

1 Melinda M. Morton, SBN 209373
mindy.morton@procopio.com
2 PROCOPIO, CORY, HARGREAVES AND SAVITCH LLP
1020 Marsh Road, Suite 200
3 Menlo Park, CA 94025
Telephone: 650.645.9000
4 Facsimile: 650.566.1061

5 Richard D. Bernstein, *pro hac vice* to be filed
Frank M. Scaduto, SBN 271451
6 WILLKIE FARR & GALLAGHER LLP
1875 K Street, NW
7 Washington, DC 20006
Telephone: 202.303.1000
8 Facsimile: 202.303.2000

9 *Attorneys for Plaintiffs*
PETRÓLEOS MEXICANOS, and
10 PEMEX EXPLORACIÓN Y PRODUCCIÓN

11 **UNITED STATES DISTRICT COURT**
12 **NORTHERN DISTRICT OF CALIFORNIA**
SAN JOSE DIVISION

13 PETRÓLEOS MEXICANOS, and PEMEX
EXPLORACIÓN Y PRODUCCIÓN

14 Plaintiffs,

15 v.

16 HEWLETT-PACKARD COMPANY,
17 and HEWLETT-PACKARD MEXICO,
S. DE R.L. DE C.V.

18 Defendants.
19
20
21

Case No.

COMPLAINT FOR:

**VIOLATION OF THE RACKETEER
INFLUENCED AND CORRUPT
ORGANIZATIONS ACT AND OF THE
CALIFORNIA UNFAIR COMPETITION
LAW AND FOR FRAUDULENT
CONCEALMENT AND TORTIOUS
INTERFERENCE WITH CONTRACTS**

DEMAND FOR JURY TRIAL

Complaint filed: December 2, 2014

22 Plaintiffs, Petróleos Mexicanos (“Petróleos Mexicanos”) and Pemex Exploración y
23 Producción (“PEP”) (collectively, “Pemex” or “Plaintiffs”), by and through counsel, file this
24 Complaint against Defendants Hewlett-Packard Company (“HP”) and Hewlett-Packard Mexico,
25 S. de R.L. de C.V. (“HP Mexico”) (collectively, “Defendants”) and allege the following:

26 **NATURE OF THE ACTION**

27 1. Plaintiffs bring this action to seek restitution and injunctive relief and to recover
28 damages relating to Defendants’ pattern of bribery and other unlawful acts in violation of the

1 Racketeer Influenced and Corrupt Organizations Act (“RICO”), 18 U.S.C. §§ 1962, 1964, the
2 California Business & Professions Code § 17200, *et seq.*, and the Foreign Corrupt Practices Act
3 (“FCPA”), 15 U.S.C. § 78dd-1, *et seq.* Plaintiffs also seek to recover for fraudulent concealment
4 and tortious interference with contracts.

5 2. During 2008 and 2009, Defendants, together with other members of HP’s
6 criminal enterprise, secured valuable contracts to sell Plaintiffs business technology optimization
7 (“BTO”) products and services by causing the corruption of officials who worked for Pemex
8 through payments of an “influencer fee” to entities with ties to these officials. The contracts for
9 these BTO products were for approximately \$6 million. The Defendants received approximately
10 \$2,527,750 in net benefits from these contracts.

11 3. As a result of Defendants’ scheme, Plaintiffs suffered millions of dollars of harm
12 from the acceptance of harmful contractual terms and the payment of significant cost
13 overcharges. Plaintiffs bring this action to seek restitution, to recover damages, and to enjoin
14 further wrongdoing.

15 **JURISDICTION AND VENUE**

16 4. This Court has federal question jurisdiction over Plaintiffs’ RICO claims pursuant
17 to 28 U.S.C. § 1331 and 18 U.S.C. §§ 1961, 1964. The Court has supplemental jurisdiction over
18 Plaintiffs’ state law claims pursuant to 28 U.S.C. § 1367(a).

19 5. This Court has personal jurisdiction over Defendants. A substantial part of their
20 wrongdoing occurred in California. HP maintains its principal place of business within the
21 Northern District of California and harmed Plaintiffs by, in this District: (i) devising and
22 implementing an inadequate and unlawful system of internal controls, (ii) making inaccurate and
23 unlawful entries in its books and records, and (iii) authorizing and paying bribes. HP Mexico
24 continuously and systematically transacts affairs and has general business contacts in the
25 Northern District of California. HP Mexico purposefully directed its activities and consummated
26 transactions in California, which proximately caused harm to Plaintiffs. Defendants corrupted
27 Pemex officials through payments of money from a bank account in California, as described in
28 this Complaint. Indeed, the allegations of the complaint are substantially based on the results of

1 an investigation by the U.S. Attorney's Office by the Northern District of California into HP and
2 HP Mexico's violations of the FCPA, which provides that "[a]ny criminal proceeding [under this
3 chapter] may be brought in the district wherein any act or transaction constituting the violation
4 occurred." 15 U.S.C. § 78aa.

5 6. This Court also has personal jurisdiction over HP Mexico based on its actions as
6 the agent, alter ego, and/or co-conspirator of HP.

7 (a) At all relevant times, as described below, Defendant HP Mexico was the
8 agent of Defendant HP, and in doing the acts herein alleged, was acting in the scope of such
9 agency, for the benefit of HP, with the permission and consent of HP. HP instructed and
10 controlled HP Mexico, and as HP Mexico understood, HP controlled the business in Mexico.
11 The basis for this allegation includes the interactions between HP and HP Mexico, the
12 involvement of HP senior officials, the actions undertaken by HP Mexico for the benefit of HP,
13 and other California and U.S. connections, all as alleged in this complaint. HP Mexico officers
14 and employees caused the corruption of Pemex officials to secure business and profits for HP's
15 benefit.

16 (b) At all relevant times, as described below, HP Mexico acted as a co-
17 conspirator of HP with respect to conduct occurring in, and directed to, California, including by
18 agreeing to form an enterprise and conducting the affairs of the enterprise by channeling bribes
19 through intermediaries and agents to corrupt Pemex officials to win the contracts.

20 (c) In the alternative, at all relevant times, HP Mexico operated as the alter
21 ego of HP. HP Mexico is wholly owned by HP, financially dependent on HP, and controlled by
22 HP. HP and HP Mexico commingle funds and other assets, including by jointly controlling a
23 bank account located in California, as alleged in this Complaint. HP uses HP Mexico as a mere
24 conduit for the affairs of HP, including by directing HP Mexico to secure the BTO contracts at
25 issue, and carry out the other activities described in this Complaint, for the benefit of HP. There
26 is a lack of segregation of HP and HP Mexico corporate records, as HP Mexico's books, records,
27 and accounts are consolidated into HP's books and records and reported by HP in its financial
28 statements. Accordingly, HP and HP Mexico share a unity of interest such that failure to

1 disregard their separate entities would result in fraud or injustice. HP operated HP Mexico as its
2 alter ego, at least in part, to carry out the bribery scheme described herein and cause substantial
3 harm to Plaintiffs.

4 7. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b) because HP has its
5 principal place of business in this district and because events giving rise to this complaint
6 occurred in this district. Venue is also proper in this district pursuant to 18 U.S.C. § 1965.

7 **INTRADISTRICT ASSIGNMENT**

8 8. Division assignment to the San Jose Division of the United States District Court
9 for the Northern District of California is proper pursuant to Civil Local Rules 3-2(c) and 3-2(e)
10 because a substantial part of the events giving rise to the claims occurred in Santa Clara County,
11 California.

12 **THE PARTIES**

13 9. Petróleos Mexicanos is, and at all relevant times was, an oil and gas entity with its
14 principal place of business located in Mexico City, Mexico. Petróleos Mexicanos's main
15 purpose is the development of business, economic, industrial and commercial activities related to
16 the exploration and extraction of oil and hydrocarbons. Petróleos Mexicanos is a state-owned
17 productive enterprise empowered by its law (the "Pemex Law") to act as an independent legal
18 entity with technical, operational, and managerial autonomy. Petróleos Mexicanos is authorized
19 to own property, conduct industrial operations, and perform sales and marketing activities.
20 Petróleos Mexicanos and its subsidiary entities are authorized by law to enter into contracts,
21 carry out operations, and Petróleos Mexicanos's chief executive officer has full general powers
22 "for acts of ownership, management, litigation and collections." Petróleos Mexicanos's Board of
23 Directors is the highest governing body of Pemex and sets forth the policies, guidelines, and
24 strategies for Petróleos Mexicanos and its subsidiary entities. In the case of acts of an
25 international character, Pemex and its subsidiary entities are authorized to make claims under
26 foreign law and under the jurisdiction of foreign courts in commercial matters.

27 10. PEP is, and at all relevant times was, an entity and a subsidiary of Petróleos
28 Mexicanos with its principal place of business located in Mexico City, Mexico. PEP's main

1 activities include oil and natural gas exploration and exploitation, conveyance, storage in
2 terminals and first hand commercialization. PEP is a state-owned subsidiary productive
3 enterprise and is authorized to own property and carry out business in its own name, under the
4 control and direction of Petróleos Mexicanos.

5 11. HP is, and at all relevant times was, a corporation organized under the laws of
6 Delaware with its principal place of business located in Palo Alto, California. HP is a global
7 provider of personal computing devices, information technology infrastructure, and imaging and
8 printing products and services. HP's common stock is registered with the Securities and
9 Exchange Commission and trades on the New York Stock Exchange.

10 12. HP Mexico is, and at all relevant times was, a wholly-owned subsidiary of HP
11 with its principal place of business in Mexico City, Mexico. HP Mexico's books, records, and
12 accounts are consolidated into HP's books and records and reported by HP in its financial
13 statements.

14 **FACTUAL BACKGROUND**

15 13. For at least eight years, beginning in 2003, HP functioned as an origin of
16 corruption and bribery in different countries aimed at obtaining supply and services contracts.
17 During this time, HP, operating through at least three of its nominal subsidiaries, made unlawful
18 payments to numerous foreign government officials to illegally obtain lucrative contracts for HP.
19 By partnering with these subsidiaries and other intermediaries and agents, Defendants operated
20 criminal enterprises designed to obtain and retain business for HP.

21 14. In Mexico, Russia, and Poland the scheme was the same. HP, through its wholly-
22 owned subsidiaries HP Mexico, ZAO Hewlett-Packard A.O. ("HP Russia"), and Hewlett-
23 Packard Polska, Sp. Z o.o. ("HP Poland"), channeled bribes through intermediaries and agents to
24 government officials that could influence the awarding of government contracts.

25 15. In each case, the lavish bribes were falsely recorded in HP's books and records as
26 legitimate consulting contracts, commissions, or travel expenses. The improper recording of
27 these bribes by the Defendants and other enterprise members ensured that these corrupt
28 payments, and the corresponding ill-gotten gains, would avoid detection by the scheme's

1 victims.

2 16. During this period of corruption, HP's internal controls were unlawfully deficient
3 and enabled the payment of bribes to foreign officials and the corruption of the governments and
4 state-owned entities that employed them. Just as a fish rots from the head, the internal controls
5 violations at HP's headquarters caused and spawned a pattern of criminal conduct throughout its
6 subsidiaries.

7 17. Federal prosecutors ultimately uncovered HP's pattern of corruption and began
8 investigations of the Defendants' criminal enterprise. At the conclusion of these investigations,
9 HP Mexico acknowledged and accepted responsibility for its role in the criminal enterprise by
10 agreeing with the United States Department of Justice, Criminal Division, Fraud Section, and the
11 United States Attorney's Office for the Northern District of California (collectively the
12 "Department") to enter into a Non-Prosecution Agreement (the "NPA"). In the NPA, HP
13 Mexico admitted to making bribes and further agreed that had the matter proceeded to trial, the
14 Department would have proven such facts, as described in detail therein, beyond a reasonable
15 doubt. Bruce Ives, Senior Vice President and Deputy General Counsel at HP signed the NPA on
16 behalf of HP Mexico. A copy of this NPA and the accompanying Statement of Facts is attached
17 hereto as Exhibit 1.

18 18. The Securities and Exchange Commission (the "SEC") simultaneously issued an
19 Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities
20 Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (the "SEC
21 Order") to settle its investigation of the HP criminal enterprise. The SEC Order describes that
22 HP "violated Section 13(b)(2)(A)" of the Securities Exchange Act by falsely recording bribes in
23 its books and records and "also violated Section 13(b)(2)(B)" of the Securities Exchange Act for
24 failing to maintain sufficient controls. In addition, the SEC Order describes illegal payments
25 made by HP Mexico to obtain business from Pemex. The SEC Order further details the illegal
26 payments made by HP Russia and HP Poland to accomplish the same ends. A copy of this SEC
27 Order is attached hereto as Exhibit 2.

28 19. The press release issued by the Department contemporaneous with the

1 announcement of the NPA correctly described the Defendants' and enterprise members'
2 misconduct as "a global labyrinth of complex financial transactions used by HP to facilitate
3 bribes to foreign officials."

