UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA :

- v. - :

VIMPELCOM LTD., :

Defendant. :

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INFORMATION

16 Cr. ____ (ER)

16 CRIM 137

The United States charges at all times relevant, unless otherwise specified:

GENERAL ALLEGATIONS

Relevant Statutory Background

1. The Foreign Corrupt Practices Act of 1977, as amended, Title 15, United States Code, Sections 78dd-1, *et seq.* ("FCPA"), was enacted by Congress for the purpose of, among other things, making it unlawful to act corruptly in furtherance of an offer, promise, authorization, or payment of money or anything of value, directly or indirectly, to a foreign official for the purpose of obtaining or retaining business for, or directing business to, any person.

2. In relevant part, the FCPA's anti-bribery provisions prohibit 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 15(d) of the Securities Exchange Act, 15 U.S.C. § 78o(d) (hereinafter "issuer"), or affiliated persons, from making use of the mails or any means or instrumentality of interstate commerce 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 assisting in obtaining or retaining business for or with, or directing business to, any person. 15 U.S.C. § 78dd-1(a)(3).

3. The FCPA's accounting provisions require that issuers, among other things, make and keep books, records, and accounts that accurately and fairly reflect the transactions and disposition of the company's assets and prohibit the knowing and willful falsification of an issuer's books, records, or accounts. 15 U.S.C. §§ 78m(b)(2)(A), 78m(b)(5), and 78ff(a).

4. Additionally, the FCPA's accounting provisions require 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 (A) permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (B) 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. The FCPA also prohibits the knowing and willful failure to implement such a system of internal accounting controls. 15 U.S.C. §§ 78m(b)(5) and 78ff(a).

VimpelCom Ltd. and Other Relevant Entities and Individuals

5. The Uzbek Agency for Communications and Information ("UzACI") was an Uzbek governmental entity authorized to regulate operations and formulate state policy in the sphere of communication, information, and the use of radio spectrum in Uzbekistan. As such,

UzACI was a "department," "agency," and "instrumentality" of a foreign government, as those terms are used in the FCPA, Title 15, United States Code, Section 78dd-1(f)(1).

6. From in or around 2010 to the present, defendant VimpelCom Ltd. was a multinational telecommunications company headquartered in the Netherlands and incorporated in Bermuda. During the period of in or around 1996 to in or around 2013, VimpelCom Ltd. or its predecessor company (collectively referred to hereinafter as "VIMPELCOM") maintained a class of publicly traded securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934, 15 U.S.C. § 78*l*, and was required to file periodic reports with the SEC under Section 15(d) of the Securities Exchange Act, 15 U.S.C. § 78o(d). Accordingly, VIMPELCOM was an "issuer" as that term is used in the FCPA, Title 15, United States Code, Section 78dd-1(a).

7. VIMPELCOM had direct and indirect subsidiaries in various countries around the world through which it conducted telecommunications business. Regional heads of VIMPELCOM's businesses have been members of VIMPELCOM's senior management group. VIMPELCOM has employed over 58,000 employees worldwide.

8. As described below, in or around 2006, VIMPELCOM acquired two Uzbek telecommunications companies, Unitel LLC ("Unitel") and LLC Bakrie Uzbekistan Telecom ("Buztel"), and merged the two companies as Unitel. Unitel was headquartered and incorporated in Uzbekistan and conducted VIMPELCOM's mobile telecommunications business in Uzbekistan.

9. From in or around 2002 to January 2014, "Executive 1," an individual whose identity is known to the United States, worked for various VIMPELCOM-related entities. From in or around December 2009 to January 2014, Executive 1 was a high-ranking VIMPELCOM

executive with responsibilities in the Commonwealth of Independent States ("CIS") region, including oversight of Unitel in Uzbekistan.

10. From in or around 2003 to February 2013, "Executive 2," an individual whose identity is known to the United States, worked for various VIMPELCOM-related entities. From in or around February 2010 to February 2013, Executive 2 worked with Executive 1 relating to VIMPELCOM's business in the CIS region, including oversight of Unitel in Uzbekistan.

11. "Foreign Official," an individual whose identity is known to the United States, was an Uzbek government official and a close relative of a high-ranking Uzbek government official. Foreign Official had influence over decisions made by UzACI. Foreign Official was a "foreign official" as that term is used in the FCPA, Title 15, United States Code, Section 78dd-1(f)(1).

12. "Shell Company" was a company incorporated in Gibraltar that was beneficially owned by Foreign Official.

13. "Associate A," an individual whose identity is known to the United States, was Foreign Official's close associate. When Shell Company was incorporated in 2004, Associate A was twenty years old and became Shell Company's purported sole owner and director.

14. "Associate B," an individual whose identity is known to the United States, was a chief executive at one of Unitel's primary competitors in Uzbekistan. Associate B also represented Shell Company and Foreign Official in their business dealings with VIMPELCOM and Unitel.

Overview of the Corruption Scheme

15. As discussed in more detail below, VIMPELCOM and Unitel conspired with others to provide over $114 million in bribes in exchange for Foreign Official's understood

influence over decisions made by UzACI concerning Uzbekistan's telecommunications market. VIMPELCOM and Unitel officials understood that they had to regularly pay Foreign Official millions of dollars in order to continue to obtain necessary UzACI approvals and be allowed to obtain and retain Uzbek telecommunications business.

