

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

---

<b>SECURITIES AND EXCHANGE COMMISSION,</b>	§	
	§	
	§	
<b>Plaintiff,</b>	§	
	§	
<b>v.</b>	§	<b>Civil Action No.</b> _____
	§	
<b>NOBLE CORPORATION</b>	§	<b>COMPLAINT</b>
	§	
<b>Defendant.</b>	§	

---

Plaintiff, Securities and Exchange Commission (the "Commission"), alleges:

**SUMMARY**

1. This action arises from violations of the Foreign Corrupt Practices Act (the "FCPA") by Defendant Noble Corporation, an international provider of offshore drilling services and equipment to oil companies throughout the world, including Nigeria.
2. From January 2003 through May 2007, Noble authorized, and its Nigerian subsidiary (defined below as "Noble-Nigeria") made, payments to its customs agent in Nigeria, a portion of which certain Noble's officers and other employees believed would be passed on to Nigerian government officials. These payments to the customs agent were authorized and made to obtain temporary importation permits ("TIPs") and extensions of TIPs for drilling rigs, including certain TIPs that were based on false paperwork.
3. The Nigeria Customs Service ("NCS"), a Nigerian government agency, controlled the issuance of TIPs and extensions. At the expiration of TIPs and any lawful

extensions, Noble-Nigeria was required to move its rigs out of Nigeria or potentially face sanctions. To avoid the risks of operating without a valid permit and the costs of moving the rigs, including the loss of profits, and to continue performing under its existing contracts, Noble-Nigeria authorized its customs agent to submit false documents to the NCS to reflect physical export and re-import of its drilling rigs when in fact the rigs never moved (the “paper process”). Noble authorized and Noble-Nigeria made payments to its agent to obtain permits based on these false documents, with certain Noble personnel believing that portions of the payments would be passed on to NCS officials. Through the TIPs obtained using the paper process, Noble obtained profits from continued operation of rigs in Nigeria and avoided the costs of moving rigs out of and back into Nigerian waters. Noble’s total gains from this conduct were at least \$4,294,933.

4. Payments authorized by Noble and made by Noble-Nigeria to its Nigerian customs agent for the purpose of obtaining TIPs and TIP extensions constituted violations by Noble of Section 30A of the Securities Exchange Act of 1934 (the “Exchange Act”).

5. Noble violated Section 13(b)(2)(A) of the Exchange Act by improperly recording in its accounting books and records the portions of payments to its Nigerian customs agent that certain Noble personnel believed were being passed on to NCS officials for the purpose of obtaining TIPs or TIP extensions.

6. Noble violated Section 13(b)(2)(B) of the Exchange Act by failing to maintain internal controls to detect and prevent payments going to customs officials in Nigeria.

7. Noble made a voluntary disclosure to the Commission in June 2007 and undertook an internal investigation under the direction of the Audit Committee of its

Board of Directors. Noble also undertook a worldwide compliance review of its operations and cooperated fully with the Commission staff throughout its internal investigation and compliance review.

### **JURISDICTION**

8. This Court has jurisdiction over this action under Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e) and 78aa]. Noble, directly or indirectly, made use of the means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange in connection with the transactions, acts, practices, and courses of business alleged in this Complaint.

9. Venue is appropriate in this Court under Section 27 of the Exchange Act [15 U.S.C. § 78aa] or 28 U.S.C. § 1391(d) because certain acts or transactions constituting the violations by Noble occurred in this district.

### **DEFENDANT AND OTHER ENTITIES**

10. Defendant Noble Corporation is a Swiss company whose common stock is registered under Section 12(b) of the Exchange Act and trades on the New York Stock Exchange under the symbol "NE". The main U.S. office for the Noble group of companies operating in the U.S. is in Sugar Land, Texas. Prior to March 2009 and during the relevant period, the parent company of the Noble group of companies was a Cayman Islands corporation also named Noble Corporation with headquarters and principal executive offices in Sugar Land, Texas. In March 2009, the place of incorporation of the parent of the Noble group of companies was established in Switzerland and the corporate and principal executive offices relocated from Sugar Land. "Noble" herein refers to the Swiss parent company and, prior to it becoming the parent company of the Noble group

of companies in March 2009, the Cayman Islands parent. Noble, through its subsidiaries, is a leading provider of diversified services for the oil and gas industry and performs contract drilling services with its fleet of mobile offshore drilling units located around the world.

