing there was a substantial likelihood those consultants were acting as conduits for corrupt payments; (f) failed to conduct appropriate audits of payments to purported business consultants; (g) failed to prohibit lump sum payments being made to consultants that did not correspond to any contract; (h) failed to prohibit payments to consultants and public officials pursuant to an oral "gentlemen's agreement"; (i) failed to appropriately investigate and respond to allegations of corrupt payments and discipline employees involved in making corrupt payments; (j) failed to establish a sufficiently empowered and competent Corporate Compliance Office; (k) failed to exercise due diligence to prevent and detect criminal conduct; (l) failed to take reasonable steps to ensure the company's compliance and ethics program was followed, including monitoring and internal audits to detect criminal conduct; (m) failed to evaluate regularly the effectiveness of the company's compliance and ethics program; and (n) failed to provide appropriate incentives to perform in accordance with the compliance and ethics program; all in violation of Title 15, United States Code, Sections 78m(b)(2)(B), 78m(b)(5), and 78ff(a), and Title 18, United States Code, Section 2.

COUNT TWO
(FCPA - Books and Records)

120. Paragraphs 1 through 117 of this Information are re-alleged and incorporated by reference as if set out in full.

121. From in or around 1998 to in or around 2007, in the Southern District of Florida and elsewhere, the defendant,

ALCATEL-LUCENT, S.A.,
f/k/a "Alcatel, S.A.,"

knowingly falsified and caused to be falsified books, records, and accounts required to, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the defendant, *to wit*: the defendant: (a) drafted sham business consulting agreements to justify third party payments; (b) mis-characterized bribes in the corporate books and records as consulting fees and other seemingly legitimate expenses; (c) justified payments to purported business consultants based on false invoices; and (d) entered into purported business consulting agreements with no basis, sometimes after ALCATEL-LUCENT, S.A., f/k/a "Alcatel, S.A.," had won the relevant project; all in violation of Title 15, United States Code, Sections 78m(b)(2)(A), 78m(b)(5), and 78ff(a), and Title 18, United States Code, Section 2.

DENIS J. McINERNEY
Chief, Fraud Section

By: ______________________
CHARLES E. DUROSS
Deputy Chief, Fraud Section

By: ______________________
ANDREW GENTIN
Trial Attorney, Fraud Section

United States Department of Justice
Criminal Division
1400 New York Ave., N.W.
Washington, D.C. 20005
(202) 353-7691

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

UNITED STATES OF AMERICA **CASE NO.** ____________

vs.

ALCATEL-LUCENT, S.A.,
f/k/a "Alcatel, S.A.,"

Defendant. /

CERTIFICATE OF TRIAL ATTORNEY*

Superseding Case Information:

Court Division: (Select One)

X Miami ___ Key West
___ FTL ___ WPB ___ FTP

New Defendant(s) Yes ___ No ___
Number of New Defendants ___
Total number of counts ___

I do hereby certify that:

1. I have carefully considered the allegations of the indictment, the number of defendants, the number of probable witnesses and the legal complexities of the Indictment/Information attached hereto.

2. I am aware that the information supplied on this statement will be relied upon by the Judges of this Court in setting their calendars and scheduling criminal trials under the mandate of the Speedy Trial Act, Title 28 U.S.C. Section 3161.

3. Interpreter: (Yes or No) No
List language and/or dialect ____________

4. This case will take 0 days for the parties to try.

5. Please check appropriate category and type of offense listed below:

(Check only one)			(Check only one)	
I	0 to 5 days	X	Petty	
II	6 to 10 days		Minor	
III	11 to 20 days		Misdem.	
IV	21 to 60 days		Felony	X
V	61 days and over			

6. Has this case been previously filed in this District Court? (Yes or No) No
If yes:
Judge: ____________ Case No. ____________
(Attach copy of dispositive order)
Has a complaint been filed in this matter? (Yes or No) ___
If yes:
Magistrate Case No. ____________
Related Miscellaneous numbers: 06-20797-CR-SEITZ(s) (Christian Sapsizian, Reg. No. 78172-004)
Defendant(s) in federal custody as of ____________
Defendant(s) in state custody as of ____________
Rule 20 from the ____________ District of ____________

Is this a potential death penalty case? (Yes or No) No

7. Does this case originate from a matter pending in the Northern Region of the U.S. Attorney's Office prior to October 14, 2003? ___ Yes X No

8. Does this case originate from a matter pending in the Central Region of the U.S. Attorney's Office prior to September 1, 2007? ___ Yes X No

CHARLES E. DUROSS
DEPUTY CHIEF, FRAUD SECTION, U.S. DEPT. OF JUSTICE
Florida Bar No./Court No. A5500618

*Penalty Sheet(s) attached

REV 4/8/08

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

PENALTY SHEET

Defendant's Name: **ALCATEL-LUCENT, S.A., f/k/a "Alcatel, S.A."**

Case No: ______________________

Count #: 1

Foreign Corrupt Practices Act (Internal Controls)

15 U.S.C. §§ 78m(b)(2)(B), 78m(b)(5), 78ff

*** Max.Penalty:** Fine of $25,000,000 or twice the gross gain or loss (18 U.S.C. § 3571(d))

Count #: 2

Foreign Corrupt Practices Act (Books and Records)

15 U.S.C. §§ 78m(b)(2)(A), 78m(b)(5), 78ff

***Max. Penalty:** Fine of $25,000,000 or twice the gross gain or loss (18 U.S.C. § 3571(d))

Count #:

____

____

***Max. Penalty:** ______________________

Count #:

____

____

***Max. Penalty:** ______________________

***Refers only to possible term of incarceration, does not include possible fines, restitution, special assessments, parole terms, or forfeitures that may be applicable.**