4 20. Under the terms of the NPA and the SEC Order, Defendants agreed, *inter alia*, to
5 pay the United States \$34 million to settle the pending or expected proceedings. HP has also
6 agreed to guarantee more than \$73 million in payments to the United States to resolve the HP
7 Russia and HP Poland investigations.

8 **I. Defendants Corrupted Pemex Officials**

9 21. Beginning around 2008, HP, HP Mexico, and other enterprise members targeted
10 Pemex. Around this time, HP Mexico entered into discussions to secure contracts to sell BTO
11 software, hardware, and licenses to Plaintiffs. The contracts for these BTO products were for
12 approximately \$6 million.

13 22. Defendants targeted Pemex's Chief Operating Officer and Pemex's Chief
14 Information Officer, Manuel Reynaud Aveleyra, who would be a signatory on behalf of Pemex
15 for the BTO contracts.

16 23. Over the course of the relevant period, the Defendants conferred a number of
17 benefits on Reynaud Aveleyra with the intent to induce him to award Pemex contracts to HP. On
18 April 21, 2008, HP Mexico's Account Manager, Miguel Angel Campos, invited Reynaud
19 Aveleyra to attend a conference and dinner in Orlando, Florida. That same day, Angel Campos
20 also invited Reynaud Aveleyra to attend a conference in Monaco from June 2 to June 4, 2008.

21 24. On June 6, 2008, Angel Campos invited Reynaud Aveleyra to meetings with HP
22 executives and a four-day event in Las Vegas, Nevada, concerning BTO services.

23 25. On September 3, 2008, Angel Campos contacted Reynaud Aveleyra to arrange a
24 dinner meeting with HP's Vice President and Managing Director, and former CFO for HP
25 Financial Services, Thomas Adams.

26 26. On September 16, 2008, HP Mexico's Technology Service Group Sales Manager,
27 Luis Maza, sent Reynaud Aveleyra an e-mail to confirm that an HP representative from Miami
28 would be discussing the BTO contracts with Reynaud Aveleyra and "will be looking after

1 [Reynaud Aveleyra] on our behalf in Rio.” This communication corresponded with Reynaud
2 Aveleyra’s scheduled trip to Brazil.

3 27. On October 13, 2008, Angel Campos and Maza contacted Reynaud Aveleyra to
4 inquire if he could meet with HP’s Vice President of Sales, Felix Feddersen, in Miami, Florida
5 on November 4, 2008. The Defendants offered to pay for Reynaud Aveleyra’s transportation,
6 food, and lodging expenses for this trip. Reynaud Aveleyra, Angel Campos and the HP Vice
7 President of Sales had also met a few months prior to this communication.

8 28. Pursuant to HP’s global labyrinth of bribery, HP Mexico sales managers decided
9 to make payments to a Mexican information-technology consulting company, which also
10 maintains operations in the United States, called Intellego, S.C. (collectively, with its affiliated
11 companies and agents, “Intellego”) in order to obtain the BTO business from Plaintiffs. As HP
12 Mexico admitted in the NPA, HP Mexico “understood from the earliest days of its negotiation
13 with Pemex that it had to retain [Intellego] in order to win the Pemex contracts.”

14 29. HP Mexico knew that the Chief Operating Officer was a former principal of
15 Intellego. HP Mexico also knew that the Chief Operating Officer supervised Reynaud Aveleyra,
16 who had significant responsibilities for the BTO contracts. HP Mexico retained Intellego
17 because of the connection between Intellego and the Chief Operating Officer, Reynaud Aveleyra,
18 and other Pemex officials. For example, Reynaud Aveleyra met with Eduardo Graniello,
19 Intellego’s chief executive, on August 18, 2008, during the negotiations for this deal. Graniello
20 also contacted Reynaud Aveleyra to arrange for additional discussions on September 17, 2008,
21 November 19, 2008, and December 18, 2008. The connection amongst these enterprise
22 members began at least around January 30, 2008, when Maza and a representative from Intellego
23 contacted Reynaud Aveleyra to schedule a meeting.

24 30. Intellego agreed to join the enterprise. As part of the agreement with Intellego,
25 HP Mexico agreed to pay Intellego an “influencer fee” equal to 25% of the licensing and
26 supporting components of the BTO contracts.

27 31. HP officials located in California approved the payment of an influencer fee to
28 Intellego. The basis for this allegation includes the following, each of which is more fully

1 described in this Complaint: (i) HP Mexico entered into the NPA with federal prosecutors in the
2 Northern District of California, which indicates that HP Mexico had material contacts in
3 California; (ii) HP Mexico arranged for a key Pemex official to meet with HP officials based in
4 California as part of the bribery scheme; (iii) HP is headquartered in California and promulgated
5 and implemented its inadequate internal controls from California; (iv) HP Mexico was seeking to
6 procure the BTO contracts at the direction of, and for the benefit of, California-based HP; and (v)
7 the large number of HP subsidiaries involved in criminal conduct strongly suggests that the
8 enterprise was run from the headquarters in California.

9 32. Defendants worked closely with Intellego throughout the negotiations in order to
10 insure the influencer fee was paid in full and the bribe was successfully completed. A senior
11 decision-maker with Intellego was a former HP Mexico senior executive who, just months
12 earlier, had supervised HP Mexico's sales managers on the BTO contracts team.

13 33. Intellego was not a pre-approved channel partner for HP Mexico and had not
14 signed a channel partner agreement. Accordingly, HP Mexico executives also arranged for
15 another entity (the "Pass-Through Partner"), which was already an approved HP Mexico channel
16 partner, to join the enterprise. Defendants arranged for the Pass-Through Partner to receive
17 funds from HP Mexico and then channel those funds to Intellego. As described by the
18 Department, "HP agreed to pay a \$1.41 million 'commission' to [Intellego] and hid the payments
19 by inserting into the deal structure another third party, which had been approved by HP as a
20 channel partner."

21 34. The Pass-Through Partner played no legitimate role in negotiating the BTO
22 contracts, but was rewarded with payment of a portion of the influencer fee in exchange for
23 passing on the bribe payments. HP Mexico executives falsely recorded the Pass-Through Partner
24 as the deal partner on the BTO contracts in HP's internal tracking system.

25 35. Because HP Mexico had already agreed to pay Intellego an influencer fee equal to
26 25% of licensing and supporting components of the BTO contracts—which was the maximum
27 amount permitted without seeking additional approvals—additional money was needed for the
28 Pass-Through Partner's share of the illicit funds. Consequently, on or about December 12, 2008,

1 HP Mexico executives sent an e-mail request to HP regional management requesting permission
2 to increase the influencer fee from 25% to 26.5%.

3 36. This request for an increased influencer fee was sent by HP Mexico officials via
4 an e-mail to HP officials located in California. The basis for this allegation includes the
5 following, each of which is more fully described in this Complaint: (i) HP Mexico entered into
6 the NPA with federal prosecutors in the Northern District of California, which indicates that HP
7 Mexico had material contacts in California; (ii) HP Mexico arranged for a key Pemex official to
8 meet with HP officials based in California as part of the bribery scheme; (iii) HP is
9 headquartered in California and promulgated and implemented its inadequate internal controls
10 from California; (iv) HP Mexico was seeking to procure the BTO contracts at the direction of,
11 and for the benefit of, California-based HP; and (v) the large number of HP subsidiaries involved
12 in criminal conduct strongly suggests that the enterprise was run from the headquarters in
13 California.

14 37. Consistent with HP's global labyrinth of bribing foreign officials, the HP officials
15 in California approved the increased influencer fee on the same day they received the request,
16 thereby approving the Pass-Through Partner's share of the scheme's illicit proceeds and its role
17 in the enterprise. HP Mexico has admitted that this approval was granted "[w]ith little or no
18 additional review." HP officials sent this critical approval from California to HP Mexico
19 officials in Mexico. The basis for this allegation is the same as the preceding paragraph.

20 38. On or about December 22 and December 23, 2008, HP Mexico signed the
21 contracts with Pemex and PEP for the BTO Deal. Reynaud Aveleyra, among others, signed on
22 behalf of Pemex. Luis Barraza, Software Sales Manager for HP Mexico, signed on behalf of HP
23 Mexico.

24 39. On or about January 20, 2009, HP Mexico received a payment request from the
25 Pass-Through Partner "for recommending an HP solution to your customer." Later that day, the
26 Pass-Through Partner advised Intellego of an expected payment schedule from HP Mexico.

27 40. On January 21, 2009, Reynaud Aveleyra had a lunch meeting with Intellego's
28 Graniello and others.

1 41. On or about January 23, 2009, HP Mexico informed the Pass-Through Partner
2 that the payment request had been approved. Consequently, Defendants' records falsely reflect
3 that the Pass-Through Partner was due a commission for the BTO contracts. Defendants'
4 records should instead have indicated that the Pass-Through Partner was paid to forward a bribe
5 to secure contracts for HP.

6 42. On or about January 28, 2009, the Pass-Through Partner submitted an invoice to
7 HP Mexico for the first influencer fee payment. HP Mexico paid that invoice on or about
8 February 10, 2009. HP Mexico admitted in the NPA that it made this payment "via wire transfer
9 in U.S. dollars through a correspondent bank account in the United States."

10 43. On or about February 5, 2009, the Pass-Through Partner submitted another
11 invoice to HP Mexico for the second influencer fee payment. HP Mexico paid that invoice on or
12 about February 12, 2009. HP Mexico also admitted in the NPA that it made this payment "via
13 wire transfer in U.S. dollars through a correspondent bank account in the United States."

14 44. These separate payments of the influencer fee were made in U.S. dollars through
15 a correspondent bank account in the United States. This bank account was controlled by HP and
16 HP Mexico and located in California. The basis for this allegation includes the following, each
17 of which is more fully described in this Complaint: (i) HP Mexico entered into the NPA with
18 federal prosecutors in the Northern District of California, which indicates that HP Mexico had
19 material contacts in California; (ii) HP Mexico arranged for a key Pemex official to meet with
20 HP officials based in California as part of the bribery scheme; (iii) HP is headquartered in
21 California and promulgated and implemented its inadequate internal controls from California;
22 (iv) HP Mexico was seeking to procure the BTO contracts at the direction of, and for the benefit
23 of, California-based HP; (v) Reynaud Aveleyra had a bank account in California; and (vi) the
24 large number of HP subsidiaries involved in criminal conduct strongly suggests that the
25 enterprise was run from the headquarters in California.

26 45. The corrupt payments from Defendants to the Pass-Through Partner totaled
27 approximately \$1,663,503.

28 46. On or about February 11, 2009, the Pass-Through Partner transferred

1 approximately \$517,821 in the illegal funds to Intellego. On or about February 23, 2009, the
2 Pass-Through Partner transferred an additional \$892,493.23 in those illegal funds to Intellego.
3 Together, these two transfers totaled approximately \$1.41 million.

4 47. The Pass-Through Partner kept the remainder, approximately \$250,000, as its
5 compensation for participating in the enterprise's scheme.

6 48. In the midst of these payments, on February 26, 2009, HP invited Reynaud
7 Aveleyra to attend a three-day forum event in San Francisco, California, in order to engage in
8 discussions with HP executives. A short time later, on March 3, 2009, Defendants invited
9 Reynaud Aveleyra to a separate four-day meeting in Cupertino, California concerning BTO
10 services. Around this same time, Angel Campos wrote to confirm a meeting with Reynaud
11 Aveleyra and HP's Vice President of Enterprise Servers & Storage, Rudi Schmickl, for the last
12 week of February 2009, to discuss "the importance of the projects that you have planned." At
13 this time, Schmickl's office was at HP's headquarters in Palo Alto, California.

14 49. On or about March 2, 2009, within weeks of receiving its second influencer fee
15 payment from HP Mexico through the Pass-Through Partner, Intellego made a cash payment of
16 approximately \$30,000 to an entity controlled by Reynaud Aveleyra. Two days later, Reynaud
17 Aveleyra met with Angel Campos to discuss "Advances of BTO-HP."

18 50. On or about March 30, 2009, Intellego made three additional cash payments
19 totaling approximately \$95,000 to the Reynaud Aveleyra-controlled entity.

20 51. At the time of these bribery payments, Reynaud Aveleyra had a personal account
21 at California Bank of Commerce, which has offices located in San Jose, California and
22 Lafayette, California.

23 52. Reynaud Aveleyra met with HP Mexico's Angel Campos on March 31, 2009, and
24 April 6, 2009, to discuss additional details regarding the BTO contracts and the Defendants'
25 plans. Reynaud Aveleyra, Angel Campos, Luis Barraza, and several others held similar
26 meetings on March 30, 2009, and April 1, 2009.

27 53. The relationship amongst the enterprise members and Reynaud Aveleyra persisted
28 beyond the passing of the bribe payments. For example, Intellego's Graniello reached out to

1 speak with Reynaud Aveleyra on May 13, 2009, and again on May 14, 2009.