11. Noble Drilling (Nigeria) Ltd., (“Noble-Nigeria”) is a wholly-owned subsidiary of Noble. Noble-Nigeria was incorporated in Nigeria in September 1990 as an oil industry service company. Its financial results are consolidated into the financial statements of Noble. Noble’s and its subsidiaries’ operational structure in Nigeria was also referred to as the “West Africa Division.”

### **FACTUAL ALLEGATIONS**

#### **I. Temporary Import Regime in Nigeria and the Paper Process**

12. Between January 2003 and May 2007, Noble-Nigeria had seven drilling rigs that operated offshore Nigeria. Noble-Nigeria obtained TIPs from the NCS for the temporary import of its rigs into Nigerian waters.

13. At the expiration of a valid TIP and all extensions, Noble-Nigeria would risk sanctions if it did not export a rig from Nigerian waters.

14. In order to reduce the risk of such sanctions, and rather than undergo the costs and lost profits associated with towing its rigs out of and back into Nigerian waters, Noble-Nigeria relied on the paper process and authorized its customs agent to provide false documents to the NCS.

15. Because the rigs never moved, all paper-process related receipts and stamped and signed documents by Nigerian government officials showing rig movement were false.

**II. Noble Authorized and Noble-Nigeria Paid Its Nigerian Customs Agent Believing that the Agent Would Make Payments to NCS Officials to Obtain TIPs and Extensions**

16. Noble authorized and Noble-Nigeria made payments to Noble-Nigeria's customs agent in connection with all of its TIP applications and extensions, including those involving the paper process. Noble personnel believed that a portion of Noble-Nigeria's payments to the customs agent would be passed on to government officials for the purpose of obtaining TIPs and extensions of TIPs.

17. Use of the paper process enabled Noble and Noble-Nigeria to obtain profits, in certain instances, from operating rigs in Nigeria for the time period it would have taken to remove the rigs and re-import them. Noble-Nigeria also avoided permanent import duties on its rigs, avoided the operational costs of moving its rigs, and avoided any costs associated with possible breaches of drilling contracts under which a rig was operating at the time the paper process was utilized for such rig.

18. Noble-Nigeria obtained TIPs with paper process exports and re-imports of rigs eight times from January 2003 through May 2007, and made a total of at least \$79,026 in payments to its customs agent that were designated by the agent as "special handling charge" on invoices associated with paper process TIP renewals. Certain Noble and Noble-Nigeria personnel believed that the term "special handling charge" referred to the payments the agent made to Nigerian government officials to influence or induce the granting of TIPS and TIP extensions.

19. Noble also made payments in 2005 and 2006 to obtain two discretionary extensions.

20. Noble used instrumentalities of interstate commerce, including electronic communication, to authorize the “special handling charge” payments to the customs agent in Nigeria from offices in Texas and to direct that the payments to the customs agent be made in Nigeria.

21. Noble wrongfully obtained profits and avoided costs of at least \$4,294,933.

### **III. Noble Improperly Recorded Payments It Believed Were Going to Government Officials**

22. Noble-Nigeria recorded the portion of the payments it made to its customs agent that certain Noble personnel believed were being passed on to Nigerian government officials in Noble’s “facilitating payment” account and in some cases to other operating expense accounts that consolidated into an expense item on Noble’s Consolidated Statements of Income.

23. Because these payments were not qualifying facilitating payments under the FCPA or otherwise legitimate expenses, Noble created false books and records by recording the payments as such.

### **IV. Noble Failed to Implement and Enforce Internal Controls to Stop the Payments**

24. Although Noble had an FCPA policy in place, Noble lacked sufficient FCPA procedures, training, and internal controls to prevent the use of the paper process and making of payments to Nigerian government officials to obtain TIPs and TIP extensions.