16. VIMPELCOM's corrupt payments to Foreign Official occurred in stages:

a. First, before entering the Uzbek market, certain VIMPELCOM management understood that they were required to have Foreign Official as a "local partner" to conduct business in Uzbekistan. As part of its efforts to enter the market, VIMPELCOM paid $60 million to acquire Buztel, a company in which certain VIMPELCOM management knew that Foreign Official held an indirect interest via Shell Company, because certain VIMPELCOM management knew that the acquisition of Buztel likely would facilitate VIMPELCOM's acquisition of a more attractive target and enable the company to conduct business in Uzbekistan.

b. Second, in 2006, VIMPELCOM and Unitel corruptly entered into a lucrative partnership agreement with Foreign Official's front company, Shell Company, in which Shell Company would obtain an indirect ownership interest in Unitel that VIMPELCOM would later repurchase at a guaranteed profit. The true purpose of this agreement was to pay a $37.5 million bribe to Foreign Official in exchange for Foreign Official permitting VIMPELCOM and Unitel to conduct business in Uzbekistan.

c. Third, VIMPELCOM, through a subsidiary, corruptly entered into a contract with Shell Company purportedly to obtain 3G frequencies in 2007. Certain VIMPELCOM management caused a $25 million bribe to be paid to Foreign Official via Shell

Company so that Foreign Official would help Unitel obtain these valuable telecommunications assets and permit it to conduct business in Uzbekistan.

d. Fourth, VIMPELCOM, directly or through a subsidiary, knowingly entered into fake consulting contracts with Shell Company for $2 million in 2008 and $30 million in 2011; in both cases, Shell Company did no real work to justify the large consulting fees. The corrupt purpose of these contracts was to provide Foreign Official with approximately $32 million in exchange for valuable telecommunications assets and to allow Unitel to continue to conduct business in Uzbekistan.

e. Finally, VIMPELCOM and Unitel made $20 million in bribe payments to Foreign Official in 2011 and 2012 through purposefully non-transparent transactions with purported "reseller" companies. Through these transactions with reseller companies, VIMPELCOM and Unitel made and concealed corrupt payments to Foreign Official through Shell Company, which allowed Unitel to continue to conduct business in Uzbekistan.

17. Certain VIMPELCOM and Unitel management used U.S.-based email accounts to communicate with others and effectuate the scheme. In addition, VIMPELCOM and Unitel each made numerous corrupt payments that were executed through transactions into and out of correspondent bank accounts at financial institutions in New York, New York.

The Corruption Scheme

A. VIMPELCOM Corruptly Entered the Uzbek Market in 2005 and 2006

18. In 2005, as part of a plan of expansion into the CIS region, VIMPELCOM sought to acquire an Uzbek telecommunications company. Two companies under consideration for acquisition were Unitel, the second largest operator in Uzbekistan with approximately 300,000 subscribers, and Buztel, which was a much smaller operator with only 2,500 subscribers.

Although there was a sound business case for purchasing Unitel alone, VIMPELCOM ultimately purchased Buztel, as well. Certain VIMPELCOM management knew that Foreign Official held an indirect interest in Buztel, and that purchasing Buztel would ensure Foreign Official's support for VIMPELCOM's entry into the Uzbek telecommunications market.

19. From the beginning of VIMPELCOM's deliberations concerning its entry into Uzbekistan, there was an acknowledgment of the serious FCPA risks associated with certain VIMPELCOM management's recommendation to purchase Buztel in addition to Unitel. For example, on or about December 13, 2005, VIMPELCOM's Finance Committee of the Board of Directors met and considered certain management's recommendation to acquire both companies. Documents prepared for the December 13, 2005 Finance Committee meeting explained that Buztel was owned by a Russian company "and a partner" without further detailing the identity of the "partner." The materials documented that "[t]hrough a local partner, [VIMPELCOM was] in a preferred position to purchase both assets . . . ."

20. Although minutes from the Finance Committee meeting similarly failed to identify the local partner's identity, the participants identified the likelihood of corruption and expressed concerns. As reflected in the minutes, certain VIMPELCOM management explained that "due to certain political reasons (and this message should be taken by us as is), Buztel should be considered as an entry ticket into [the] Uzbekistan market and the buyer of Buztel would be considered a preferred buyer of Unitel." Certain VIMPELCOM management explained that it was "more important to follow the political requirements suggested for entry into the market versus [the] questionable risk of acquisition of Unitel as [a] standalone" and VIMPELCOM would be "in opposition to a very powerful opponent and bring [the] threat of revocation of licenses after the acquisition of Unitel [as a] stand-alone."

21. According to the minutes of the meeting, a VIMPELCOM Finance Committee member questioned the wisdom of purchasing Buztel when Unitel was of a size sufficient for nation-wide coverage and when the $60 million purchase price for Buztel could be better spent developing Unitel's network. The minutes reflect that same member also "expressed concern on the structure of the deal and FCPA issues" and noted "that if [VIMPELCOM] goes into this deal under this structure and if the structure violates the FCPA picture, [VIMPELCOM's] name could be damaged."

22. The Finance Committee voted to move forward with the acquisition process with the understanding that VIMPELCOM's board should consider whether to "enter Uzbekistan through acquisitions of both Buztel (as a condition of entry into the market) and Unitel, . . . provided, however, that all issues related to FCPA should be resolved" or "to bid for Unitel only with understanding that potentially it may be more expensive and is connected with risks of business development without [the] local partner."

23. During a December 14, 2005 VIMPELCOM board meeting, the likelihood of corruption was further discussed. For example, certain VIMPELCOM management explained that Foreign Official was actively influencing and interfering with Buztel's operations because of Foreign Official's ownership interest in the company. Certain VIMPELCOM management added that Foreign Official appeared to have control and influence over the purchase price for Unitel. Certain VIMPELCOM management also warned that there could be a falling out with the local partner if VIMPELCOM only purchased Unitel that would make it difficult, if not impossible, to operate in Uzbekistan. Concerns were raised about doing business with Foreign Official and the dangers associated with the Buztel transaction, and there was a recognition that a thorough analysis was needed to ensure that the Buztel payment was not merely a corrupt pretext

for other services and favors. There were also numerous requests to ensure that the deal complied with the FCPA. Ultimately, VIMPELCOM's board approved the Buztel and Unitel acquisitions, with a condition that FCPA analysis from an international law firm be provided to VIMPELCOM.