2 54. HP later invited Reynaud Aveleyra to attend a three-day HP IT Forum with
3 Randy Mott, the Executive Vice President and Chief Information Officer of HP, beginning on
4 June 3, 2009, in Chicago, Illinois. HP offered to pay for Reynaud Aveleyra's hotel
5 accommodations and to arrange for a meeting with a professional race car driver. In 2009,
6 Mott's office was located at HP's headquarters in Palo Alto, California.

7 55. HP also invited Reynaud Aveleyra to attend a four-day event at the Venetian
8 Hotel in Las Vegas, Nevada, from June 15, 2009, along with Tom Hogan, Senior Vice President
9 of HP Software Universe, and other HP executives. The invitation included a VIP pass that
10 provided access to clients, receptions, lunches, a guided tour, a dinner for executives, and
11 priority information meetings. In 2009, Hogan's office was located at HP's headquarters in Palo
12 Alto, California.

13 56. U.S. interstate and international mail and wires were used by HP and HP Mexico
14 to supply products and services under the BTO contracts, to transfer funds received from
15 Plaintiffs under the BTO contracts, and to maintain an accounting of the proceeds received under
16 the BTO contracts. Those proceeds were ultimately returned to HP in the United States as
17 profits.

18 57. At all relevant times, HP Mexico was subject to HP's internal accounting
19 controls, and HP Mexico financial results were included in the consolidated financial statements
20 of HP.

21 58. HP and HP Mexico failed to properly record the unlawful cash payments
22 bestowed on the Pemex officials in their books and records. In addition, as HP Mexico admitted
23 in the NPA, HP Mexico's "books and records falsely reflected that the [Pass-Through Partner]
24 was the deal partner and principal recipient of the commission from the BTO Deal, which
25 ultimately caused certain HP Co. books and records to be falsified."

26 59. As Defendants have admitted, HP's inadequate internal controls caused improper
27 payments to Pemex officials over an extended period.

28 60. Throughout the relevant period, and including the entire time the BTO contracts

1 were being negotiated, the Chief Operating Officer and Reynaud Aveleyra had abandoned their
2 relationship with Pemex and were acting solely for their own personal benefit and the benefit of
3 the criminal enterprise. These former Pemex officials were not acting within the scope of their
4 employment, but instead, were acting directly adverse to Pemex's interests.

5 61. According to publicly available information, the Chief Operating Officer was
6 employed by the Pass-Through Partner after leaving Pemex.

7 62. At all relevant times, Defendant HP Mexico was the agent of Defendant HP, and
8 in doing the acts herein alleged, was acting in the scope of such agency, for the benefit of HP,
9 with the permission and consent of HP. HP instructed and controlled HP Mexico, and HP
10 Mexico understood that HP controlled the business in Mexico. HP controlled HP Mexico beyond
11 the degree expected as an incident of HP's ownership of HP Mexico. HP Mexico officers and
12 employees paid bribes to Pemex officials to secure business and profits for HP's benefit. As the
13 SEC found, "the true purpose of the payments and gifts was to make improper payments to
14 foreign government officials to obtain lucrative government contracts *for HP*" (emphasis added).

15 63. In the alternative, HP Mexico operated as the alter ego of HP. HP Mexico is
16 wholly owned by HP, financially dependent on HP, and controlled by HP, HP and HP Mexico
17 commingle funds and other assets, including by jointly controlling a bank account located in
18 California, as alleged in this Complaint. HP uses HP Mexico as a mere conduit for the affairs of
19 HP, including by directing HP Mexico to secure the BTO contracts at issue, and carry out the
20 other activities described in this Complaint, for the benefit of HP. There is a lack of segregation
21 of HP and HP Mexico corporate records, as HP Mexico's books, records, and accounts are
22 consolidated into HP's books and records and reported by HP in its financial statements.
23 Accordingly, HP and HP Mexico share a unity of interest such that failure to disregard their
24 separate entities would result in fraud or injustice. HP operated HP Mexico as its alter ego, at
25 least in part, to carry out this bribery scheme and cause substantial harm to Plaintiffs.

26 64. HP, HP Mexico, Intellego and the Pass-Through Partner conspired together by
27 agreeing to form an enterprise and conducting the affairs of the enterprise by channeling bribes
28 through intermediaries and agents to Pemex officials to win the Pemex contracts. Accordingly,

1 at all relevant times, HP, HP Mexico, Intellego and the Pass-Through Partner were co-
2 conspirators.

3 **II. HP's Other Racketeering Activity**

4 65. An HP criminal enterprise began operating by approximately 2000, when it paid
5 bribes to government officials in Russia, through its subsidiary HP Russia and a series of agents
6 and consultants, to secure a government tender to automate the telecommunications and
7 computing infrastructure of the Office of the Prosecutor General of Russia (the "GPO"), which
8 was worth more than €35 million. This enterprise expected the tender to be the first phase of a
9 larger project worth between \$100 million and \$150 million. According to an internal project
10 memorandum circulated within HP Russia and elsewhere, enterprise members also believed this
11 project was the "golden key" that could unlock other business opportunities with Russian state
12 entities.

13 66. In addition to HP Russia, two HP business units, the Enterprise Systems Group
14 and HP Services, were principally responsible for the GPO project.

15 67. From the inception of the GPO deal, HP Russia agreed to partner with
16 intermediaries having close ties to the Russian government, with almost no due diligence. As
17 described by the Department, internal financial documents identified these intermediaries as
18 "[Russian Government Agency 1]' or its 'authorized companys'; 'Intermediary 1,' a company
19 registered in Switzerland but operated by Russian nationals; and 'Intermediary 2,' a three
20 employee shell company incorporated in New York in 1997 with its business address at an
21 apartment building in Jersey City, New Jersey." Intermediary 1 and Intermediary 2 each agreed
22 to participate in this enterprise.

23 68. In December 2000, the principal of a small U.S. company with ties to Russian
24 government officials approached HP Russia executives about participating in this scheme. In
25 order to win the GPO tender, HP Russia executives agreed to pay the U.S. company \$1.2 million
26 and to use him as a subcontractor for the GPO tender.

27 69. HP Russia was declared the winner of the GPO contract around January 2001,
28 approximately six weeks after signing a teaming agreement with Intermediary 1 and in the midst

1 of negotiating an agreement with Intermediary 2.

2 70. In June 2001, HP Russia's Country Manager signed the GPO contract on behalf
3 of HP pursuant to a power-of-attorney. HP agreed to serve as the contracting party on this deal.
4 Years later, HP arranged for its German subsidiary, Hewlett-Packard ISE GmbH to become the
5 contracting entity on the GPO deal. Around August 2003, an HP Russia executive signed this
6 later contract on behalf of Hewlett-Packard ISE GmbH, but did so without proper authorizations
7 or power of attorney. In addition, HP failed to complete a Solution Opportunity and Review
8 process or due diligence review prior to the execution of this contract.

9 71. The Russian government initially attempted to secure U.S. government-backed
10 financing for the GPO deal. Consequently, the enterprise substituted Intermediary 2, a U.S.
11 company, for Intermediary 1, a Swiss company, as the principal contractor on the deal. In
12 reality, Intermediary 2 was a pass-through entity and incapable of performing this role.

13 72. In July 2001, and again in September 2001, HP Russia executives, principals from
14 Intermediary 2, and HP managers met at HP's offices in Rockville, Maryland to discuss the GPO
15 deal. During this meeting of enterprise members, the Intermediary 2 principals balked at
16 providing HP managers with requested information and informed the HP managers that HP was
17 fortunate to be involved in the GPO deal, and that Intermediary 2 could redirect the deal to HP's
18 principal competitor.

19 73. In 2002, the Russian government switched to German-backed financing for the
20 GPO transaction. In 2003, to avoid losing the GPO tender following the change in financing and
21 to skirt Russian officials considering whether to re-open the bidding process, HP Russia
22 promised to make unlawful payments of approximately €2.8 million to the Russian government
23 official—the director of a Russian foreign trade agency—responsible for handling the GPO
24 project.

25 74. The enterprise used shell companies to funnel payments to Russian officials, at
26 least one of which was Burwell Consulting, Ltd. ("Burwell"), a company registered in the United
27 Kingdom and associated with a senior Russian official connected with managing the GPO
28 project.

1 75. The promise to pay the bribe to the Russian government official was approved by
2 an HP Russia country manager. An HP Russia executive also signed a document titled “letter of
3 obligation” that required HP to pay Burwell approximately €2.8 million. This contract appeared
4 on letterhead with the HP logo and the name of the German-based HP entity Compaq Computers
5 BDG, which had been acquired by HP around May 2002. This off-the-books contract was not
6 disclosed to auditors and no due diligence was conducted of Burwell.

7 76. HP Russia arranged to create a slush fund and to make these illicit payments
8 through another enterprise member located in Germany (the “German Agent”). HP Russia sold
9 contract hardware and other products to a Russian channel partner who in turn sold them to the
10 German Agent. HP Russia then bought them back from the German Agent at a nearly €8 million
11 markup, thereby creating a slush fund for the enterprise members. HP Russia maintained two
12 sets of books and records, one which revealed the slush fund and bribe recipients, and another
13 sanitized version that unlawfully omitted this information.

14 77. The German Agent also acted as the pass-through for the bribes. HP Russia
15 funneled approximately €8 million to the German Agent to pass through to other shell
16 companies, at least one of which was Burwell Consulting, Ltd. Over the course of the scheme,
17 HP and HP Russia paid over €21 million to, or through, the German Agent. The German Agent
18 kept approximately €200,000 as compensation for its role in the enterprise.

19 78. On behalf of HP and HP Russia, the German Agent also funneled at least
20 €11,000 to bank accounts associated with the Russian government official to obtain and secure
21 the GPO contracts. The German Agent also wired €2.2 million to bank accounts of other shell
22 companies to further the enterprise’s goals and purchase expensive jewelry, luxury cars, travel,
23 tuition, furniture, electronic equipment, and other items.

24 79. HP earned approximately \$10.4 million in illicit profits from the GPO contracts.
25 HP received these profits in the United States.

26 80. At all relevant times, HP Russia was subject to HP’s internal accounting controls,
27 and HP Russia’s financial results were included in the consolidated financial statements of HP.

28 81. Neither HP nor HP Russia conducted any meaningful due diligence on the

1 German Agent. HP also failed to maintain sufficient internal controls that could have prevented
2 the bribery of the Russian officials and the corruption of their tender process.

3 82. HP and HP Russia failed to properly record the unlawful payments bestowed on
4 the Russian government official in their books and records.

5 83. The Russian government remained a target of enterprise conduct until at least
6 2007. For example, enterprise members conferred improper travel and entertainment benefits to
7 such government officials in June and July 2006 in connection with the FIFA World Cup.

8 84. On April 9, 2014, HP Russia agreed to plead guilty to felony violations of the
9 FCPA, and to admit its role in the unlawful scheme described above, in United States v. ZAO
10 Hewlett-Packard A.O., CR-14-201 (N.D. Cal. 2014). HP Russia acknowledged that these facts
11 would have been proven beyond a reasonable doubt. HP Russia agreed to pay a criminal fine in
12 excess of \$58 million in connection with this settlement. As part of this plea agreement, HP
13 guaranteed all payments due from HP Russia. HP further agreed to cooperate with the
14 Department's investigations, to review internal controls, and to remediate its compliance
15 measures. Bruce Ives, Senior Vice President and Deputy General Counsel at HP signed the plea
16 agreement on behalf of HP Russia.

17 85. At all relevant times, HP Russia was the agent of Defendant HP, and in doing the
18 acts herein alleged, was acting in the scope of such agency, for the benefit of HP, with the
19 permission and consent of HP. HP controlled and instructed HP Russia; HP Russia understood
20 that HP controlled the business in Russia. HP Russia officers and employees paid bribes to
21 government officials to secure profits for HP. As the SEC found, "the true purpose of the
22 payments and gifts was to make improper payments to foreign government officials to obtain
23 lucrative government contracts for HP." In addition, HP Russia explicitly entered into an
24 illegally secured contract on behalf of HP through a power-of-attorney.

25 86. In the alternative, HP Russia operated as the alter ego of HP. HP and HP Russia
26 operated as the same entity, ignoring independence of corporate formalities and separate
27 operations. HP operated HP Russia as its alter ego, at least in part, to carry out its bribery
28 scheme and cause substantial harm to the Russian government.

1 87. From approximately 2006 to 2010, an HP criminal enterprise targeted the Polish
2 government. During this time, HP Poland made unlawful payments to a government official to
3 secure and maintain lucrative contracts with the Polish national police agency (the “KGP”) for
4 HP.

5 88. Around 2006, a new KGP official, the Director of Information and
6 Communications Technology (the “Polish government official”), assumed responsibility for
7 reviewing previously-awarded technology contracts and reviewing future contracts.