25. Certain Noble internal audits in 2004 found that Noble-Nigeria personnel did not understand the provisions of the FCPA, including the correct meaning of the term

“facilitating or expediting payment” as used in the Act. The audits also found that Noble-Nigeria had used the paper process to obtain a TIP.

26. Despite its internal audit findings, Noble and Noble-Nigeria continued using the paper process and continued to authorize and make payments to its customs agent to obtain TIPs and TIP extensions, portions of which payments certain Noble personnel believed were passed on to NCS officials for the purpose of obtaining TIPs and TIP extensions. Noble provided insufficient training to its employees and failed to establish sufficient procedures to ensure compliance with the FCPA.

27. Noble lacked internal controls adequate to prevent the recording of payments as facilitating payments that were not facilitating payments within the meaning of the FCPA. Noble had established an account to track all facilitating payments to government officials, but Noble-Nigeria did not consistently or properly use the account. Noble did not sufficiently analyze whether amounts recorded in the facilitating payments account were truly facilitating payments. Noble had no policy or procedure in place to ensure such an analysis occurred.

#### **V. Noble Disclosed Violations of the FCPA and Cooperated with Investigations**

28. After discovering possible violations of the FCPA through its own internal processes in mid-2007, Noble promptly and voluntarily disclosed its findings to the Commission and the United States Department of Justice. Noble’s current management cooperated fully with an investigation initiated by the Audit Committee of Noble’s Board of Directors, the results of which were provided to the Government.

29. Since June 2007, Noble has taken steps to enhance its FCPA compliance and its oversight of subsidiaries.

**CLAIMS FOR RELIEF**

**FIRST CLAIM**

**[Violations of Section 30A of the Exchange Act]**

Paragraphs 1 through 29 are realleged and incorporated by reference.

30. As described above, Noble, through its officers, employees, and agents, corruptly offered, promised to pay, or authorized payments to one or more persons, while knowing that all or a portion of those payments would be offered, given, or promised, directly or indirectly, to foreign officials for the purpose of influencing their acts or decisions in their official capacity, inducing them to do or omit to do actions in violation of their official duties, securing an improper advantage, or inducing such foreign officials to use their influence with foreign governments or instrumentalities thereof to assist Noble in obtaining or retaining business.

31. By reason of the foregoing, Noble violated, and unless enjoined will continue to violate, Section 30A of the Exchange Act [15 U.S.C. § 78dd-1].

**SECOND CLAIM**

**[Violations of Section 13(b)(2)(A) of the Exchange Act]**

Paragraphs 1 through 31 are realleged and incorporated by reference.

32. As described above, Noble, through its officers, employees, and agents, failed to keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflected its transactions and dispositions of its assets.

33. By reason of the foregoing, Noble violated, and unless enjoined will continue to violate, Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)].

### **THIRD CLAIM**

#### **[Violations of Section 13(b)(2)(B) of the Exchange Act]**

Paragraphs 1 through 33 are realleged and incorporated by reference.

34. As described above, Noble failed to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that:

(i) transactions were executed in accordance with management's general or specific authorization; and (ii) transactions were recorded as necessary (I) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (II) to maintain accountability for its assets.

35. By reason of the foregoing, Noble violated, and unless enjoined will continue to violate, Section 13(b)(2)(B) of the Exchange Act [15 U.S.C. § 78m(b)(2)(B)].

### **PRAYER FOR RELIEF**

WHEREFORE, the Commission respectfully requests that this Court enter a final judgment: -

A. Permanently restraining and enjoining Noble from violating Sections 30A, 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78dd-1, 78m(b)(2)(A), and 78m(b)(2)(B)];

B. Ordering Noble to disgorge ill-gotten gains wrongfully obtained as a result of its illegal conduct and prejudgment interest thereon; and

C. Granting such further relief as the Court may deem just and appropriate.

Dated: November 4, 2010

Respectfully submitted,



---

JASON ROSE  
Attorney-in-Charge  
Texas Bar No. 24007946  
S.D. Bar No. 1070896

U.S. Securities and Exchange Commission  
Burnett Plaza, Suite 1900  
801 Cherry Street, Unit #18  
Fort Worth, TX 76102-6882  
(817) 978-1408 (jr)  
(817) 978-2700 (fax)

