



Department of Justice

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Department of Justice Seeks to Recover Approximately \$3 Million in Illegal Proceeds from Foreign Bribe Payments

WASHINGTON – The Department of Justice has filed a forfeiture action against accounts worth nearly \$3 million that are alleged to be the proceeds of a wide-ranging conspiracy to bribe public officials in Bangladesh and their family members in connection with various public work projects, Acting Assistant Attorney General Matthew Friedrich of the Criminal Division announced today.

The forfeiture action was filed Jan. 8, 2009, in U.S. District Court in the District of Columbia against funds located in Singapore held by multiple account holders. The forfeiture complaint relates primarily to alleged bribes paid to Arafat "Koko" Rahman, the son of the former prime minister of Bangladesh, in connection with public works projects awarded by the government of Bangladesh to Siemens AG and China Harbor Engineering Company. According to the forfeiture complaint, the majority of funds in Koko's account are traceable to bribes allegedly received in connection with the China Harbor project, which was a project to build a new mooring containment terminal at the port in Chittagong, Bangladesh.

"This action shows the lengths to which U.S. law enforcement will go to recover the proceeds of foreign corruption, including acts of bribery and money laundering," said Acting Assistant Attorney General Matthew Friedrich. "Not only will the Department, for example, prosecute companies and executives who violate the Foreign Corrupt Practices Act, we will also use our forfeiture laws to recapture the illicit facilitating payments often used in such schemes."

Siemens Aktiengesellschaft (Siemens AG), a German corporation, and three of its subsidiaries pleaded guilty on Dec. 15, 2008, to violations of and charges related to the Foreign Corrupt Practices Act (FCPA). Specifically, Siemens Bangladesh admitted that from May 2001 to August 2006, it caused corrupt payments of at least \$5,319,839 to be made through purported business consultants to various Bangladeshi officials in exchange for favorable treatment during the bidding process on a mobile telephone project. At least one payment to each of these purported consultants was paid from a U.S. bank account.

According to the forfeiture complaint, the bribe payments from Siemens AG and China Harbor Engineering Company were made in U.S. dollars, and the illicit funds flowed through financial institutions in the United States before they were deposited in accounts in Singapore, thereby subjecting them to U.S. jurisdiction. Money laundering laws in the United States cover financial transactions that flow through the United States involving proceeds of foreign offenses, including foreign bribery and extortion.

In August 2006, the President announced a National Strategy to Internationalize Efforts Against Kleptocracy to fight high-level corruption around the world. This strategy combines the policy and law enforcement tools of several federal agencies, including the Departments of Justice, Treasury, State and Homeland Security.

The case is being prosecuted by Deputy Chief Linda Samuel and Trial Attorney Frederick Reynolds of the Criminal Division's Asset Forfeiture and Money Laundering Section. Additional assistance was provided by the Criminal Division's Office of International Affairs. The case was investigated by the FBI's Washington Field Office in cooperation with Bangladeshi law enforcement.

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