8 89. In or around October 2006, HP and HP Poland sponsored the Polish government
9 official to attend a technology conference, near HP’s headquarters, in San Francisco, California.
10 HP Poland officials attended this conference and HP officials also attended this conference. The
11 basis for this allegation includes HP’s involvement as a sponsor of the conference, the proximity
12 of the technology conference to HP headquarters, the opportunity and motive for HP to benefit
13 from having its officials in attendance, and the other instances of meetings being arranged
14 between HP officials and foreign government officials, as alleged in this complaint.

15 90. Over the course of the conference, this enterprise conferred a number of
16 impermissible benefits on the Polish government official with the intent to induce him to award
17 government contracts to HP. The weekend before the conference, and without any legitimate
18 promotional or educational purpose, HP Poland employees paid for dinners, gifts and sightseeing
19 by the Polish government official in California. On the third day of the conference, these
20 employees abandoned any notion that the California conference constituted a legitimate business
21 purpose. Rather, the California conference was a launching point to treat the Polish government
22 official to a sightseeing trip to Las Vegas, Nevada, including cash payments for expenses, drinks,
23 dining, and a private tour flight over the Grand Canyon. The expenses were paid in cash,
24 without proper authorization, and were not accurately recorded in HP Poland’s books and
25 records.

26 91. Following this California boondoggle, HP Poland officials and the Polish
27 government official met frequently to discuss business opportunities. Around this same time, HP
28 Poland improperly provided expensive gifts to the public official for his personal use, including

1 HP products such as desktop and laptop computers. Over an extended period of time, enterprise
2 members provided the Polish government official with flat screen televisions, iPods, a home
3 theatre system, and other HP devices.

4 92. Around January and February 2007, shortly after receiving the first round of
5 bribes from the enterprise, Polish government official signed two contracts with HP Poland
6 valued at approximately \$10.1 million. Around this time, HP Poland expanded the bribes to
7 include large cash payments to the Polish government official in an amount equal to 1.2% of HP
8 and HP Poland's net revenue on any contract awarded by the KGP. As part of this arrangement,
9 the Polish government official agreed not to have existing contracts with HP examined for
10 irregularities and potentially re-bid.

11 93. In or around March 2007, HP Poland agreed to another KGP contract, which was
12 also signed by the Polish government official, and was valued at approximately \$15.8 million.
13 Around this time, an HP Poland executive left a bag containing \$150,000 in cash at the home of
14 the Polish government official. On another occasion in 2007, an HP Poland executive gave the
15 Polish government official \$100,000 in cash in a parking lot in Warsaw.

16 94. This enterprise continued paying bribes in exchange for official acts of the Polish
17 government official at least through 2008. That year, an HP Poland executive gave the Polish
18 government official bags of cash on at least four occasions totaling approximately \$360,000.
19 That same year the Polish government official signed three contracts on behalf of the Polish
20 government with HP Poland. These agreements, executed in or about January, April, and May
21 2008, were valued at approximately \$32 million in total.

22 95. Enterprise members also paid the Polish government official \$6,000 in 2009 and
23 offered to pay him to help secure a new \$4 million contract with the KGP in 2010.

24 96. As a result of the bribery scheme, HP was awarded approximately \$60 million in
25 contracts by the Polish government. HP earned approximately \$16.1 million in illicit profits
26 from the KPG contracts. HP received some or all of these profits in the United States.

27 97. HP Poland was subject to HP's internal accounting controls, and HP Poland's
28 financial results were included in the consolidated financial statements of HP.

1 98. HP and HP Poland failed to properly record the unlawful gifts, hospitality, and
2 cash payments bestowed on the Polish government official in their books and records.

3 99. HP's inadequate internal controls enabled and caused improper payments to the
4 Polish government official over the course of nearly four years.

5 100. On April 9, 2014, HP Russia agreed to a Deferred Prosecution Agreement
6 ("DPA") to potentially avoid prosecution for violations of the FCPA, in connection with its role
7 in the unlawful scheme described above, in *United States v. Hewlett-Packard Polska, SP. Z o.o.*,
8 CR-14-201 (N.D. Cal. 2014). HP Poland admitted and accepted responsibility for these acts and
9 acknowledged that these facts would have been proven beyond a reasonable doubt. HP Poland
10 agreed to pay a monetary penalty in excess of \$15 million in connection with this settlement. As
11 part of this plea agreement, HP guaranteed all payments due from HP Russia. HP further agreed
12 to cooperate with the Department's investigations, to review internal controls, and to remediate
13 its compliance measures. Bruce Ives, Senior Vice President and Deputy General Counsel at HP
14 signed the plea agreement on behalf of HP Poland.

15 101. At all relevant times, HP Poland was the agent of Defendant HP, and in doing the
16 acts herein alleged, was acting in the scope of such agency, for the benefit of HP, with the
17 permission and consent of HP. HP instructed and controlled HP Poland. HP Poland understood
18 that HP controlled the business in Poland. HP Poland officers and employees paid bribes to
19 Polish officials to secure profits for HP. As the SEC found, "the true purpose of the payments
20 and gifts was to make improper payments to foreign government officials to obtain lucrative
21 government contracts for HP."

22 102. In the alternative, HP Poland operated as the alter ego of HP. HP and HP Poland
23 operated as the same entity, ignoring independence of corporate formalities and separate
24 operations. HP operated HP Poland as its alter ego, at least in part, to carry out its bribery
25 scheme and cause substantial harm to the Polish government.

26 103. HP, HP Mexico, HP Poland, HP Russia and the various partners who acted as
27 intermediaries and agents described above, conspired together and agreed to conduct and
28 participate in the affairs of a global criminal enterprise.

1 104. As reflected in the preceding paragraphs, HP directed the enterprise and shared
2 information and strategies between HP Russia, HP Poland and HP Mexico.

3 105. In each country, Russia, Poland and Mexico, the enterprise channeled bribes
4 through intermediaries and agents to government officials that could influence the awarding of
5 government contracts. Accordingly, at all relevant times, HP, HP Mexico, HP Russia and HP
6 Poland were co-conspirators.

7 **III. Defendants' Inadequate Internal Controls and Control Failures**

8 106. In enacting the internal controls and other provisions of the FCPA, Congress
9 sought to address a critical problem effecting domestic and foreign commerce:

10 Corporate bribery is bad business. In our free market system it is basic that the
11 sale of products should take place on the basis of price, quality, and service.

12 Corporate bribery is fundamentally destructive of this basic tenet. Corporate
13 bribery of foreign officials takes place primarily to assist corporations in gaining
14 business. Thus foreign corporate bribery affects the very stability of overseas
15 business. Foreign corporate bribes also affect our domestic competitive climate
16 when domestic firms engage in such practices as a substitute for healthy
17 competition for foreign business.

18 S. Rep. No. 95-114, at 4, *available at* 1977 U.S.C.C.A.N. 4098, 4101. For this reason, Congress
19 determined that “[a] fundamental aspect of management’s stewardship responsibility is to
20 provide shareholders with reasonable assurances that the business is adequately controlled,” the
21 expected benefits of which are “of basic importance to investors and the maintenance of the
22 integrity of our capital market system.” *Id.* at 8, *available at* 1977 U.S.C.C.A.N. 4105-06. It
23 further stressed that the internal controls provision “should effectively deter corporate bribery of
24 foreign government officials.” Criminal Div. of the U.S. Dep’t of Justice and Enforcement Div.
25 of the U.S. Sec. & Exch. Comm’n, *FCPA: A Resource Guide to the U.S. Foreign Corrupt*
26 *Practices Act* 38 n.211 (2012) (“FCPA Guidance”). Federal authorities still recognize that
27 internal controls provisions should deter corruption. *See id.*

28 107. “The payment of bribes often occurs in companies that have weak internal

1 controls environments.” FCPA Guidance at 40. “Good internal controls can prevent not only
2 FCPA violations, but also other illegal or unethical conduct by the company, its subsidiaries, and
3 its employees.” *Id.* at 41. Indeed, “[a]n issuer’s responsibility thus extends to ensuring that
4 subsidiaries or affiliates under its control, including foreign subsidiaries and joint ventures,
5 comply with the accounting provisions.” *Id.* at 43.

6 108. Under the internal controls provision of the FCPA, 15 U.S.C. § 78m(b)(2), issuers
7 must devise and maintain “an adequate system of internal controls to assure, among other things,
8 that the assets of the issuer are used for proper corporate purpose.” S. Rep. No. 95-114 at 7,
9 *available at* 1977 U.S.C.C.A.N. 4105. The impetus for effective internal controls is created by a
10 tone set at the top of an organization. FCPA Guidance at 57 (“Within a business organization,
11 compliance begins with the board of directors and senior executives setting the proper tone for
12 the rest of the company.”). A basic directive of the internal controls provision requires that
13 “[r]easonable assurances should be maintained that transactions are executed as authorized.”
14 *SEC v. World-Wide Coin Investments, Ltd.*, 567 F.Supp. 724, 750-52 (N.D. Ga. 1983). Effective
15 internal controls should also include a compliance program that promotes “an organizational
16 culture that encourages ethical conduct and a commitment to compliance with the law,” and
17 “ensure[s] that the organization’s compliance and ethics program is followed, including
18 monitoring and auditing to detect criminal conduct.” U.S. SENTENCING GUIDELINES MANUAL §
19 8B2.1(b) (2013).

20 109. HP implemented a system of internal controls through its Standards of Business
21 Conduct (“SBC”), which was in effect throughout the relevant time period. The SBC specified
22 company rules and regulations governing legal and ethical practices, preparation of accurate
23 books and records, contracting, and approvals and engagement of third parties.

24 110. The SBC applied to HP business divisions and subsidiaries, including HP Mexico,
25 HP Russia, and HP Poland. The SBC was developed and promulgated at HP’s headquarters in
26 California.

27 111. HP’s anti-corruption policies and controls were inadequate and thus enabled and
28 caused the payment of illegal bribes to obtain business from Plaintiffs. As the SEC found, “HP

1 failed to devise and maintain an adequate system of internal accounting controls sufficient to
2 provide reasonable assurances that: (1) access to assets was permitted only in accordance with
3 management's authorization; (2) transactions were recorded as necessary to maintain
4 accountability for assets; and (3) transactions were executed in accordance with management's
5 authorization.”

6 112. HP's internal controls and policies were insufficiently implemented at HP, HP
7 Mexico, HP Russia, and HP Poland and allowed for the circumvention of internal accounting
8 controls and the falsification of HP's books and records. The inadequacy of HP's internal
9 controls and the occurrence of the bribery schemes are inextricably intertwined. But for the
10 internal controls violations at HP's headquarters in California, HP Mexico, HP Russia, and HP
11 Poland would not have implemented such a pattern of bribery, kickbacks, and corruption.

12 113. With respect to the enterprise's conduct in Mexico, HP's inadequate internal
13 controls enabled and caused, among other things, HP's approval of the increased influencer fee,
14 which represented the bribes paid to the Pemex officials and the share of the illicit proceeds for
15 Intellego and the Pass-Through Partner, and the inadequate due diligence performed on this
16 transaction. HP's inadequate internal controls also enabled and caused HP Mexico to avoid
17 channel partner controls by causing the Pass-Through Partner, a previously approved channel
18 partner, to enter the BTO transaction and consequently eschewing the completion of proper due
19 diligence and written channel partner agreements for Intellego. HP's inadequate internal
20 controls further enabled and caused HP Mexico to falsely request—and HP to approve—a 1.5%
21 increase in the commission for Intellego that was actually paid to the Pass-Through Partner.
22 Moreover, HP's inadequate internal controls enabled and caused offers of improper gifts, travel,
23 and entertainment in California and elsewhere in the United States to a Pemex official.

24 114. At all relevant times, Defendant HP Mexico was the agent of Defendant HP, and
25 in fraudulently concealing the bribery scheme from Plaintiffs, was acting in the scope of such
26 agency, for the benefit of HP, with the permission and consent of HP. HP instructed and
27 controlled HP Mexico, and HP Mexico understood that HP controlled the business in Mexico.
28 HP Mexico paid bribes to secure business and profits for HP's benefit. In the alternative, HP

1 Mexico operated as the alter ego of HP.

2 115. In Russia, HP's inadequate internal controls enabled and caused, among other
3 things, off-the books payments, mechanisms for concealing third parties, a slush fund and
4 attempts to conceal it with a second set of books and records, and secret contracts executed
5 without proper authority.

6 116. Similarly, in Poland, HP's inadequate internal controls enabled and caused,
7 among other things, improper gifts, travel, and entertainment to a foreign official, bribes, and
8 mechanisms for making and concealing cash payments to a foreign government official through
9 its agents.

10 **IV. Pemex Discovers the Criminal Conduct**

11 117. Defendants and enterprise members concealed the existence of the bribery scheme
12 from Plaintiffs in order to effectuate the goals of the scheme and obtain business from Plaintiffs
13 and relevant Pemex officials.