Of Counsel:

Gerald W. Hodgkins  
Moira T. Roberts  
Sharan K.S. Custer  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-6010

# CIVIL COVER SHEET

The JS-44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

### I.(a) PLAINTIFF

**SECURITIES AND EXCHANGE COMMISSION**

### DEFENDANTS

**NOBLE CORPORATION**

(b) COUNTY OF RESIDENCE OF FIRST LISTED PLAINTIFF \_\_\_\_\_  
(EXCEPT IN U.S. PLAINTIFF CASES)

County of Residence of First Listed Defendant: Harris  
(IN U.S. PLAINTIFF CASES ONLY)  
NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

(c) ATTORNEY (FIRM NAME, ADDRESS, AND TELEPHONE NUMBER)  
Jason J. Rose  
U.S. Securities & Exchange Commission, Burnett Plaza, Ste. 1900,  
801 Cherry Street, Unit #18, Fort Worth, TX 76102-6882  
(817) 978-1408

ATTORNEYS (If known):

### II. BASIS OF JURISDICTION (PLACE AN "X" IN ONE BOX ONLY)

- 1 U.S. Government Plaintiff
- 2 U.S. Government Defendant
- 3 Federal Question (U.S. Government Not a Party)
- 4 Diversity (Indicate Citizenship of Parties in Item III)

### III. CITIZENSHIP OF PRINCIPAL PARTIES (For Diversity Cases Only)

(PLACE AN "X" IN ONE BOX FOR PLAINTIFF AND ONE BOX FOR DEFENDANT)

- |   |                            |                            |   |                            |                            |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
|   | PTF                        | PTF                        |   | PTF                        | PTF                        |
| Citizen of This State                   | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State     | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State                | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business in Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation  | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

### IV. NATURE OF SUIT (PLACE AN "X" IN ONE BOX ONLY)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery OF Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability	<b>PERSONAL INJURY</b> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs. <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other	<input type="checkbox"/> 422 Appeal 28 USC 156 <input type="checkbox"/> 423 Withdrawal 28 USC 157 <b>PROPERTY RIGHTS</b> <input type="checkbox"/> 820 Copy rights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark <b>SOCIAL SECURITY</b> <input type="checkbox"/> 861 HIA (1395FF) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) <b>FEDERAL TAX SUITS</b> <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS - Third Party 26 USC 7609	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce/ICC Rates/etc. <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 810 Selective Service <input checked="" type="checkbox"/> 850 Securities Commodities/ Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes <input type="checkbox"/> 890 Other Statutory Actions
REAL PROPERTY	CIVIL RIGHTS	PRISONER PETITIONS		
<input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/ Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 440 Other Civil Rights	<input type="checkbox"/> 510 Motions to Vacate Sentence <b>Habeas Corpus:</b> <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights		

### V. ORIGIN

(PLACE AN "X" IN ONE BOX ONLY)

- 1 Original Proceeding
- 2 Removed from State Court
- 3 Remanded from Appellate Court
- 4 Reinstated or Reopened

VI. CAUSE OF ACTION (CITE THE U.S. CIVIL STATUTE UNDER WHICH YOU ARE FILING AND WRITE BRIEF STATEMENT OF CAUSE. DO NOT CITE JURISDICTIONAL STATUTES UNLESS DIVERSITY.) Sections 13(b)(2)(A), 13(b)(2)(B), and 30A of the Securities Exchange Act of 1934 [15 U.S.C. §§ 78m(b)(2)(A), 78m(b)(2)(B), and 78dd-1]

VII. REQUESTED IN COMPLAINT: CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23  DEMAND \$ \_\_\_\_\_ CHECK YES only if demanded in complaint: JURY DEMAND  YES  NO

VIII. RELATED CASE(S) (See Instructions): IF ANY

DATE 11/4/10 SIGNATURE OF ATTORNEY OF RECORD

FOR OFFICE USE ONLY Receipt # AMOUNT APPLYING IFP JUDGE MAG. JUDGE