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Former Alstom Executive Found Guilty in FCPA Trial

On Friday, November 8, 2019, a jury found the former Alstom executive, Lawrence Hoskins, guilty for his role in a multi-year, multimillion-dollar foreign bribery scheme and a related money laundering scheme. Hoskins was convicted of six counts of violating the Foreign Corrupt Practices Act (“FCPA”), three counts of money laundering, and two counts of conspiracy. He will be sentenced in January 2020.

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Hoskins was a senior vice president for Alstom’s International Network. The FCPA counts for which he was charged required the jury to decide if Hoskins, a British citizen and Alstom executive who did not work in the United States, was an “agent” of Alstom Power. The FCPA criminalizes bribing foreign officials, but applies only to those who take some action in the U.S., issuers of stock traded in the U.S., and U.S. companies and residents, as well as their “agents.” U.S. District Judge Janet Bond Arterton [ruled](#) that Hoskins had to be an agent, and not simply aiding and abetting an agent. This ruling was upheld by the [Second Circuit](#) in 2018. DOJ argued at trial that Hoskins could and did serve as Alstom Power’s agent when it came to hiring the consultants that facilitated bribe payments in the bribery scheme. Ultimately, the jury agreed with DOJ’s arguments in finding that Hoskins was an agent, and thus could be held liable under the FCPA.

Evidence at trial demonstrated that Hoskins engaged in a conspiracy to pay bribes to officials in Indonesia in exchange for assistance in securing a \$118 million contract, known as the Tarahan project, for Alstom Power Inc. (“Alstom Power”) and its consortium partner, Marubeni Corporation, to provide power-related services for the citizens of Indonesia. The bribes were paid to a high-ranking member of the Indonesian Parliament and the President of the state-owned and state-controlled electricity company in Indonesia, Perusahaan Listrik Negara (“PLN”). To conceal the bribes, Hoskins and his co-conspirators retained two sham consultants purportedly to provide consulting services on behalf of Alstom Power in connection with the Tarahan project. The evidence presented at trial showed that the primary purpose of hiring the consultants was to conceal the bribes to Indonesian officials.

The first consultant retained by Hoskins and the co-conspirators received hundreds of thousands of dollars in his Maryland bank account to bribe the member of Parliament. The consultant then transferred the bribe money to a bank account in Indonesia for the benefit of the official. Emails admitted at trial displayed conversations between Hoskins and the co-conspirators regarding the use of the first consultant to funnel bribes to the member of Parliament, and the influence that the member of Parliament could exert over the Tarahan project.

The trial evidence further showed that, in the fall of 2003, Hoskins and his co-conspirators determined that the first consultant was not effectively bribing key officials at PLN. PLN officials expressed concerns that the first consultant was simply going to give them “pocket money” and “disappear” after Alstom Power won the project. The co-conspirators retained a second consultant to more effectively bribe PLN officials. Evidence indicated that Hoskins and the co-conspirators pressed Alstom Power to front-load the second consultant’s terms of payment in order to “get the right influence” due to upcoming elections. Hoskins and his co-conspirators were successful in securing the Tarahan project and subsequently made payments to the consultants for the purpose of bribing the Indonesian officials.

This trial demonstrates that the FCPA can successfully be used to prosecute conduct by foreign citizens with a minimal nexus to the United States, so long as they can be considered “agents” of U.S. companies. We expect Hoskins to appeal this verdict, which we will track.