24. VIMPELCOM's management then sought FCPA advice that could be used to satisfy the board's requirement while allowing VIMPELCOM to proceed with a knowingly corrupt deal. Despite the known risks of Foreign Official's involvement in Buztel, certain VIMPELCOM management obtained FCPA legal opinions from an international law firm supporting the acquisition of Unitel and Buztel; however, certain VIMPELCOM management did not disclose to the law firm Foreign Official's known association with Buztel. As a result, the legal opinion did not address the critical issue identified by the VIMPELCOM board as a prerequisite to the acquisition. Management limited the law firm's FCPA review of the transaction to ensure that the legal opinion would be favorable.

25. Having obtained a limited FCPA legal opinion designed to ostensibly satisfy the board's requirement, certain VIMPELCOM management then proceeded with the Buztel acquisition and corrupt entry into the Uzbek market. VIMPELCOM, through subsidiaries, purchased Buztel for approximately $60 million on or about January 18, 2006 and Unitel for approximately $200 million on or about February 10, 2006, along with the assumption of some debt.

B. VIMPELCOM Corruptly Entered into a Local Partnership in 2006 and 2007

26. As VIMPELCOM entered the Uzbek market through the acquisitions of Unitel and Buztel, certain VIMPELCOM management learned that VIMPELCOM would be required to enter into a partnership with Shell Company, which was ultimately controlled by Foreign

Official, in order to conceal corrupt payments to Foreign Official in exchange for Foreign Official's support to allow VIMPELCOM and Unitel to do business in Uzbekistan.

27. In internal VIMPELCOM documents, Foreign Official frequently was identified only as "partner" or "local partner" rather than by name. For example, documents prepared for an April 7, 2006 board meeting concerning the proposed partnership agreement with Shell Company referred only to a "Local Partner" who was the 100% owner of Shell Company.

28. VIMPELCOM structured the partnership agreement to hide the bribe payments to Foreign Official. Under the deal, Shell Company obtained an indirect interest of approximately 7% in Unitel for $20 million, and Shell Company received an option to sell its shares back to Unitel in 2009 for between $57.5 million and $60 million for a guaranteed net profit of at least $37.5 million. In proposing the partnership, VIMPELCOM justified it in part by explaining that the partner would provide the "[r]evision of the licensing agreement for the major licenses" and "transfer of frequencies," while also noting that the direct transfer of frequencies was not allowed in Uzbekistan.

29. VIMPELCOM's board approved the partnership on or about April 7, 2006, but its approval again was conditioned on "FCPA analysis by an international law firm" and required that the "the identity of the Partner . . . [be] presented to and approved by the Finance Committee." VIMPELCOM received an FCPA opinion on the sale of the indirect interest in Unitel to Shell Company on or about August 30, 2006. The FCPA advice VIMPELCOM received was not based on important details that were known to certain VIMPELCOM management and that certain VIMPELCOM management failed to provide to outside counsel, including Foreign Official's control of Shell Company. In addition, documents, including

minutes from the Finance Committee's meeting on August 28, 2006, failed to identify the true identity of the local partner by name while noting the "extremely sensitive" nature of the issue.

30. On or about March 28, 2007, VIMPELCOM's board unanimously approved the partnership agreement with Shell Company, and the deal progressed as planned. Associate A signed the agreement on behalf of Shell Company as the "Director" and on or about June 12, 2007, Shell Company transferred $20 million from its Latvian bank account to VIMPELCOM's bank account. Less than three years later, in or around September 2009, Shell Company exercised its guaranteed option to have VIMPELCOM's subsidiary repurchase Shell Company's shares, and VIMPELCOM transferred $57,500,000 from its bank account to Shell Company's bank account in Hong Kong. Both transfers were executed through transactions into and out of correspondent bank accounts at financial institutions in New York, New York.

31. As a result of VIMPELCOM's partnership agreement and transfer of funds to Shell Company, Foreign Official made a net profit of approximately $37.5 million and VIMPELCOM and Unitel were able to continue to conduct business in Uzbekistan.

C. $25 Million Corrupt Payment for 3G Frequencies in 2007

32. In 2007, VIMPELCOM arranged to pay Foreign Official, through Shell Company, an additional $25 million bribe to obtain 3G frequencies for Unitel in Uzbekistan. VIMPELCOM made this bribe payment in order to secure Foreign Official's continued support and to ensure that Shell Company's subsidiary waived its right to certain 3G frequencies with the expectation, and pursuant to a success fee, that UzACI would reissue the 3G frequencies to Unitel. Certain VIMPELCOM management negotiated the transfer of the 3G frequencies with Associate B, whom they knew was Foreign Official's representative for Shell Company. Certain

VIMPELCOM management also knew that Associate B was the head of one of Unitel's primary competitors in Uzbekistan.

33. Materials prepared for an October 12, 2007 board meeting document that VIMPELCOM had "been offered to acquire" 3G frequencies held by a wholly owned subsidiary of Shell Company. The documents explained that, "[a]s the rights to frequencies are not transferable in Uzbekistan and can not be sold, [Shell Company]'s subsidiary has agreed to waive its rights to the frequencies and we expect the frequencies to be reissued to Unitel." The first $10 million would be "payable to [Shell Company] upon waiver of the frequencies," and the final $15 million would be "payable to [Shell Company] upon receipt of the frequencies by Unitel." On or about October 12, 2007, VIMPELCOM's board unanimously approved the 3G transaction.

