
Vantage Drilling International Agrees to Settle FCPA Charges

ADMINISTRATIVE PROCEEDING

File No. 3-18899

November 19, 2018, The Securities and Exchange Commission today announced that Vantage Drilling International ("Vantage"), a Houston-based offshore drilling company, has agreed to settle charges that its predecessor, Vantage Drilling Company ("VDC"), failed to devise a system of internal accounting controls with regard to VDC's transactions with its former outside director, largest shareholder, and only supplier of drilling assets, and failed to properly implement internal accounting controls related to its use of third-party marketing agents. Previously, both the director and a marketing agent were charged in Brazil as part of "Operation Carwash" for paying bribes to officials at Petroleo Brasileiro SA Petrobras ("Petrobras"), a Brazilian state-owned oil and gas company, in connection with obtaining an 8-year drilling services contract from Petrobras.

According to the SEC's order, VDC lacked sufficient internal accounting controls in relation to the heightened risk of conducting business in the oil and gas industry in Brazil. Consequently, VDC increased the risk that it financed the bribes by making substantial payments to the director in 2008 and 2012. Both VDC and the director financially benefited from the lucrative contract with Petrobras that was secured through the director's and agent's bribery.

The SEC's order found that Vantage violated the internal accounting controls provision of Section 13 (b)(2)(B) of the Securities and Exchange Act of 1934. Without admitting or denying the SEC's findings, Vantage agreed to pay \$5 million in disgorgement.

The SEC's investigation was conducted by Samantha Martin and Laura Bennett of the SEC's FCPA Unit and Fort Worth Regional Office and supervised by David Reece. The SEC appreciates the assistance of the Department of Justice Criminal Division's Fraud Section, the Federal Bureau of Investigation, and the Brazilian Federal Prosecution Service.

Related Materials

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