

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF LOUISIANA**

CASE NO.:

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

TIDEWATER INC.,

Defendant.

COMPLAINT

Plaintiff Securities and Exchange Commission alleges as follows:

I. SUMMARY

1. Between August 2001 and November 2005, Tidewater Inc. (“Tidewater” or the “Company”), directly or through its subsidiaries, affiliates, employees and agents, violated the Foreign Corrupt Practices Act (“FCPA”), 15 U.S.C. § 78dd-1, 15 U.S.C. § 78m(b)(2)(A), (B) by paying \$160,000 in bribes to foreign government officials in Azerbaijan through a third party disguised as legitimate services to influence acts and decisions by these officials to resolve local Azeri tax audits in a Company subsidiary’s favor.

2. These improper payments were authorized by senior employees at Tidewater and its subsidiaries while knowing, or ignoring red flags which indicated a high probability, such payments would be passed to government officials, inaccurately recorded in the Company’s or its affiliates’ books and records, and Tidewater failed to maintain sufficient internal controls to prevent such payments. These payments included:

- On or about August 14, 2001, Tidewater authorized and paid \$50,000 to a third party that it knew, or was reckless in not knowing, would be passed to government officials in Azerbaijan.
- In July 2003, Tidewater authorized and paid \$40,000 to a third party in two installments that it knew, or was reckless in not knowing, would be passed to government officials in Azerbaijan.
- On or about November 11, 2005, a Tidewater subsidiary authorized and paid \$70,000 to a third party that it knew, or was reckless in not knowing, would be passed to government officials in Azerbaijan.

3. From in or about January 2002 through March 2007, Tidewater, through its subsidiaries and agents, also authorized the reimbursement of approximately \$1.6 million to its customs broker in Nigeria used, in whole or in part, to make improper payments to Nigerian Customs Services (“NCS”) employees to induce them to disregard certain regulatory requirements in Nigeria relating to the temporary importation of the Company’s vessels into Nigerian waters.

4. All of these payments were improperly recorded as legitimate expenses in the Company’s books and records and all of them, with the exception of the 2003 Azerbaijan payments, were consolidated into Tidewater’s financial statements. Tidewater’s internal controls, including at least two internal audits, failed to detect numerous red flags which should have alerted its management that the Azerbaijan agent and Nigerian customs broker were likely using funds provided by Tidewater, in whole or in part, to make improper payments to government officials.

5. As a result of its conduct in Azerbaijan, Tidewater violated the FCPA as

incorporated into the federal securities laws as Sections 30A, 13(b)(2)(A), and 13(b)(2)(B) of the Securities Exchange Act of 1934 (“Exchange Act”). Tidewater further violated the FCPA as incorporated into the federal securities laws as Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act as a result of its failure to institute adequate internal controls and properly record its expenses in Nigeria.

6. Tidewater is reasonably likely, unless restrained and enjoined, to continue to engage in the acts and practices set forth in this complaint and in acts and practices of similar purport and object.

II. JURISDICTION AND VENUE

7. This Court has jurisdiction over this action pursuant to Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78aa].

8. Personal jurisdiction and venue is appropriate in this Court under Section 27 of the Exchange Act [15 U.S.C. §§ 78aa]. In addition, Tidewater Inc. was based in New Orleans, Louisiana during periods relevant to this complaint. Two Company employees that participated in the 2001 Azerbaijan payment were also based in New Orleans, Louisiana at the time. Finally, some of the acts or transactions constituting violations of the FCPA occurred in the Eastern District of Louisiana.

9. Tidewater, 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.

III. DEFENDANT

10. **Tidewater Inc.** is a New York Stock Exchange (“NYSE”)-listed company

based in New Orleans, Louisiana that operates offshore service and supply vessels designed to support all phases of offshore energy exploration, development and production industry. Tidewater's securities are registered with the Commission pursuant to Exchange Act Section 12(b) and traded on the NYSE. As such, during the relevant conduct Tidewater was required to file reports with the Commission under Section 13 of the Exchange Act [15 U.S.C. § 78m], and was an "issuer" within the meaning of the FCPA [15 U.S.C. § 78dd-1].

IV. RELATED ENTITIES

11. **Tidewater Marine International, Inc. ("TMII")** is a wholly-owned Tidewater subsidiary formed in Panama. TMII has managerial and administrative operations in Aberdeen, Scotland, United Kingdom, and exercises contractual rights and control over Tidewater's vessel operations in the areas that are the subject of this complaint. The Company did business in Nigeria and Azerbaijan through TMII during the relevant time period.

