

Bayoil (USA) Inc. and Bayoil Supply & Trading Limited

Case ID:

ST-135

Case Cluster :

David Chalmers/ Bayoil

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

United States Attorney for the Southern District of New York

Jurisdiction of Foreign Public Official(s) :

Iraq (UN Oil-for-Food)

Year of Settlement:

2007

Month/Day of Settlement (or Notes):

08/17

Other Jurisdictions of Settlement:

None

Settlement with Individual or Legal Person?:

Legal Person

Type of Settlement:

Criminal

Legal Form of Settlement:

Guilty Plea

Monetary Sanctions (Types):

Criminal Restitution

Total Monetary Sanctions (US\$):

\$9,016,151.00

Criminal Fine/Penalty (US\$) :

\$0

Criminal Forfeiture / Confiscation (US\$):

\$9

016

151

Monetary Sanctions Returned / Ordered Returned (US\$):

\$9,016,151

Monetary Sanctions Returned / Ordered Returned (Explanation):

Restitution to Iraq via Development Fund for Iraq

UNCAC Articles(s) Implicated:

Art.16

Art.26

OECD Anti-Bribery Convention Articles Implicated:

Art. 1, Art. 2

Offenses - Alleged:

Multiple counts of conspiracy to commit wire fraud, violations of sanctions

Offenses - Settled:

Conspiracy to commit wire fraud

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to a press release by the United States Attorney for the Southern District of New York, "David B. Chalmers, Jr. [] and two corporations that he operated -- BAYOIL (USA), INC. [] BAYOIL SUPPLY & TRADING LIMITED, a Bahamian company with principal offices in Nassau, Bahamas (collectively, the "BAYOIL COMPANIES"). CHALMERS and the BAYOIL COMPANIES each pleaded guilty today before United States District Judge DENNY CHIN to participating in a scheme to pay illegal surcharges to the former Government of Iraq in connection with the purchase of crude oil in the United Nations Oil-for-Food Program between mid-2000 and 2003. Judge CHIN also accepted earlier today the guilty plea of LUDMIL DIONISSIEV to related smuggling charges. DIONISSIEV worked with CHALMERS and the BAYOIL COMPANIES during the course of this scheme to purchase Iraqi oil. CHALMERS and the BAYOIL COMPANIES each pleaded guilty to participating in a conspiracy to commit wire fraud related to the payment of secret illegal surcharge payments to the former Government of Iraq." (Source: United States Attorney for the Southern District of New York, "U.S. Announces Four Guilty Pleas in Oil-for-Food Case," August 17, 2007.) According to the Restitution Order, on March 18, 2008, Mr. Chalmers and the Bayoil companies were ordered joint and severally liable for payment of restitution in the amount of \$9,016,151.40 and the defendants were ordered to pay this sum "in restitution to the Development Fund for Iraq, in care of Ambassador Srood Najib." (Source: US v. David Chalmers, et al, Case No. 1:05-cr-00059-DC (S.D.N.Y.), Order of Restitution filed March 25, 2008.). Please note that the restitution figure has been included only in the company entry so as to avoid double-counting.

Sources :

US v. David B. Chalmers, Jr., Bayoil (USA) Inc., and Bayoil Supply & Trading Limited, Case No. 1:05-cr-00059-DC (S.D.N.Y.), Order of Restitution filed on March 25, 2008; United States Attorney Southern District of New York Press Release, "U.S. Announces Four Guilty Pleas in Oil-for-Food Case," August 17, 2007, accessed at <http://www.justice.gov/usao/nys/pressreleases/August07/chalmersdionissievbayoiloilforfoodpleaspr.pdf>.