14 118. Defendants concealed the payment of bribes by falsely recording these bribes and
15 payments to Intellego as payments for legitimate services or commissions, when the true purpose
16 of these payments was to make corrupt payments to Pemex officials to obtain business. HP
17 Mexico's books and records falsely listed the Pass-Through Partner as the deal partner and
18 principal recipient of the commission from the BTO contracts. These false records were
19 consolidated and reported by HP to the SEC and other government agencies in its consolidated
20 financial statements.

21 119. Accordingly, Plaintiffs could not, in the exercise of reasonable due diligence,
22 have uncovered these facts for itself prior to the public disclosures by the Department and the
23 SEC. Plaintiffs had no other notice of these injuries.

24 120. Plaintiffs first discovered HP's illegal conduct around April 9, 2014, when the
25 Department publicly announced that it had entered into the NPA with HP Mexico in connection
26 with the events described in this Complaint. Also on April 9, 2014, the SEC issued the SEC
27 Order regarding HP. Both the NPA and the SEC Order describe illegal payments made by HP
28 Mexico to obtain business from Pemex and the Defendants' internal controls and books and

1 records violations.

2 121. Plaintiffs were not aware of this illegal conduct, or the losses and damages that
3 resulted, until it received and reviewed the NPA and the SEC Order.

4 **V. Injuries to Plaintiffs**

5 122. As a direct and proximate result of Defendant's actions, Plaintiffs entered into the
6 BTO contracts with HP Mexico and paid HP Mexico approximately \$6,000,000.

7 123. In total, HP and HP Mexico received approximately \$2,527,750, or over 40%, as
8 its net profits on the BTO contracts. HP received these profits in the United States.

9 124. As a direct and proximate result of Defendant's actions, Plaintiffs suffered
10 damages through increased costs that it would otherwise have not incurred had the BTO
11 contracts been awarded at fair market prices. That Defendants reaped more than \$2.5 million in
12 profits on a \$6 million deal is substantial evidence that Pemex was overcharged.

13 125. Plaintiffs have no satisfactory or practical remedy available for monetary or
14 injunctive relief in Mexico. Plaintiffs have no adequate recourse under Mexican law to recover
15 an adequate remedy for Defendants' bribery and other unlawful acts. The presence of Defendant
16 HP, its headquarters and a myriad of its employees and documents in California, the head of the
17 enterprise sitting in California, the promulgation and implementation of HP's internal controls
18 from California, and the interests of California and the United States in thwarting corruption and
19 criminal conduct in and emanating from their jurisdictions, strongly support Plaintiffs' seeking
20 justice in the Northern District of California.

21 126. HP's criminal enterprises operated and caused injuries for at least eight years.
22 The prolonged nature of the scheme, the Defendants' pattern of misconduct, and the frequency
23 with which HP, its subsidiaries, and other enterprise members repeated similar crimes, threatens
24 future harm to Plaintiffs and consumers and competitors in California.

25 127. Defendants' prolonged and harmful conduct toward Plaintiffs was malicious,
26 oppressive, and fraudulent.

27 ///

28 ///

COUNT ONE
(RICO)

1
2 128. Plaintiffs repeat and reallege, as if set forth herein, the allegations of all of the
3 preceding paragraphs.

4 129. Defendants are “persons” as defined in 18 U.S.C. § 1961(3).

5 130. Defendants HP and HP Mexico along with Intellego and the Pass Through Partner
6 were an association-in-fact “enterprise” as defined in 18 U.S.C. § 1961(4). The members of the
7 enterprise functioned together as an on-going organization with a common purpose of
8 maximizing sales, commissions, and profits, and securing contracts for HP. The enterprise
9 functioned together from at least January 2008 when members of the enterprise targeted
10 Plaintiffs by beginning discussions with Reynaud Aveleyra to secure contracts to sell BTO
11 software, hardware, and licenses to Plaintiffs and then by offering him lavish trips, gifts, and
12 entertainment, which continued through the performance of the BTO contracts. The enterprise
13 operated for a sufficient duration to permit its members to successfully pursue the enterprise’s
14 purpose by securing the BTO contracts for HP and by receiving sales, commission, and profits
15 from Plaintiffs. The enterprise continued through at least mid-2009 as evidenced by Intellego’s
16 communication to Reynaud Aveleyra on May 14, 2009, and HP’s proposal in June 2009.

17 131. The enterprise engaged in, and its activities affected, interstate and foreign
18 commerce. Enterprise members repeatedly communicated and transferred funds between the
19 United States and Mexico.

20 132. Defendants knowingly and willfully conducted or participated, directly or
21 indirectly, in the conduct of the affairs of the enterprise. HP directed the affairs of the enterprise
22 from its offices in the United States. HP Mexico acted as a conduit for criminal activity for HP.
23 HP Mexico, on HP’s behalf and at the direction of HP, corralled the members of the enterprise
24 and coordinated their interactions to secure the BTO contracts for HP. During the relevant
25 period, HP Mexico was acting as an agent of HP because HP Mexico is a wholly owned
26 subsidiary of HP and is under the control of HP. HP Mexico operates on the behalf of HP with
27 the authority to secure contracts and business for HP in Mexico. Alternatively, HP Mexico was
28

1 acting as the alter ego of HP in coordinating the enterprise. HP approved of the workings of the
2 enterprise and approved of payments made to and through the enterprise.

3 133. Defendants knowingly and willfully conducted or participated, directly or
4 indirectly, in the conduct of the enterprise's affairs through a pattern of racketeering activity
5 involving a series of related illegal predicate acts.

6 134. While conducting the enterprise's affairs, Defendant HP Mexico committed
7 multiple acts of money laundering in violation of 18 U.S.C. § 1956(a)(2) by transporting,
8 transferring or transmitting a monetary instrument or funds of a value far exceeding \$10,000,
9 from a place in the United States ultimately to Mexico with the intent to promote the carrying on
10 of bribery chargeable under state law and bribery of public officials. HP Mexico arranged with
11 HP for funds totaling \$1,663,503 to be paid from a bank account in the United States to the Pass-
12 Through Partner on at least two separate occasions around February 2009. HP Mexico
13 transferred these funds to the Pass-Through Partner with the intent and knowledge that the Pass-
14 Through Partner would, and indeed did, transfer funds to Intellego for the purpose of making
15 payments to an entity controlled by Reynaud Aveleyra, a public official, for his use and benefit
16 in Mexico. These transfers were a *quid pro quo* for awarding HP Mexico the BTO contracts.
17 Bribery of a public official is "specified unlawful activity" under 18 U.S.C. § 1956(c)(7)(B)(iv).

18 135. Defendant HP committed multiple violations of the federal money laundering
19 statute, 18 U.S.C. § 1956(a)(2), while conducting the enterprise's affairs by transporting,
20 transferring or transmitting a monetary instrument or funds of a value far exceeding \$10,000,
21 from a place in the United States ultimately to Mexico with the intent to promote the carrying on
22 of bribery chargeable under state law and bribery of public officials. HP approved of multiple
23 payments to be made from an account that HP controlled in the United States to the Pass-
24 Through Partner on two separate occasions in February 2009. HP approved the payments
25 knowing, or willfully blinding itself to, the fact that the Pass-Through Partner would, and indeed
26 did, transfer funds to Intellego for the purpose of making payments to an entity controlled by
27 Reynaud Aveleyra, a public official, for his use and benefit in Mexico. These transfers were a
28 *quid pro quo* for awarding HP Mexico the BTO contracts. Bribery of a public official is

1 “specified unlawful activity” as defined by 18 USC § 1956(c)(7)(B)(iv).

2 (a) Defendant HP is liable for the money laundering acts committed by HP
3 Mexico in violation of 18 U.S.C. § 1956(a)(2) because, during the relevant period, HP Mexico
4 was acting as an agent of HP and acted within the scope of its authority to benefit HP. In the
5 alternative, HP is liable for the acts committed by HP Mexico because HP Mexico was the alter
6 ego of HP.

7 (b) Defendant HP is liable for the money laundering acts committed by HP
8 Mexico in violation of 18 U.S.C. § 1956(a)(2) because, during the relevant period, HP Mexico
9 was a co-conspirator of HP’s, HP’s violations of 18 U.S.C. § 1956(a)(2) were within the scope of
10 the conspiracy and reasonably foreseeable.

11 136. Defendant HP Mexico committed multiple violations of the Travel Act, 18 U.S.C.
12 § 1952 (the “Travel Act”), while conducting the enterprise’s affairs, by using facilities in
13 interstate and foreign commerce with the intent to promote and carry on the unlawful activities
14 of bribery and money laundering in violation of California’s commercial bribery statute,
15 California Penal Code Section 641.3, money laundering in violation of 18 U.S.C. § 1956(a)(2),
16 and the FCPA, while promoting, carrying on and facilitating its bribery and money laundering
17 schemes. HP Mexico arranged with HP for wire transfers of funds totaling \$1,663,503 to be paid
18 from a bank account in the United States to the Pass-Through Partner on at least two separate
19 occasions around February 2009. HP Mexico transferred these funds with the intent for the Pass-
20 Through Partner to transfer funds to Intellego for the purpose of making payments to an entity
21 controlled by Reynaud Aveleyra, a public official, as a *quid pro quo* for awarding HP Mexico the
22 BTO contracts. In sending the wire approval request by e-mail from Mexico to HP in the United
23 States, HP Mexico promoted, carried on and facilitated the enterprise’s bribery and money
24 laundering schemes in violation of California and federal law. Some or all of the proceeds of the
25 enterprise’s unlawful activity were distributed in the United States through a facility in interstate
26 or foreign commerce. Defendants HP and HP Mexico also coordinated and participated in the
27 travel of Reynaud Aveleyra to multiple locations in the United States, such as San Francisco,
28 California, Orlando, Florida, Las Vegas, Nevada and Miami, Florida throughout the relevant

1 period, including travel to California on two separate occasions within weeks of making the wire
2 transfers in 2009. The travel was provided in connection with a *quid pro quo* arrangement for
3 awarding HP Mexico the BTO contracts for the benefit of HP, in facilitation of the enterprise's
4 bribery and money laundering schemes and in violation of California and federal law.

5 137. Defendant HP committed multiple violations of the Travel Act while conducting
6 the enterprise's affairs by using facilities in interstate and foreign commerce with the intent to
7 promote and carry on the unlawful activities of bribery and money laundering in violation of
8 California's commercial bribery statute, California Penal Code Sections 641.3, money
9 laundering in violation of 18 U.S.C. § 1956(a)(2), and the FCPA, while promoting, carrying on
10 and facilitating the enterprise's bribery and money laundering schemes.

11 (a) HP violated the Travel Act through the following violations of
12 California's commercial bribery statute and federal money laundering and antibribery statutes:
13 HP sent an e-mail approving wire transfers to be paid from a bank account under HP's control in
14 the United States to the Pass-Through Partner on at least two separate occasions in 2009. HP
15 approved the transfer of these funds while knowing, or willfully blinding itself to the fact that,
16 the Pass-Through Partner would, and indeed did, transfer funds to Intellego for the purpose of
17 making payments to an entity controlled by Reynaud Aveleyra, a public official, as a *quid pro*
18 *quo* for awarding HP Mexico the BTO contracts. In sending approval for the wire transfers to
19 HP Mexico, HP promoted, carried on and facilitated the enterprise's bribery and money
20 laundering schemes in violation of California and federal law. HP also coordinated the travel of
21 Reynaud Aveleyra to multiple locations in the United States, such as San Francisco, California,
22 Orlando, Florida, Las Vegas, Nevada and Miami, Florida throughout the relevant period,
23 including travel to California on two separate occasions within weeks of making the wire
24 transfers. The travel was provided in connection with a *quid pro quo* arrangement for awarding
25 HP Mexico the BTO contracts, in facilitation of the enterprise's bribery and money laundering
26 schemes in violation of California and federal law.

27 (b) Defendants HP and HP Mexico also independently violated the Travel Act
28 through the following violations of the FCPA:

- 1 i. Defendants, in conducting the affairs of the enterprise, violated the anti-
- 2 bribery provisions of the FCPA.
- 3 ii. HP Mexico, a “person” within the meaning of the FCPA, knowingly used
- 4 and caused to be used interstate and international e-mails and wire transfers
- 5 in furtherance of payments to corrupt foreign officials employed at Pemex,
- 6 while knowing that a portion of such money would be given to those foreign
- 7 officials to influence and induce their decisions with respect to improperly
- 8 awarding the BTO contracts to HP Mexico for the purpose of obtaining
- 9 business for HP.
- 10 iii. HP Mexico also conferred a number of benefits to Reynaud Aveleyra with
- 11 the intent to induce him to award Pemex contracts to HP Mexico for HP’s
- 12 benefit, including invitations to lavish trips to San Francisco, California,
- 13 Orlando, Florida, Las Vegas, Nevada and Miami, Florida.
- 14 iv. HP, an “issuer” within the meaning of the FCPA, corruptly used and caused
- 15 to be used interstate and international e-mails and wire transfers in
- 16 furtherance of payments to corrupt foreign officials employed at Pemex,
- 17 while knowing or willfully blinding itself to the fact that a portion of such
- 18 money would be given to those foreign officials to influence and induce their
- 19 decisions with respect to improperly awarding the BTO contracts to HP
- 20 Mexico for the purpose of obtaining business for HP.
- 21 v. HP also conferred a number of benefits to Reynaud Aveleyra with the intent
- 22 to induce him to award Pemex contracts to HP Mexico for HP’s benefit
- 23 including invitations to lavish trips to San Francisco, California, Orlando,
- 24 Florida, Las Vegas, Nevada and Miami, Florida.
- 25 vi. HP is liable for the acts and FCPA violations committed by HP Mexico
- 26 because, as described herein, during the relevant period, HP Mexico was
- 27 acting as an agent of HP. In the alternative, HP is liable for the acts
- 28 committed by HP Mexico because HP Mexico was the alter ego of HP.

