

## JUSTICE NEWS

### Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Tuesday, November 7, 2017

### **Five Individuals Charged in Foreign Bribery Scheme Involving Rolls-Royce Plc and Its U.S. Subsidiary**

Charges were unsealed today against two former executives of Rolls-Royce plc and its subsidiaries (Rolls-Royce), a former Rolls-Royce employee, a former intermediary for Rolls-Royce in Kazakhstan and an executive of an international engineering consulting firm – all for their alleged participation in a scheme to pay bribes to foreign government officials for the benefit of a U.S.-based Rolls-Royce subsidiary, including to secure a contract to supply equipment and services to power a gas pipeline from Central Asia to China.

Acting Assistant Attorney General Kenneth A. Blanco of the Justice Department's Criminal Division, U.S. Attorney Benjamin C. Glassman of the Southern District of Ohio, Inspector in Charge Regina Faulkerson of the U.S. Postal Inspection Service's Criminal Investigations Group, Assistant Director Stephen E. Richardson of the FBI's Criminal Investigative Division and Assistant Director in Charge Andrew W. Vale of the FBI's Washington Field Office made the announcement.

Petros Contoguris, 70, a citizen of Greece residing in Turkey, was charged by an indictment filed in the Southern District of Ohio on Oct. 12, and unsealed today, with one count of conspiracy to violate the Foreign Corrupt Practices Act (FCPA), one count of conspiracy to launder money, seven counts of violating the FCPA and 10 counts of money laundering. Contoguris is believed to be outside of the United States. James Finley, 66, a citizen of the United Kingdom residing in Taiwan, pleaded guilty on July 28, before Chief Judge Edmund A. Sargus Jr. of the Southern District of Ohio, to one count of conspiracy to violate the FCPA and one count of violating the FCPA. Aloysius Johannes Jozef Zuurhout, 53, of the Netherlands; Andreas Kohler, 53, of Austria; and Keith Barnett, 48, of Houston, Texas, each pleaded guilty to one count of conspiracy to violate the FCPA before Chief Judge Sargus on June 13; June 6; and Dec. 20, 2016, respectively.

“The charges announced today against executives, employees, and third parties affiliated with Rolls-Royce, is another example of the Criminal Division's commitment to holding individuals – and not just corporations – accountable for violating the FCPA,” said Acting Assistant Attorney General Blanco. “Thanks to the coordinated efforts by our prosecutors and agents – working closely with their counterparts in Brazil and at the United Kingdom's Serious Fraud Office, among others – these defendants, many of whom reside overseas, will face justice in this case, which represents another important step towards leveling the playing field for all ethical and honest businesses.”

“The charges unsealed today reflect the determination and ability of the United States to investigate and prosecute individuals who engage in foreign corrupt business practices, regardless of how sophisticated or far-flung the scheme may be,” said U.S. Attorney Glassman. “We can and will follow the evidence wherever it leads – from Columbus to Kazakhstan and beyond.”

“This type of sophisticated fraud scheme can cause immeasurable economic losses to competitive markets around the world,” said Inspector in Charge Faulkerson. “Anyone who engages in deceptive practices should know they will not go undetected and will be held accountable. The U.S. Postal Inspection Service has an extensive history of successfully investigating complex fraud and corruption cases. The collaborative investigative work conducted by Postal Inspectors and our domestic and international law enforcement partners illustrates our efforts to protect the United States and the international marketplace.”

“Today’s indictment and guilty pleas reveal that those associated with this corruption did knowingly conspire to break the law for their own personal gain,” said Assistant Director Richardson. “No one is above the law, so let today’s announcement be a warning to those who may try to perpetrate a similar scheme that the FBI will aggressively pursue those who attempt to bribe foreign officials for an unfair advantage in the global marketplace.”

“Today’s charges demonstrate the immense capabilities of the FBI’s Washington Field Office international corruption program and the global impact of the anti-corruption program,” said Assistant Director in Charge Vale. “The FBI is committed to holding accountable those who disrupt the level playing field to which companies in the United States and around the world are entitled.”