34. Certain VIMPELCOM management communicated with Associate B to arrange for the transfer of the 3G licenses through a sham contract with Shell Company to conceal the corrupt payment to Foreign Official. For example, on or about October 15, 2007, Associate B emailed certain VIMPELCOM management from Associate B's personal email address. Using a pseudonym, Associate B wrote, "Enclosed you may find the docs that you have requested." Attached to the email were several documents, including a draft contract between a VIMPELCOM subsidiary and Shell Company and a copy of the Shell Company's subsidiary's telecommunications license, which would be repudiated as part of the agreement. According to Shell Company's subsidiary's license, the subsidiary only obtained the license weeks earlier, on September 27, 2007.

35. In return for the $25 million bribe payment, VIMPELCOM and Unitel obtained an amended license within a matter of days, which permitted Unitel to use 3G frequencies

previously held by Shell Company's subsidiary. During this time, certain VIMPELCOM management negotiated directly with Associate B, and a Unitel executive worked with Associate B and exchanged documents with government regulators, including a high-ranking official at UzACI, to help close the deal. On or about November 7, 2007, a VIMPELCOM subsidiary transferred $10 million from its Netherlands bank account to Shell Company's Latvian bank account. The following day, a VIMPELCOM employee emailed confirmation of the payment to Associate B at Associate B's personal email account using Associate B's pseudonym, and explained, "We are ready to start 3G frequency allocation to Unitel." Later that day, Associate B emailed certain VIMPELCOM management, and explained that the Uzbek telecom regulator had assigned the frequencies to Unitel and that the "[o]riginal will be given to your Local Representative." Associate B attached a scanned copy of Unitel's amended license dated that day. The next day, on or about November 9, 2007, a VIMPELCOM subsidiary transferred the remaining $15 million from its Netherlands bank account to Shell Company's Latvian bank account, completing VIMPELCOM's corrupt payment to Foreign Official for the acquisition of the necessary 3G frequencies for Unitel. The corrupt payments from the VIMPELCOM subsidiary to Shell Company's Latvian bank account totaled $25 million and were executed through transactions into and out of correspondent bank accounts at financial institutions in New York, New York.

D. Corrupt Consulting Contract Payments to Shell Company in 2008 and 2011

36. In 2008 and again in 2011, VIMPELCOM, directly or through a subsidiary, knowingly entered into contracts for fake consulting services with Shell Company in order to

provide Foreign Official with approximately $32 million in exchange for valuable telecommunications assets and to allow Unitel to continue to conduct business in Uzbekistan.

37. In 2008, certain VIMPELCOM management, Associate B, and others conspired to pay an additional $2 million bribe to Foreign Official that had originally been contemplated in 2006. Certain VIMPELCOM management justified the payment as a "consulting" fee to Shell Company and created false, backdated documents to conceal the corrupt payment.

38. On or about February 13, 2008, a VIMPELCOM executive emailed certain VIMPELCOM management to explain that "the partner, citing the earlier verbal agreements, is returning to the issue [of $2 million] and is asking us to recognize the obligations and make payments." In response, on or about February 14, 2008, a VIMPELCOM in-house attorney indicated that a presentation to VIMPELCOM's Board of Directors in April 2006 included a $2 million payment for "the partner's services" in approximately nine potential areas, however, the "payout term of the amount was not specified" and the in-house attorney did "not know if all the services listed in the presentation [had] to be fulfilled as a condition for the payment." Shortly thereafter, a VIMPELCOM employee with knowledge of the deal replied to confirm that the amount owed to the local partner was $2 million and that "[t]he obligations were incurred from the moment of payment for the acquisition of Unitel."

39. Certain VIMPELCOM management then endeavored to find a way to pay Shell Company $2 million to satisfy Foreign Official's demand. They proceeded to draft paperwork, in consultation with Associate B, in order to create false documents that would contain plausible services Shell Company could purport to perform under a consulting agreement. Drafts of the consulting agreements included varying limited services until the final agreement only required

Shell Company to provide services related to "documentation packages required to assign 24 channels" to Unitel.

40. Certain VIMPELCOM management also considered ways to ensure that the contractual payments avoided unwanted scrutiny. For example, on or about July 1, 2008, certain VIMPELCOM management emailed about a phone call from Associate B and Associate B's statement that "they have a strong desire to receive these funds from an offshore [company]." In response, one VIMPELCOM executive wrote, "[t]his complicates our objective as it requires organization of financing (we do not keep spare money in offshores). . . . Will we be able to make a payment of 2 million the same way as the payment for 3G?" On or about July 2, 2008, another VIMPELCOM executive responded, "we do not have approved loans in the jurisdictions where they do not closely look at the documents (we paid for 3G for Uzbekistan from BVI). There is undrawn limit for 4 million in [a Dutch entity], but they have strict compliance – it will be necessary to prove with the documents that consulting services are provided . . . ."

41. Several other aspects of the consultancy arrangement demonstrated its sham nature. For example, at Associate B's request, VIMPELCOM, not Shell Company, drafted Shell Company's invoice for the work that Shell Company purportedly performed, and VIMPELCOM drafted Shell Company's service acceptance act. In addition, both documents were backdated to July 18, 2008, and the final, executed version of the consulting agreement between VIMPELCOM and Shell Company was backdated to June 30, 2008. The final documents thus made it appear that Shell Company conducted $2 million of consulting work for VIMPELCOM in only 18 days. In fact, Shell Company did no legitimate work to justify the $2 million payment.

42. On or about August 8, 2008, VIMPELCOM transferred $2 million from its bank account to Shell Company's bank account in Latvia, which was executed through transactions into and out of correspondent bank accounts at financial institutions in New York, New York.