- 1 vii. Further, in conducting the affairs of the enterprise, Defendants HP and HP
2 Mexico continuously violated the FCPA by failing to devise and maintain a
3 system of internal accounting controls sufficient to provide reasonable
4 assurances that its transactions are properly carried out and recorded and that
5 the company's assets are protected, in violation of the accounting provisions
6 of the FCPA.
- 7 viii. HP violated the FCPA internal controls provision by knowingly approving
8 the increased commission paid to the Pass-Through Partner, with little or no
9 due diligence. HP also violated the FCPA internal controls provision by
10 failing to implement effective internal controls at its wholly-owned
11 subsidiary HP Mexico.
- 12 ix. HP Mexico, as an agent of an issuer, violated the FCPA internal controls
13 provision by knowingly avoiding channel partner controls by causing the
14 Pass-Through Partner, a previously approved HP Mexico channel partner, to
15 enter the BTO transaction to skirt due diligence and other requirements, and
16 by falsely requesting a 1.5% increase in the commission for Intellego that
17 was actually paid to the Pass-Through Partner.
- 18 x. Defendants, in conducting the affairs of the enterprise, also violated the
19 FCPA by failing to make and keep books, records, and accounts, which in
20 reasonable detail, accurately and fairly reflect the transactions and
21 dispositions of their assets, in violation of the accounting provisions of the
22 FCPA.
- 23 xi. HP violated the FCPA books and records provision by incorporating and
24 consolidating the false records of HP Mexico into its own books and records.
25 HP's books and records falsely reflected the Pass-Through Partner as the deal
26 partner and principal recipient of commissions from the BTO contracts and
27 did not accurately reflect that approximately \$125,000 in bribes was paid to a
28 Pemex official.

1 xii. HP Mexico, as an agent of an issuer, willfully violated the FCPA books and
2 records provision by knowingly recording the bribes paid to the Pemex
3 officials as commissions, including by falsely recording that the Pass-
4 Through Partner was due a commission on the BTO contracts, by falsely
5 recording the Pass-Through Partner as the BTO deal partner, and by failing
6 to record \$1.41 million in payments to Intellego.

7 (c) In addition to the other violations described herein, HP is liable for
8 violating California Penal Code §§ 641.3 and 778a because HP Mexico acted as HP's agent in
9 paying the bribe to Reynaud Aveleyra and securing the BTO contracts on behalf of HP. HP
10 acted as a principal in California by approving retention of the Pass-Through Partner as a party to
11 the BTO transactions and approving payments to the Pass-Through Partner, which ultimately
12 served as the bribe to Reynaud Aveleyra.

13 (d) Defendant HP is liable for the Travel Act violations committed by HP
14 Mexico because, during the relevant period, HP Mexico was acting as an agent of HP and acted
15 within the scope of its authority to benefit HP. In the alternative, HP is liable for the acts
16 committed by HP Mexico because HP Mexico was the alter ego of HP.

17 (e) Defendant HP is also liable for the Travel Act violations committed by HP
18 Mexico in violation of 18 U.S.C. § 1952 because, during the relevant period, HP Mexico was a
19 co-conspirator of HP's, and HP's violations of 18 U.S.C. § 1952 were within the scope of the
20 conspiracy and reasonably foreseeable.

21 138. Separately, Defendants conducted the affairs of the enterprise through a pattern of
22 racketeering activity by engaging in multiple instances of wire fraud, in violation of 18 U.S.C. §
23 1343. The Defendants devised and knowingly participated in a scheme to defraud Plaintiffs by
24 activity in the United States with the specific intent to deceive or defraud Plaintiffs by causing
25 Plaintiffs to enter into the BTO contracts and agree to pay Defendants approximately \$6,000,000.
26 The statements that Defendants made regarding the BTO contracts contained material omissions,
27 in that they failed to disclose Defendants' relationship with, and corruption of, Reynaud
28 Aveleyra and the Chief Operating Officer or their affiliated entities. In furtherance of the

1 scheme to defraud Plaintiffs of money through false and fraudulent pretenses, Defendants
2 knowingly and willfully transmitted, or caused to be transmitted, the following wires through
3 interstate or foreign commerce:

4 (a) On December 12, 2008, HP Mexico executives sent a request for
5 permission from HP regional management to increase the influencer fee from 25% to 26.5%.
6 This request for an increased influencer fee was sent by HP Mexico officials via an e-mail to HP
7 officials located in California.

8 (b) On December 12, 2008, the HP officials in California approved an
9 increased influencer fee on the same day they received the request, with little or no additional
10 review, thereby approving the Pass-Through Partner's share of the scheme's illicit proceeds and
11 its role in the enterprise. HP officials sent this critical approval from California to HP Mexico
12 officials in Mexico.

13 (c) On February 10, 2009, HP Mexico wired money, in U.S. dollars, through a
14 correspondent bank account in the United States, to the Pass-Through Partner.

15 (d) On February 12, 2009, HP Mexico wired money, in U.S. dollars, through a
16 correspondent bank account in the United States, to the Pass-Through Partner.

17 (e) These payments from Defendants to the Pass-Through Partner totaled
18 \$1,663,503. A portion of these funds were then used to corrupt Reynaud Aveleyra and the Chief
19 Operating Officer.

20 (f) The correspondent bank account used by HP Mexico was controlled by
21 HP and located in California.

22 139. Given the fact that the ongoing enterprise's regular way of doing business was
23 through a pattern of racketeering activity, there is a substantial threat that this established pattern
24 of racketeering behavior in the interest of enterprises involving HP products has persisted or
25 could continue into the future.

26 140. The above acts of racketeering took place within ten years of each other, were
27 part of the enterprise's common goal of securing valuable contracts for HP, and involved similar
28 methods, participants, and victims.

1 141. Plaintiffs have suffered injury, including in the form of millions of dollars of harm
2 from the acceptance of harmful contractual terms and the payment of significant cost
3 overcharges in connection with the BTO contracts as a result of the Defendants' racketeering
4 activity in the conduct of the enterprise's affairs.

5 **COUNT TWO**
6 **(RICO)**

7 142. Plaintiffs repeat and reallege, as if set forth herein, the allegations of all of the
8 preceding paragraphs.

9 143. Defendants are "persons" as defined in 18 U.S.C. § 1961(3).

10 144. Defendants HP and HP Mexico, along with HP Poland, HP Russia, and other
11 partners who acted as intermediaries and agents, were an association-in-fact "enterprise" as
12 defined in 18 U.S.C. § 1961(4). The members of the enterprise functioned together as an on-
13 going organization, starting at least by 2000 when HP, HP Russia and its agents began engaging
14 in racketeering activity to make payments to government officials in exchange for government
15 contracts and continuing through at least 2010 when HP, HP Poland and its agents ceased
16 making payments to government officials in exchange for government contracts, with a common
17 purpose of maximizing sales, commissions, and profits, and securing contracts for HP. The
18 enterprise operated for a sufficient duration to permit its members to successfully pursue the
19 enterprise's purpose by securing lucrative contracts for HP and by receiving sales, commission
20 and profits from government contracts.

21 145. The enterprise engaged in, and its activities affected, interstate and foreign
22 commerce. Enterprise members repeatedly communicated, visited and transferred funds between
23 the United States, Russia, Poland, Germany, the United Kingdom and Mexico, among other
24 countries.

25 146. Defendants knowing and willingly conducted or participated, directly or indirectly
26 in the conduct of the affairs of the enterprise. HP directed the enterprise from its offices in the
27 United States and shared information and strategies between HP Russia, HP Poland and HP
28 Mexico. HP Russia, HP Mexico and HP Poland, on HP's behalf and at the direction of HP,

1 corralled the other agents and intermediary members of the enterprise and coordinated their
2 interactions to secure lucrative contracts for HP. During the relevant period, HP Russia, HP
3 Mexico and HP Poland were acting as agents of HP because they are wholly owned subsidiaries
4 and are under the control of HP. HP Russia, HP Mexico and HP Poland operate on behalf of HP
5 with authority to secure contracts and business for HP in the respective countries. Alternatively,
6 HP Russia, HP Mexico and HP Poland were acting as the alter ego of HP in coordinating the
7 enterprise because HP controls HP Russia, HP Mexico and HP Poland to such a degree that they
8 are mere instrumentalities of HP. HP approved of the working of the enterprise and approved of
9 payments made to and through the enterprise.

10 147. Defendants knowingly and willingly conducted or participated, directly or
11 indirectly, in the conduct of the enterprise's affairs through a pattern of racketeering activity
12 involving a series of related predicate acts.

13 148. While conducting the affairs of the enterprise, defendant HP committed multiple
14 violations of the federal money laundering statute, 18 U.S.C. § 1956(a)(2), by transporting,
15 transferring or transmitting a monetary instrument or funds of a value far exceeding \$10,000,
16 from a place in the United States ultimately to Mexico with the intent to promote the carrying on
17 of bribery chargeable under state law and bribery of public officials. HP approved of payments
18 made from a bank account in the United States to the Pass-Through Partner in Mexico on at least
19 two separate occasions around February 2009. HP approved all the payments with the intent and
20 knowledge that the intermediaries would, and indeed did, make payments to public officials as a
21 *quid pro quo* for awarding HP lucrative government contracts. Bribery of a public official is
22 "specified unlawful activity" as defined by 18 U.S.C. § 1956(c)(7)(B)(iv).

23 (a) HP is responsible for the money laundering acts committed by HP Mexico
24 in violation of 18 U.S.C. 1956(a)(2) because, during the relevant period, HP Mexico was acting
25 as an agent of HP, and acted within the scope of its authority to benefit HP. In the alternative,
26 HP is responsible for the acts committed by HP Mexico because it is the alter ego of HP.

27 (b) HP is responsible for the money laundering acts committed by HP Mexico
28 in violation of 18 U.S.C. § 1956(a)(2) because, during the relevant period, HP Mexico was a co-

1 conspirators of HP's, the violations of the law were within the scope of the conspiracy and were
2 reasonably foreseeable.

3 149. While conducting the affairs of the enterprise, defendant HP committed multiple
4 violations of the Travel Act while conducting the enterprise's affairs by using the U.S. mails and
5 facilities and travel in interstate and foreign commerce with the intent to promote and carry on
6 the unlawful activities of bribery and money laundering in violation of California's commercial
7 bribery statute, California Penal Code § 641.3, money laundering in violation of 18 U.S.C. §
8 1956(a)(2), and the FCPA, while promoting, carrying on and facilitating the enterprise's bribery
9 and money laundering schemes.

10 (a) HP violated the Travel Act through the following violations of
11 California's commercial bribery statute and federal money laundering and antibribery statutes:
12 HP sent e-mails to HP Mexico approving payments and wire transfers to be paid from a place in
13 the United States ultimately to Mexico. HP approved the transfer and payment of these funds
14 knowing that the intermediaries would use the funds to make payments to public officials as a
15 *quid pro quo* for awarding HP lucrative government contracts. In approving these payments, HP
16 promoted, carried on and facilitated the enterprise's illegal bribery and money laundering
17 schemes in violation of California and federal law. HP and HP Russia also violated the Travel
18 Act by engaging in foreign and domestic travel to attend a meeting in Maryland to discuss the
19 GPO deal. In doing so, HP and HP Russia intentionally promoted, established and facilitated the
20 unlawful payment of money to Russian government officials in exchange for the awarding of the
21 GPO project to HP Russia, in violation of California and federal antibribery law. HP and HP
22 Poland also violated the Travel Act by engaging in foreign and domestic travel in connection
23 with bringing a Polish IT Official to San Francisco and Nevada. In doing so, HP and HP Poland
24 intentionally promoted, established, and carried on unlawful payments to a Polish government
25 official in exchange for lucrative government contracts with the KGP in violation of California
26 and federal antibribery law.