According to the indictment and informations unsealed today, Contoguris, the founder and chief executive officer of Gravitass & CIE. International Ltd. (Gravitass); Finley, a former senior executive in energy at Rolls-Royce; Barnett, a former regional director in energy at Rolls-Royce; Zuurhout, a former energy sales employee at Rolls-Royce; and Kohler, a managing director at an international engineering and consulting firm, and others, allegedly conspired to pay bribes to foreign officials in exchange for directing business to Rolls-Royce Energy Systems Inc. (RRESI). RRESI was a U.S.-based indirect subsidiary of Rolls-Royce plc, the United Kingdom-based manufacturer and distributor of power systems for the aerospace, defense, marine and energy sectors.

The indictment alleges that Contoguris, working with employees of an international engineering consulting firm (Technical Advisor), including Kohler, devised a scheme with Rolls-Royce executives and employees, including Zuurhout, Barnett and Finley, whereby Rolls-Royce would pay kickbacks to the Technical Advisor employees, and bribes to at least one foreign official, and disguise these payments as commissions to Contoguris’s company, Gravitass, in exchange for helping Rolls-Royce win contracts with Asia Gas Pipeline LLP (AGP).

According to the indictment, AGP was created to build and connect a gas pipeline between Central Asia and China, and the Technical Advisor purported to provide independent engineering consulting advice and other services to AGP. The indictment further alleges that after AGP awarded Rolls-Royce a contract in November 2009, worth approximately \$145 million, Rolls-Royce made commission payments to Gravitass, and Contoguris then passed a portion of those commission payments onto the Technical Advisor employees knowing that they would share that money with a foreign official consistent with their corrupt agreement.

In pleading guilty, Finley, Barnett and Zuurhout admitted that they each participated in a conspiracy, going as far back as approximately 1999 and continuing into 2013, to engage commercial advisors who would use their commission payments from Rolls-Royce to bribe foreign officials in a number of countries to help Rolls-Royce secure an improper advantage and obtain and retain business with foreign governments and instrumentalities across the globe.

The charges announced today follow the [announcement](#) on Jan. 17, of a deferred prosecution agreement with Rolls-Royce plc and a more than \$800 million total penalty as part of a global resolution to

investigations by the Department of Justice and U.K. and Brazilian authorities related to the corrupt conduct. The agreement acknowledged Rolls-Royce's cooperation in this case, including with the Department's investigation into individuals, and significant remedial measures.

An indictment is merely an allegation and all defendants are presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

The U.S. Postal Inspection Service and the FBI's International Corruption Squad in Washington, D.C., investigated the case. In 2015, the FBI formed International Corruption Squads across the country to address national and international implications of foreign corruption. Trial Attorneys Kevin R. Gingras, Vanessa Snyder and Ephraim Wernick of the Criminal Division's Fraud Section, and Assistant U.S. Attorneys Michael J. Marous and Jessica Kim of the Southern District of Ohio are prosecuting the case.

The Criminal Division's Office of International Affairs provided significant assistance in this matter. The United Kingdom's Serious Fraud Office provided significant cooperation and assistance in this matter, as did law enforcement colleagues in Brazil, which both coordinated with the Department to reach simultaneous resolutions with Rolls-Royce. The Department also thanks its law enforcement colleagues in Austria, Germany, the Netherlands, Singapore and Turkey.

The Criminal Division's Fraud Section is responsible for investigating and prosecuting all FCPA matters. 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).

---

**Attachment(s):**

[Download Contogurus Indictment](#)

[Download Finley Information](#)

[Download Kohler Information](#)

[Download Zuurhout Information](#)

[Download Barnett Information](#)

**Component(s):**

[Criminal Division](#)

[USAO - Ohio, Southern](#)

**Press Release Number:**

17-1253

*Updated November 7, 2017*