43. VIMPELCOM did not conduct any FCPA analysis concerning this purported consulting services agreement with Shell Company. This was despite the fact that certain VIMPELCOM management had received a prior FCPA opinion concerning Shell Company, which explicitly excluded any FCPA analysis associated with consulting services provided by Shell Company. Moreover, during the earlier due diligence process, Shell Company had represented that "[Shell Company] does not contemplate entering into consultancy or similar agreement with VIMPELCOM . . . ."

44. In 2011, Executive 1 conspired with Executive 2 and others to direct an additional $30 million payment to Foreign Official through Shell Company. This $30 million bribe payment was made specifically to acquire 4G mobile communication frequencies for Unitel, but was also part of the broader effort to enable Unitel to continue to operate in the Uzbek telecommunications market without interference by Foreign Official. Executive 1, Executive 2 and others modeled the 2011 4G agreement on the 2007 3G agreement, except that the 2011 4G agreement purportedly was for consulting services and full payment was not contingent on obtaining the 4G frequencies. At the time, Unitel had no need for 4G frequencies, because Unitel lacked the ability to employ 4G frequencies in Uzbekistan in 2011 or the near future. Certain VIMPELCOM management knew that the 4G consulting agreement was a sham and that Shell Company would not be required to provide any actual services in return for the $30 million fee.

45. Several aspects of the 4G consulting agreement with Shell Company caused substantial internal criticism by some VIMPELCOM executives, including those who were charged with approving the transaction. "Witness," a consultant functioning as a senior VIMPELCOM executive and whose identity is known to the United States, was among the chief critics of the 4G consulting agreement with Shell Company, repeatedly voicing serious anti-corruption concerns about the deal at the highest level of VIMPELCOM management. For example, on or about August 20, 2011, Witness emailed several senior VIMPELCOM executives explaining that Witness was "very uncomfortable" and could "see no rationale" why "we are solely paying to the agent working for getting the license for us, and nothing to the [Uzbek] Government[.]" Witness compared the proposed deal to another "corruption case," which resulted in "heavy fines . . . plus criminal charges against the company and individual employees." Witness cautioned, "[u]nless there is absolute transparency of our consultants' Gibraltar company, its ownership structure and the further cash flows from this, I cannot see how I can be able to sign off on this . . . unless the legal FCPA analysis can clarify this and settle my concerns."

46. Certain VIMPELCOM management again sought an FCPA opinion from outside counsel to provide a plausible cover to go forward with the transaction. Certain VIMPELCOM management then failed to provide outside counsel with important information, most notably that Shell Company was known to be owned by Foreign Official, because certain VIMPELCOM management were willing to accept an opinion that focused on Shell Company as a third party without analyzing or addressing the nature of the transaction itself or its high dollar value.

47. Furthermore, the purported FCPA due diligence on Shell Company was flawed in design and execution. No in-house or outside lawyer ever directly contacted Shell Company's

purported owner, Associate A, and instead, the FCPA questionnaires purportedly designed to uncover beneficial owners and potential corruption risks were sent to intermediaries to respond. For example, on or about August 5, 2011, a VIMPELCOM in-house lawyer emailed FCPA questionnaires to Executive 1 to pass along "to the [Shell Company] representative to fill out." On or about August 6, 2011, Executive 1 forwarded the FCPA questionnaires both to Executive 1's personal email account and the personal email account of Associate B. Executive 1 also forwarded the email with the FCPA questionnaires to Executive 2 who replied: "Hardcore, of course . . . But in my opinion with the exception of the first and last names they can answer everything else."

48. In or around August and September 2011, Witness continued to raise concerns. On or about September 2, 2011, Witness emailed a then in-house VIMPELCOM attorney to explain that Witness was "very concerned about this way of structuring the payment," and Witness asked whether VimpelCom had received "any official 'ok' from US Governmental body/SEC . . . ." On or about September 5, 2011, Witness received a response from VIMPELCOM's then in-house counsel that acknowledged that, "[t]his transaction deserves caution but on the legal side the question boils down to whether there is a reasonable basis to believe that our counter-party will make illegal payments. We cannot establish conclusively that there will not be any illegal payments . . . ." VIMPELCOM's then in-house counsel added, ". . . . our due diligence is our defense in the event that there is a claim against us so we have to ask ourselves whether the situation warrants additional due diligence. [We are] comfortable that additional due diligence is not warranted. We are going to monitor the process and ensure that real work is being done by the counter-party." However, VIMPELCOM, including its in-house

attorneys, did not thoroughly monitor the process to ensure that Shell Company performed any services. Once the FCPA opinion was obtained, VIMPELCOM proceeded with the deal.

49. The 4G consulting agreement required approvals from certain senior VIMPELCOM executives reviewing the transaction from their areas of expertise. After receiving repeated assurances from VIMPELCOM's then in-house lawyers, in or around mid-September 2011, Witness eventually provided the sign-off for Witness's expert area for the proposed 4G consulting agreement with Shell Company. However, Witness handwrote an unusual caveat below Witness's signature: "This sign off is solely related to [my expert area]. My sign off confirm[s] that I have reviewed the technical [] position and approved with it." Notably, certain other VIMPELCOM executives specifically limited their approval or expressed reservations before signing off on their expert areas. Executive 2 expressed no reservations before providing the necessary approval on behalf of the business unit.

50. Soon after providing the limited sign-off on the deal, Witness escalated the matter to the highest levels within VIMPELCOM management, with whom Witness met on or about September 30, 2011. However, certain VIMPELCOM management failed to act on Witness's concerns and the 4G deal remained in place after the meeting.