27 (b) HP also violated the Travel Act through the following violations of the
28 FCPA:

- 1 i. HP, in conducting the affairs of the enterprise, violated the anti-bribery
2 provisions of the FCPA.
- 3 ii. HP, an “issuer” within the meaning of the FCPA, corruptly used and caused to
4 be used interstate and international e-mails and wire transfers in furtherance of
5 corrupt payments to foreign officials in those countries, while knowing, or
6 willfully blinding itself to the fact that a portion of such money would be
7 given to those foreign officials to influence and induce their decisions with
8 respect to improperly awarding the BTO contracts to HP Mexico, the GPO
9 contracts in Russia and the contracts with the KGP in Poland for the purpose
10 of obtaining business for HP.
- 11 iii. HP also conferred a number of benefits to a Pemex official, Reynaud
12 Aveleyra, with the intent to induce him to award Pemex contracts to HP
13 Mexico for HP’s benefit, including invitations to lavish trips to San Francisco,
14 California, Orlando, Florida, Las Vegas, Nevada and Miami, Florida.
- 15 iv. HP Russia, HP Poland and HP Mexico, also from approximately 2003 to
16 2010, corruptly used and caused to be used interstate and international e-mails
17 and wire transfers in furtherance of corrupt payments to various foreign
18 government officials to obtain business and falsely recorded these payments in
19 their books and records.
- 20 v. HP is responsible for the acts and FCPA violations committed by HP Russia,
21 HP Poland and HP Mexico because, as described herein, during the relevant
22 period, HP Mexico was acting as an agent of HP. In the alternative, HP is
23 liable for the acts committed by HP Russia, HP Poland and HP Mexico
24 because they were the alter ego of HP.
- 25 vi. Further, in conducting the affairs of the enterprise, Defendant HP
26 continuously violated the FCPA by failing to devise and maintain a system of
27 internal accounting controls sufficient to provide reasonable assurances that
28 its transactions are properly carried out and recorded and that the company’s

1 assets are protected, in violation of the accounting provisions of the FCPA.

2 vii. HP violated the FCPA internal controls provision by knowingly approving
3 payments to intermediaries such as the Pass-Through Partner, and the German
4 agent, with little or no due diligence. HP also violated the FCPA internal
5 controls provision by failing to implement effective internal controls at its
6 wholly-owned subsidiaries, HP Russia, HP Poland and HP Mexico.

7 viii. In conducting the affairs of the enterprise, HP also violated the FCPA by
8 failing to make and keep books, records and accounts, which in reasonable
9 detail, accurately and fairly reflect the transactions and the dispositions of
10 their assets, in violation of the accounting provisions of the FCPA.

11 ix. HP violated the FCPA books and records provision by incorporating and
12 consolidating the falsely recorded payments made in Russia, Poland and
13 Mexico to agents as payments for legitimate services or commissions, when
14 the true purpose of these payments was to make corrupt payments to
15 government officials to obtain business.

16 (c) In addition to other violations described herein, HP violated the Travel Act
17 by violating California Penal Code 641.3 and 778a because HP Russia, HP Poland and HP
18 Mexico acted as HP's agent in paying bribes to secure contracts on behalf of HP. HP acted as a
19 principal in California by approving the retention of the intermediaries and approving payments
20 made to the intermediaries who in turn made payments to in exchange for business for HP.

21 (d) Defendant HP is responsible for the Travel Act violations committed by
22 HP Russia, HP Poland and HP Mexico because, during the relevant period, HP Russia, HP
23 Poland and HP Mexico were acting as agents of HP, and acted within the scope of their
24 authorities to benefit HP. In the alternative, HP is responsible for the acts committed by HP
25 Mexico, HP Poland and HP Russia because they are the alter egos of HP.

26 (e) HP is responsible for the Travel Act violations committed by HP Russia,
27 HP Poland and HP Mexico because, during the relevant period, HP Russia, HP Poland and HP
28 Mexico were co-conspirators of HP's, the violations of the law were within the scope of the

1 conspiracy and were reasonably foreseeable.

2 150. Separately, HP conducted the affairs of the enterprise through a pattern of
3 racketeering activity by engaging in multiple instances of wire fraud, in violation of 18 U.S.C. §
4 1343. HP devised and knowingly participated in a scheme to defraud Plaintiffs by activity in the
5 United States with the specific intent to deceive or defraud Plaintiffs by causing Plaintiffs to
6 enter into the BTO contracts and agree to pay Defendants approximately \$6,000,000. The
7 statements that Defendants made regarding the BTO contracts contained material omissions, in
8 that they failed to disclose Defendants' relationship with, and corruption of, Reynaud Aveleyra
9 and the Chief Operating Officer or their affiliated entities. In furtherance of the scheme to
10 defraud Plaintiffs of money through false and fraudulent pretenses, Defendants knowingly and
11 willfully transmitted, or caused to be transmitted, the following wires through interstate or
12 foreign commerce:

13 (a) On December 12, 2008, HP Mexico executives sent a request for
14 permission from HP regional management to increase the influencer fee from 25% to 26.5%.
15 This request for an increased influencer fee was sent by HP Mexico officials via an e-mail to HP
16 officials located in California.

17 (b) On December 12, 2008, the HP officials in California approved an
18 increased influencer fee on the same day they received the request, with little or no additional
19 review, thereby approving the Pass-Through Partner's share of the scheme's illicit proceeds and
20 its role in the enterprise. HP officials sent this critical approval from California to HP Mexico
21 officials in Mexico.

22 (c) On February 10, 2009, HP Mexico wired money, in U.S. dollars, through a
23 correspondent bank account in the United States, to the Pass-Through Partner.

24 (d) On February 12, 2009, HP Mexico wired money, in U.S. dollars, through a
25 correspondent bank account in the United States, to the Pass-Through Partner.

26 (e) These payments from Defendants to the Pass-Through Partner totaled
27 \$1,663,503. A portion of these funds were then used to corrupt Reynaud Aveleyra and the Chief
28 Operating Officer.

1 (f) The correspondent bank account used by HP Mexico was controlled by
2 HP and located in California.

3 151. Given the fact that the ongoing enterprise's regular way of doing business was
4 through a pattern of racketeering activity, there is a substantial threat that this established pattern
5 of racketeering behavior in the interest of enterprises involving HP products has persisted or
6 could continue into the future.

7 152. The above acts of racketeering took place within ten years of each other, were
8 part of the enterprise's common goal of securing valuable contracts for HP, and involved similar
9 methods, participants and victims.

10 153. Plaintiffs have suffered injury, including in the form of millions of dollars of harm
11 from the acceptance of harmful contractual terms and the payment of significant cost
12 overcharges in connection with the BTO contracts as a result of the Defendants' racketeering
13 activity in the conduct of the enterprise's affairs.

14 **COUNT THREE**
15 **(RICO Conspiracy)**

16 154. Plaintiffs repeat and reallege, as if set forth herein, the allegations of all of the
17 preceding paragraphs.

18 155. Defendants HP and HP Mexico agreed to participate in the affairs of an enterprise
19 with Intellego and the Pass-Through Partner, as described above.

20 156. Defendants HP and HP Mexico agreed to conduct those affairs through a pattern
21 of racketeering activity. Specifically, defendants agreed to commit multiple predicate acts of
22 money laundering, mail and wire fraud, violations of the Travel Act, and violations of state-law
23 prohibited bribery, as described above. HP, the epicenter of the enterprise and conspiracy,
24 directed this scheme from the United States.

25 157. Defendants have therefore conspired to violate 18 U.S.C. § 1962(c) in violation of
26 18 U.S.C. § 1962(d).

27 158. Plaintiffs have suffered injury, including in the form of millions of dollars of harm
28 from the acceptance of harmful contractual terms and the payment of significant cost

1 overcharges in connection with the BTO contracts as a result of the Defendants' violation of 18
2 U.S.C. §1962(d).

3
4 **COUNT FOUR**
5 **(RICO Conspiracy)**

6 159. Plaintiffs repeat and reallege, as if set forth herein, the allegations of all of the
7 preceding paragraphs.

8 160. Defendant HP agreed with HP Mexico, HP Poland, HP Russia, and other partners
9 who acted as intermediaries and agents, to conduct and participate in the affairs of a global
10 criminal enterprise. This was an association-in-fact "enterprise" as defined in 18 U.S.C. §
11 1961(4). The members of the enterprise functioned together as an on-going organization,
12 beginning in 2000 and continuing through at least 2010, with a common purpose of maximizing
13 sales, commissions, and profits, and securing contracts for HP.

14 161. HP directed the enterprise from the United States and shared information and
15 strategies between HP Russia, HP Poland and HP Mexico.

16 162. Defendant HP agreed with HP Mexico, HP Poland, HP Russia and the
17 intermediaries and agents who made up the global enterprise to conduct the affairs of the global
18 enterprise through a pattern of racketeering activity. In each country, the enterprise channeled
19 bribes through intermediaries and agents to government officials that could influence the
20 awarding of government contracts. Specifically HP, which was at the epicenter of the enterprise
21 and conspiracy, agreed to commit multiple predicate acts of money laundering, mail and wire
22 fraud, violations of the Travel Act, and violations of state-law prohibited bribery over the course
23 of a decade.

24 163. Defendant HP has therefore conspired to violate 18 U.S.C. § 1962(c) in violation
25 of 18 U.S.C. § 1962(d).

26 164. Plaintiffs have suffered injury, including in the form of millions of dollars of harm
27 from the acceptance of harmful contractual terms and the payment of significant cost
28 overcharges in connection with the BTO contracts as a result of the Defendant HP's violation of

1 18 U.S.C. §1962(d).

2 **COUNT FIVE**
3 **(Unfair Competition)**

4 165. Plaintiffs repeat and reallege, as if set forth herein, the allegations of all of the
5 preceding paragraphs.

6 166. A critical purpose of the California Business & Professions Code § 17200 *et seq.*
7 (the “UCL”) is to protect consumers and competitors by promoting fair competition in markets
8 for goods and services and extending to the entire consuming public protections traditionally
9 afforded to business competitors. In short, the UCL’s overarching goal is to promote free and
10 fair competition while prohibiting unfair and unlawful business practices. Part of the motivation
11 for promoting fair competition in California is to attract commerce from other states and foreign
12 nations. Indeed, the UCL protects foreign consumers and competitors from unlawful business
13 practices undertaken, at least in part, in California. California has a vested interest in attracting
14 business from Mexico, particularly from large purchasers of goods and services. Application of
15 the UCL to restore Plaintiffs to their equitable position protects this interest and prevents
16 Defendants’ bribery scheme from poisoning the well for foreign business partners.

17 167. Defendants engaged in unfair competition by committing some or all of the
18 unlawful business acts and practices alleged herein. In particular, Defendants’ conduct is
19 unlawful because it violated the anti-bribery provisions of the FCPA, 15 U.S.C. § 78dd-1, *et seq.*,
20 as described above. Defendants’ authorization and transfer of monies to intermediaries to
21 corrupt Pemex officials for the purpose of obtaining business through BTO contracts with
22 Plaintiffs violates the anti-bribery provisions of the FCPA. 15 U.S.C. §§ 78dd-1(a), 78dd-2(a),
23 78dd-3(a).

24 168. In addition, Defendants’ conduct is unlawful because Defendants failed to devise
25 and maintain a system of internal accounting controls sufficient to provide reasonable assurances
26 that its transactions are properly carried out and recorded and that the company’s assets are
27 protected, in violation of the accounting provisions of the FCPA, as described above. 15 U.S.C.
28

1 § 78m(b)(2)(B). Defendants conduct is also unlawful because Defendants knowingly
2 circumvented or knowingly failed to implement such a system of internal controls. 15 U.S.C. §§
3 78m(b)(5), 78ff(a).

4 169. Defendants also engaged in unlawful conduct by conspiring to violate the internal
5 controls provisions of the FCPA, in violation of 18 U.S.C. § 371. Defendants agreed with
6 enterprise members to violate these provisions and committed the overt acts described above in
7 furtherance of the enterprises' goal of obtaining business for HP.

8 170. Defendants' conduct is also unlawful because Defendants failed to make and keep
9 books, records, and accounts, which in reasonable detail, accurately and fairly reflect the
10 transactions and dispositions of their assets, in violation of the accounting provisions of the
11 FCPA, as described above. 15 U.S.C. § 78m(b)(2)(A).

12 171. Defendants also engaged in unlawful conduct by conspiring to violate the books
13 and records provisions of the FCPA, in violation of 18 U.S.C. § 371. Defendants agreed with
14 enterprise members to violate these provisions and committed the overt acts described above in
15 furtherance of the enterprises' goal of obtaining business for HP.

16 172. Defendants also committed unlawful business acts by committing commercial
17 bribery in violation California Penal Code §§ 641.3 and 778a, as described above. After
18 obtaining approval from HP, in March 2009, HP Mexico wired approximately \$125,000 from an
19 account in the United States, through other intermediaries, to Reynaud Aveleyra, without the
20 knowledge or consent of Plaintiffs, in exchange for his assistance with securing the BTO
21 contracts for HP, with the specific intent to injure or defraud Plaintiffs by depriving them of a
22 fair market negotiation process. The account from which the funds were wired was located in
23 California.