51. Executive 1 and Executive 2 closely monitored the approval process and ensured that Shell Company was paid quickly. On or about September 19, 2011, Executive 2 received an email showing that all approvals had been received for the 4G consulting agreement. That same day, the agreement was executed with Executive 2 signing as the director of a VIMPELCOM subsidiary, and Associate A signing as the director of Shell Company. Two days later, on or about September 21, 2011, the VIMPELCOM subsidiary transferred $20 million as an advance payment under the 4G consulting agreement to Shell Company's Swiss bank account. On or

about October 18, 2011, UzACI issued a decision amending Unitel's license to allow it to use 4G frequencies. That same day, on or about October 18, 2011, Associate A also sent a letter on Shell Company letterhead to Executive 1 referencing the consulting agreement and enclosing "reports and presentations based on the work that we have done in the course of providing services to your Company." The following day, on or about October 19, 2011, the VIMPELCOM subsidiary sent the final $10 million payment in recognition of its full performance under the deal to Shell Company's Swiss bank account. The corrupt payments from the VIMPELCOM subsidiary to Shell Company's Swiss bank account totaled $30 million and were executed through transactions into and out of correspondent bank accounts at financial institutions in New York, New York.

52. Shell Company never provided any legitimate consulting services to Unitel to justify its $30 million fee. In fact, Shell Company's consulting reports and presentations, which were prepared in supposed satisfaction of its obligations under the consulting agreement, were not needed by VIMPELCOM or Unitel, and the reports were almost entirely plagiarized from Wikipedia entries, other internet sources, and internal VIMPELCOM documents.

E. Corrupt Payments Through "Reseller" Companies in 2011 and 2012

53. Because of significant currency conversion restrictions in Uzbekistan and the inability to use Uzbek som (the Uzbek unit of currency) to obtain necessary foreign goods, Unitel frequently entered into non-transparent transactions with purported "reseller" companies to pay foreign vendors in hard currency for the provision of goods in Uzbekistan. Typically, Unitel would contract with a local Uzbek company in Uzbek som, and that Uzbek company's related companies located outside of Uzbekistan would agree to pay an end supplier using the hard currency (usually, U.S. dollars).

54. In February and March 2011, Executive 1 conspired with Executive 2 and others to take advantage of the murky reseller process to conceal a $10 million bribe to Foreign Official via Shell Company through various purported reseller transactions to Shell Company. To effectuate the corrupt payment, Unitel entered into contracts with an Uzbek entity for services that were unnecessary and/or were made at highly inflated prices. These transactions were approved without sufficient justification and bypassed the normal competitive tender processes. Unitel then made payments in Uzbek som to the Uzbek company. Thereafter, in or around February and March 2011, an offshore company affiliated with the Uzbek company sent approximately 14 payments totaling $10.5 million to another intermediary, which in turn sent approximately 14 wire payments, each under $1 million and totaling approximately $10,000,023, to Shell Company's Swiss bank account, which was executed through transactions into and out of correspondent bank accounts at financial institutions in New York, New York.

55. The $10 million payment to Foreign Official in 2011 was achieved through a series of sham agreements whose only purpose was to justify associated payments using a number of reseller companies based in Uzbekistan or elsewhere. The reseller companies used in these transactions were fungible, as no real work from the end recipient of the funds was expected as the payment was, in fact, a bribe. For example, on or about December 15, 2010, Executive 2 received an email with only the words, "The companies," which included a forwarded email with two names of purported reseller companies and the message, "Choose any . . ." Attached to the email was banking information for one of the company's Cypriot bank account. The following day, Executive 2 forwarded the email to two Unitel executives, and wrote, "below are the companies with which we must work on the question of the 10 mill. . . . Keep me informed pls how you will be doing it."

56. VIMPELCOM and Unitel, through Executive 1, Executive 2, and others, used these transactions with reseller companies to make and conceal the $10 million bribe to Foreign Official through Shell Company. Shell Company performed no legitimate services to justify a $10 million payment, and there was no need for VIMPELCOM or Unitel to make any payments for the specific contracted services in U.S. dollars. By using the reseller scheme, certain VIMPELCOM and Unitel executives avoided additional scrutiny, including FCPA analysis, of the transactions and payments.

57. In 2012, Executive 1 again conspired with Executive 2 and others to make and conceal another $10 million bribe payment to Foreign Official via Shell Company through purported transactions with reseller companies. As in 2011, Executive 1 and Executive 2 knew that the true purpose of these transactions was to funnel $10 million to Shell Company, and they took efforts to ensure that the transactions were approved without unwanted scrutiny.

58. Between in or around February and May 2012, Unitel entered into contracts, this time with multiple Uzbek entities for services that were unnecessary and/or were made at highly inflated prices. These transactions were approved without sufficient justification and bypassed the normal competitive tender processes. Unitel then made payments in Uzbek som to those Uzbek companies. Thereafter, in or around April and May 2012, a company affiliated with the subcontractor sent approximately 12 payments totaling over $10.5 million to a designated reseller company, and then that designated reseller company sent approximately 13 wire payments, each under $1 million and totaling approximately $10 million, to Shell Company's Swiss bank account, which was executed through transactions into and out of correspondent bank accounts at financial institutions in New York, New York.

59. Unitel entered into these transactions even after Executive 1 was alerted to serious concerns about one of the reseller companies that was used in the corrupt scheme. On or about February 10, 2012, a Unitel employee emailed Executive 1 and another executive to complain that the employee had been "forced to sign a notice of voluntary [resignation]" after reporting problems after the employee's visit to the reseller company's office related to another tender. Specifically, the employee found, among other things, that the office was "located in an old run-down house [building], without any signage" and "[t]here were no specialists [or technicians] there." The employee recommended against using the reseller company as a contractor for Unitel, as it was "not qualified and there are big risks . . . ." The employee noted in the email to Executive 1 that, in response to the information the employee provided, the employee was warned by Unitel personnel "not to interfere," and, when the employee persisted, "they began to put pressure on me to resign." This complaint did not deter Executive 1 from moving forward with the scheme.