24 173. Defendants further committed unlawful business acts by concealing this fraud
25 from Plaintiffs.

26 174. By reason of, and as a direct and proximate result of Defendants' unlawful
27 practices and conduct, Plaintiffs have suffered financial injury to their business and property. In
28 particular, Plaintiffs were injured by Defendants' bribery of Pemex officials and Defendants'

1 inadequate internal controls that enabled and caused such bribery. Plaintiffs paid much more for
2 the products and services provided under the BTO contracts than they would have had those
3 contracts been awarded to a market participant operating under fair circumstances. That
4 Defendants profited by over \$2.5 million on a \$6 million deal is substantial evidence that Pemex
5 was overcharged.

6 175. A substantial portion of Defendants' unlawful business acts were committed in
7 California. Defendant HP maintains its headquarters in California and controlled and directed
8 HP Mexico from, and approved the payment of the influencer fee from, California. In addition,
9 the bribes were paid from a correspondent bank account controlled by HP and located in
10 California. In the midst of the bribe payments, the Defendants invited Reynaud Aveleyra to two
11 separate trips to California to meet with HP executives. Moreover, Defendants' deficient system
12 of internal controls was devised in, and promulgated and implemented from, California.
13 Defendant HP directed the affairs of the criminal enterprise from its offices in the United States.

14 176. Defendants' UCL violations directly and proximately caused injuries to Plaintiffs,
15 as described herein.

16 **COUNT SIX**
17 **(Aiding and Abetting Unfair Competition)**

18 177. Plaintiffs repeat and reallege, as if set forth herein, the allegations of all of the
19 preceding paragraphs.

20 178. HP Mexico knew that the internal controls promulgated by HP were unlawfully
21 deficient under the FCPA and could not provide reasonable assurances that its transactions are
22 properly carried out and recorded, as described above. 15 U.S.C. §§ 78m(b)(2)(B) 78m(b)(5),
23 78ff(a). As demonstrated by the bribery scheme itself, HP Mexico knew that it could add
24 unnecessary parties to transactions and request overweight "influencer fees," receive immediate
25 approval for those fees, and then funnel bribes to employees of another company, without being
26 prevented or detected by HP's controls regime.

27 179. HP Mexico substantially assisted or encouraged HP in failing to devise and
28 maintain a sufficient system of internal accounting controls. HP Mexico implemented the

1 purported internal controls system promulgated by HP, knowing that it was deficient. HP
2 Mexico also failed to implement any other adequate system of internal controls over its
3 operations. HP Mexico further substantially assisted and encouraged HP to violate the FCPA
4 internal controls provision by falsely causing the Pass-Through Partner to enter the BTO
5 transaction, which enabled the Defendants to proceed with the bribery scheme while avoiding
6 due diligence and other requirements. HP Mexico further assisted with recording the Pass-
7 Through Partner as the deal partner in HP's internal tracking system. HP Mexico also requested
8 and encouraged HP to approve the increased "influencer fee" without conducting a review that
9 could provide reasonable assurances that the fee was appropriate or lawful.

10 180. HP Mexico likewise knew that HP was failing to make and keep books, records,
11 and accounts, which in reasonable detail, accurately and fairly reflect the transactions and
12 dispositions of their assets, in violation of the accounting provisions of the FCPA, as described
13 above. 15 U.S.C. § 78m(b)(2)(A). HP Mexico knew that the "influencer fee" was not a
14 legitimate commission, but a means to corrupt Reynaud Aveleyra and the Chief Operating
15 Officer and to reward Intellego and the Pass-Through Partner for their roles in the criminal
16 enterprise. HP Mexico further knew that creating a false record of these transactions in its own
17 books and records would falsify the books and records of HP, as HP Mexico's books and records
18 are consolidated into HP's.

19 181. HP Mexico substantially assisted or encouraged HP to create a false entry, or false
20 entries, in its books and records. HP Mexico falsely recorded that the Pass-Through Partner was
21 due a commission on the BTO contracts and failed to record \$1.41 million in payments to
22 Intellego. These failures directly caused HP's books and records to fail to reflect that
23 approximately \$125,000 had been paid to a Pemex official.

24 182. Some or all of the profits that HP Mexico secured from the BTO transaction were
25 ultimately received by HP. This financial incentive further encouraged HP to continue its
26 internal controls and books and records violations.

27 183. HP Mexico was aware of the requirements of the FCPA's internal controls and
28 books and records provisions through HP's SBC program.

1 184. Accordingly, HP Mexico acted unlawfully under the UCL by aiding and abetting
2 HP's dual violations of the accounting provisions of the FCPA.

3 185. As a direct and proximate result of HP promulgating deficient internal controls
4 and maintaining inaccurate books and records and by HP Mexico aiding and abetting those
5 violations, HP Mexico directly and proximately caused injuries to Plaintiffs, as described herein.

6 **COUNT SEVEN**
7 **(Fraudulent Concealment)**

8 186. Plaintiffs repeat and reallege, as if set forth herein, the allegations of all of the
9 preceding paragraphs.

10 187. Defendants actively concealed from Plaintiffs that they had corrupted Reynaud
11 Aveleyra and the Chief Operating Officer in order to secure the BTO contracts with both
12 Petróleos Mexicanos and PEP. At all relevant times, Defendants knew that the BTO contract
13 negotiation had been corrupted and HP Mexico and other enterprise members went to great
14 lengths to escape detection, including the involvement of Intellego and the Pass-Through Partner
15 to funnel secret bribe payments. In fact, after obtaining approval from HP, HP Mexico wired
16 approximately \$125,000 from an account in the United States, through this web of
17 intermediaries, to Reynaud Aveleyra, without the knowledge or consent of Plaintiffs, in
18 exchange for his assistance with securing the BTO contracts for HP, with the intent to defraud
19 Plaintiffs by depriving them of a fair negotiation process.

20 188. Plaintiffs, including their representatives and the signatories on the BTO contracts
21 (with the exception of enterprise members Reynaud Aveleyra and the Chief Operating Officer),
22 were unaware of the Defendants' bribery scheme.

23 189. The Defendants' corruption of Reynaud Aveleyra and the Chief Operating Officer
24 or their affiliated entities is a material fact, which Defendants were obligated to, and could have,
25 disclosed to Plaintiffs throughout the negotiation and implementation of the BTO contracts. Had
26 Plaintiffs been aware of the true nature of Defendants' corrupt activities, the uncorrupted
27 signatories on the BTO contracts would have refused to sign the agreements and Plaintiffs would
28 not have entered into the improper BTO deals.

1 employed by Petróleos Mexicanos and targeted them for that reason.

2 198. Defendants intentionally induced the breach or disruption of Petróleos
3 Mexicanos's contractual relationships with these two officials through a series of wrongful acts
4 that corrupted Reynauld Aveleyra and the Chief Operating Officer. These corruption efforts
5 were intended to, and did, cause Reynaud Aveleyra and the Chief Operating Officer to forgo
6 their duties to Petróleos Mexicanos to secure favorable terms from an appropriate supplier on the
7 BTO contracts in favor of ensuring that HP Mexico secured these valuable contracts for HP at
8 inflated prices.

9 199. The Chief Operating Officer and Reynaud Aveleyra failed to perform their
10 responsibilities under the contracts solely because of the bribes paid by the Defendants.

11 200. Defendants' bribe payments were approved in California and paid from a bank
12 account in California.

13 201. Defendant HP directed this scheme from its offices in the United States.

14 202. Defendants' bribery scheme succeeded. Petróleos Mexicanos's contractual
15 relationship with the Chief Operating Officer and Reynaud Aveleyra was breached or disrupted
16 by the \$1.41 million paid to Intellego and the \$125,000 paid to the entity controlled by Reynaud
17 Aveleyra, according to the SEC Order. These payments caused the two Pemex officials to act
18 contrary to their employment contracts and directly adverse to it's interests.

19 203. The employment agreement for Reynaud Aveleyra, dated January 16, 2008,
20 states: "The employee shall perform the services under the direction of the employer
21 representatives or, as it may be, by the Board of Directors, to whose authority shall be
22 subordinated in every respect related to the occupation, and it is expressly agreed that while
23 performing his services he will abide by all the orders and rules from them, as long as they are
24 related to the contracted services, as well as the internal rules and the applicable laws."

25 204. The employment agreement for Reynaud Aveleyra further states: "Among others,
26 he will be in charge of the following functions:

- 27 • Direct processes, functions and areas under his responsibility, defined strategic
28 objectives and the initiates within the scope of his responsibility.

- 1 • Promote and supervise and oversee the compliance with the applicable policies
2 and regulations.
- 3 • Oversee the compliance of the strategic objectives and initiatives within the scope
4 of his competence.
- 5 • Oversee the correct application of the Budget of Expenditures of the Federation
6 for the applicable term within the scope of his competence.
- 7 • Oversee the maximize exploitations of the resources of Petróleos Mexicanos and
8 its Subsidiary Entities, within the scope of his responsibilities.”

9 205. The Chief Operating Officer similarly entered into an employment agreement on
10 March 5, 2007.

11 206. As a direct and proximate result of Defendants’ interference, the Chief Operating
12 Officer and Reynaud Aveleyra breached the duties required by their employment contracts and
13 caused Petróleos Mexicanos and its subsidiary PEP to enter into the over-priced BTO contracts
14 with Defendants rather than entering into contracts at lower prices.

15 **PRAYER FOR RELIEF**

16 WHEREFORE, the Plaintiffs respectfully request that this Court enter an Order:

- 17 (a) awarding the Plaintiffs relief on all the claims set forth herein;
- 18 (b) for disgorgement and/or restitution of all revenues, proceeds, earnings,
19 profits, compensation, and benefits, including reduced costs, which may have been obtained by
20 any Defendant as a result of unlawful business acts or practices;
- 21 (c) for an injunction permanently enjoining Defendants and Defendants’
22 agents and employees, and all persons acting under, in concert with, or for Defendants, from
23 directly or indirectly, to the detriment of Plaintiffs, (i) committing or causing any violations of
24 the Foreign Corrupt Practices Act (“FCPA”), 15 U.S.C. § 78dd-1, *et seq.*, including the control
25 provisions contained in Section 13(b)(2)(A) and Section 13(b)(2)(B) of the Securities Exchange
26 Act, or any other act of bribery; (ii) engaging in “unfair competition” in California in violation of
27 the California Business and Professions Code § 17200, *et seq.*; (iii) engaging in fraudulent
28 concealment against Plaintiffs; and (iv) tortiously interfering with Plaintiffs’ contracts or

1 business opportunities;

2 (d) for injunctive relief requiring Defendants and Defendants' agents and
3 employees, and all persons acting under, in concert with, or for Defendants, to investigate: (i)
4 whether any other contracts with Plaintiffs not mentioned in the NPA have been impacted in any
5 way by Defendants' illegal conduct; and (ii) whether Defendants or any of Defendants; agents,
6 employees, subsidiaries, divisions, or affiliates has made any other improper or illegal payments
7 not mentioned in the NPA to Plaintiffs or any of Plaintiffs' employees or agents, and to report
8 the results of such investigation to Plaintiffs;

9 (e) awarding damages and punitive damages in an amount to be determined at
10 trial;

11 (f) awarding statutory trebling of damages;

12 (g) awarding interest, including pre and post judgment interest, in the
13 maximum amount allowed by law;

14 (h) awarding attorneys' fees and costs; and

15 (i) awarding such other or further relief as the Court deems appropriate.

16
17 DATED: December 2, 2014

/s/ Melinda M. Morton
Melinda M. Morton
PROCOPIO, CORY, HARGREAVES AND
SAVITCH LLP

18
19
20 Richard D. Bernstein, *pro hac vice* to be filed
Frank M. Scaduto, SBN 271451
WILLKIE FARR & GALLAGHER LLP
1875 K Street, NW
Washington, DC 20006
Telephone: 202.303.1000
Facsimile: 202.303.2000

21
22
23
24 *Attorneys for Plaintiffs*
PETRÓLEOS MEXICANOS, and
PEMEX EXPLORACIÓN Y PRODUCCIÓN

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

DEMAND FOR JURY TRIAL

Pursuant to Federal Rule of Civil Procedure 38(b), Plaintiffs hereby demand trial by jury as to all issues in this action triable by a jury.

DATED: December 2, 2014

/s/ Melinda M. Morton
Melinda M. Morton
PROCOPIO, CORY, HARGREAVES AND
SAVITCH LLP

Richard D. Bernstein, *pro hac vice* to be filed
Frank M. Scaduto, SBN 271451
WILLKIE FARR & GALLAGHER LLP
1875 K Street, NW
Washington, DC 20006
Telephone: 202.303.1000
Facsimile: 202.303.2000

Attorneys for Plaintiffs
PETRÓLEOS MEXICANOS, and
PEMEX EXPLORACIÓN Y PRODUCCIÓN