60. Executive 2 and others also took steps to ensure that the 2012 payments to the reseller companies would not be scrutinized during a May 2012 in-house audit of Unitel. The audit included a review of certain contracts with reseller companies, including the February 2012 agreement between Unitel and a certain reselling company. However, a Unitel executive who worked closely with Executive 2 refused to cooperate with the audit, claiming to in-house auditors that the matter was "confidential" and that no materials or information could be shared with them. When the dispute was escalated, Executive 2 intervened on or about May 22, 2012, and claimed that the transaction was "not a reselling operation," which resulted in the purported reseller company contract being removed from the audit.

61. Just as in 2011, VIMPELCOM and Unitel, through Executive 1, Executive 2, and others, used these transactions with reseller companies to make and conceal the $10 million bribe to Foreign Official through Shell Company. Shell Company performed no legitimate services to justify a $10 million payment, and there was no need for VIMPELCOM or Unitel to make payments for the contracted services in U.S. dollars. By again using the non-transparent reseller scheme, certain VIMPELCOM and Unitel executives were able to avoid additional scrutiny, including FCPA analysis, of the transactions and payments.

F. Contemplation of Other Corrupt Payments in December 2012 and January 2013

62. In the summer of 2012, a primary competitor of Unitel's was forced into bankruptcy and exited the Uzbek marketplace. Later that summer, international news reports linked Shell Company with Foreign Official.

63. Thereafter, certain VIMPELCOM and Unitel management discussed how to continue participating in the corrupt scheme involving Foreign Official and Foreign Official's associates. On December 3, 2012, a Unitel executive emailed Executive 1 with a draft letter for further dissemination which included an explanation of "the situation that has currently arisen in . . . Uzbekistan." The Unitel executive explained that as Unitel's business expanded significantly in 2012, Unitel began to receive all kinds of inquiries from local "partners," and that "a critical situation ha[d] arisen" concerning Unitel's failure to obtain various government permits and approvals for Unitel's on-going telecom business, and the "[l]ocal 'partners' claim that the solution to our problems directly depends on the assistance to them. The sooner we can help, the faster our requests will be addressed."

64. On or about January 30, 2013, Executive 2 sent multiple emails to Executive 1 concerning a plan being contemplated to pay additional bribes totaling $16 million in exchange

for, among other things, the "[o]pportunity to conduct future operations without hurdles from the 'partner' and regulatory agencies." Executive 2 proposed concealing the bribe payments by structuring them through "local reseller companies," noting that "[o]ffshore companies provided by the 'partner' will be final beneficiaries of these payments." Executive 2 evaluated the risks associated with "non-payment" of the bribes to involve a number of negative governmental reactions, including "disconnecting of existing base stations," "refusing to issue building permits," "refusing to issue additional numbering capacity," "possible challenges from the tax authority," and even "[r]ecall of the license." Executive 2 ultimately valued the "cumulative amount of possible risks" for "non-payment" at approximately $61.2 million, and Executive 2 noted that if they made the decision to pay, it would also be necessary to address the "FCPA" and "[i]nternal and external audit."

VIMPELCOM's Failure to Implement and Enforce Internal Accounting Controls

65. Throughout the time period of VIMPELCOM's bribery of Foreign Official, VIMPELCOM failed to implement adequate internal accounting controls and failed to enforce the internal accounting controls it did have in place, which permitted the above-referenced bribe payments to occur without detection or remediation.

66. VIMPELCOM failed to implement a system for conducting, recording, and verifying due diligence on third parties, including joint venture partners, consultants, reseller companies, and suppliers to uncover their true nature, beneficial ownership, and possible corruption risks. Time and again, board members, executives, and employees of VIMPELCOM identified serious concerns with third parties, and VIMPELCOM still failed to undertake adequate due diligence.

67. Further, VIMPELCOM knowingly failed to require that all consulting agreements be for bona fide services, that agreed-upon payments were commensurate with the services to be performed, and that services paid for were, in fact, performed. VIMPELCOM knowingly failed to conduct meaningful auditing or testing of its consultant agreements, invoices, and payments, including those with Shell Company and, as demonstrated above, failed to conduct adequate investigations of corruption complaints. VIMPELCOM also had no policy regarding payments to bank accounts located in places where the contractual partner neither performed work nor had operations.

68. In 2011 and 2012, VIMPELCOM paid $20 million in bribes through single-source decisions with reseller companies that allowed certain executives to structure non-transparent transactions. VIMPELCOM knowingly failed to implement and maintain adequate controls for approving and transacting with reseller companies and intermediaries to ensure that reseller companies were scrutinized and that single-source contracting decisions were justified. Certain VIMPELCOM and Unitel executives took advantage of these control failures to engage in transactions designed to obfuscate the actual purpose of the payments, which was to corruptly influence Foreign Official.

69. As a result of the facts described herein and the failures of VIMPELCOM's management, VIMPELCOM also knowingly lacked a sufficient internal audit function to provide reasonable assurances that corporate assets were not used to make bribery payments to foreign officials and failed to enforce audit protocols or conduct adequate internal audits to detect and prevent criminal activity. As discussed above, VIMPELCOM knowingly failed to implement and enforce internal controls to keep a 2012 reseller transaction within a regularly

conducted audit after Executive 2 intervened to cause its removal, thereby allowing a bribe payment to Foreign Official, through Shell Company, to go undetected.

70. VIMPELCOM management also knowingly failed to implement and maintain adequate controls governing processes concerning conflicts of interest. For example, certain VIMPELCOM management knew of a conflict with Associate B's representation of Shell Company, because at the time Associate B was a chief executive of one of Unitel's primary competitors in Uzbekistan. Moreover, Associate B requested to be contacted about work matters on a personal email account and through a pseudonym. VIMPELCOM failed to implement or enforce any meaningful policy to adequately scrutinize business deals with representatives who had such conflicts of interest or otherwise engaged in non-transparent activities.

71. Other failures that contributed to VIMPELCOM's lax control environment were VIMPELCOM's failure to enforce price thresholds that determined the required level of approval authority, failure to retain documentation of deliverables for contracts, and failure to adequately classify and obtain approvals for purported charitable contributions that were made in exchange for state-provided assets.

72. VIMPELCOM's failures to implement and enforce adequate internal controls contributed to an environment where it was possible for VIMPELCOM and Unitel executives to pay Foreign Official through Shell Company over $114 million in bribes.

73. VIMPELCOM also had particularly severe deficiencies in its general compliance function and its anticorruption compliance policies and procedures. When VIMPELCOM entered the Uzbek market, it had no Chief Compliance Officer ("CCO"). To the extent that compliance was considered by VIMPELCOM, it was the responsibility of the legal department and was thought of as a "completeness check" that legal formalities were followed. When

VIMPELCOM later did designate a CCO, whose formal title was the Head of Department of Compliance with Obligations and Disclosure of Information and Corporate Law, the junior executive selected had no background in compliance and was given no staff or support. Furthermore, all of VIMPELCOM's compliance duties were expected to take a small fraction of the executive's time. In fact, there was no dedicated compliance function at VIMPELCOM until 2013, and CCO was not a senior management group position until 2014.

74. During the duration of the conspiracy, certain high-level VIMPELCOM management knew of the FCPA, yet VIMPELCOM had little to no anticorruption compliance program, much less a program that was regularly and appropriately evaluated for effectiveness and provided appropriate incentives. VIMPELCOM's only anticorruption policy was encapsulated in two, high-level paragraphs in VIMPELCOM's code of conduct, which required consultation with the legal department "before providing anything of value to a government official." In fact, VIMPELCOM's legal department did no internal FCPA review of transactions. When corruption issues were identified in the above-mentioned cases, the subsequent "FCPA review" was seen as a "check list and a confirmation from [outside counsel]." As demonstrated above, certain VIMPELCOM management withheld crucial information in such situations in Uzbekistan from outside counsel and overly restricted the scope of FCPA opinions such that the advice given was of no value. Indeed, VIMPELCOM did not have a specific anti-corruption policy until February 2013. Training on the FCPA during the course of the corruption conspiracy, to the extent it existed at all, was inadequate and ad hoc. In short, rather than implement and enforce a strong anti-corruption ethic, VIMPELCOM sought ways to give itself plausible deniability of illegality while proceeding with business transactions known to be corrupt.

Scheme to Falsify Books and Records

75. Due to VIMPELCOM's failure to implement effective internal accounting controls, VIMPELCOM, acting through certain executives and others, disguised on its books and records over $114 million in bribe payments made for the benefit of Foreign Official in exchange for VIMPELCOM and Unitel's ability to enter and conduct business in the Uzbek telecommunications market.

76. Although all of VIMPELCOM's and Unitel's bribes to Foreign Official were funneled through Shell Company, it was part of the scheme that certain VIMPELCOM management and others used a variety of non-transparent transactions with different purported business purposes, described above, so that the payments would be inaccurately recorded as legitimate transactions.

a. The bribe related to the partnership agreement in which Shell Company first purchased and then sold an indirect equity interest in Unitel was falsely recorded in VIMPELCOM's consolidated books and records as the receipt of loan proceeds in 2007 to be repaid in 2009 and secured by shares in a VIMPELCOM subsidiary.

b. The bribe related to the acquisition of 3G frequencies in 2007 was falsely recorded in VIMPELCOM's consolidated books and records as the acquisition of an intangible asset, namely 3G frequencies, and as consulting expenses.

c. The bribe in 2008 was falsely recorded in VIMPELCOM's consolidated books and records as "submission and support documentation packages seeking assignment of 24 channels to Unitel" and treated as an acquisition of an intangible asset and consulting services.

d. The bribe related to consultancy services associated with the acquisition of 4G frequencies in 2011 was falsely recorded in VIMPELCOM's consolidated books and records

as "consulting services" and treated as consulting services and as an acquisition of an intangible asset, namely 4G frequencies.

77. The bribes made through purported reseller transactions in 2011 and 2012 were falsely recorded in VIMPELCOM's consolidated books and records as "professional services" expenses. VIMPELCOM also created, and caused to be created, false and backdated records to further conceal these improper payments. For example, each bribe payment was concealed by false contracts that were intended to create the appearance of legitimacy. Some of these contracts included provisions prohibiting unlawful payments, including payments that would violate the FCPA, even though certain VIMPELCOM and Unitel executives knew that the payments called for by the contracts were, in fact, bribes to Foreign Official in violation of the FCPA. At times, VIMPELCOM and Unitel executives also created false service acceptance acts, invoices, and other back-up documentation to justify supposedly legitimate business services when, in truth and in fact, those executives knew that no such work was actually performed to justify the generous payments made to Shell Company. Certain VIMPELCOM and Unitel executives also accepted plagiarized work product to falsely substantiate consulting work that was never performed.

COUNT ONE
(Conspiracy to Violate the FCPA)

78. Paragraphs 1 through 77 of this Information are realleged and incorporated by reference as if fully set forth herein.

79. From at least in or around 2005 up to and including in or around at least 2012, in the Southern District of New York and elsewhere, VIMPELCOM, the defendant, together with Executive 1, Executive 2, Associate A, Associate B, Shell Company, and others known and