12. **Tidewater Marine, L.L.C.** is a Tidewater wholly-owned subsidiary based in the State of Louisiana, and a majority owner of the Tidewater operating subsidiary in Nigeria.

13. **Tidewater Crewing Limited ("TCL")** is a wholly-owned Tidewater subsidiary formed in the Cayman Islands. TCL was the legal entity that employed many of the Company's personnel working in Nigeria and Azerbaijan during the relevant period.

14. **Tidex Nigeria Limited ("Tidex")** is a Nigerian company that is majority-owned by Tidewater Marine L.L.C. Tidex provided agency and operational support for all vessels that TMII operated in Nigeria during the relevant period.

15. **Executive A**, a U.S. citizen, was Tidewater's Chief Financial Officer during the periods relevant to this complaint and retired in September 2008.

16. **Employee 1**, a U.S. citizen, was Tidewater's Director of Tax during the periods relevant to this complaint.

17. **Employee 2** was employed by TCL as Vice President for the Company's Southeast Asian region from 2000 to 2004. Employee 2 also oversaw the Company's Middle East region, including Azerbaijan, from August 2002 to August 2004. From August 2004 through September 2009, Employee 2 was employed by TCL and served as the Company's Senior Vice President for the Company's Southeast Asian, Middle East and African Regions.

18. **Employee 3** was employed by TCL as the Company's Regional Finance Director for the North Sea, Nigeria, and West Africa from about August 2001 through April 2004. From about April 2004 to December 2007, Employee 3 was Regional Finance Director for the Company's Egypt region, which oversaw the Azerbaijan operations' finance operations from November 2004 forward.

19. **Employee 4** was Tidewater's Area Controller in Dubai, United Arab Emirates ("U.A.E.") with local operating responsibilities to TMII from 2001 through May 2008. Employee 4 was responsible for the finance operations of the Company's Dubai, Azerbaijan (until about November 2004) and India operations during that period.

20. **Azerbaijan Agent** is an entity with operations in Azerbaijan that the Company's Baku office used for accounting and bookkeeping services. The Azerbaijan Agent provided the Company with the bank wire instructions to make the 2001, 2003 and 2005 payments to a bank account in Dubai that the Company knew, or was reckless in not knowing, would be passed to government officials in Azerbaijan.

21. **Dubai Entity** is a company affiliated or associated with the Azerbaijan Agent that maintained a bank account in Dubai, U.A.E. used to receive the 2001, 2003 and 2005

payments from the Company that the Company knew, or was reckless in not knowing, would be passed to government officials in Azerbaijan.

22. **Nigerian Agent** is the Nigerian affiliate of a major international freight forwarding and customs clearing agent based in Switzerland. The Nigerian Agent made improper payments to NCS employees on behalf of the Company to cause such officials to disregard certain regulatory requirements relating to the temporary importation of Tidewater vessels into Nigerian waters and sought reimbursement from Tidex for these “intervention” payments.

V. FACTS

23. In 2001, 2003 and 2005, Tidewater, directly or through its subsidiaries, affiliates, employees and agents, transferred money to the Dubai Entity that the Company knew, or was reckless in not knowing, would be passed to government officials in Azerbaijan. Tidewater’s then-Chief Financial Officer and Director of Tax authorized the 2001 payment. Employee 4, a Tidewater employee two levels removed from Tidewater executives, authorized the 2003 payment while Employee 3, a TCL employee with reporting responsibilities to Executive A, authorized the 2005 payment. In each instance, the Company knew, or was reckless in not knowing, such payments would be passed to government officials in Azerbaijan.

24. From on or about January 2002 to March 2007, Tidex also reimbursed improper payments made by the Nigerian Agent on the Company’s behalf to NCS employees to induce them to disregard certain regulatory requirements in Nigeria relating to the temporary importation of the Company’s vessels into Nigerian waters.

25. All of these payments were improperly recorded as legitimate expenses in the Company’s books and records and all of them, with the exception of the 2003 Azerbaijan payments, were consolidated into Tidewater’s financial statements. The Company’s internal

controls over payments to its agents during the period in question were inadequate to detect or prevent such payments.

A. The Azerbaijan Bribe Payments

26. In or about July 2001, the Azerbaijan Tax Ministry initiated an audit of TMII's office in Azerbaijan (the "2001 Audit").

27. Company personnel relied on the Azerbaijan Agent to resolve the 2001 Audit even though Tidewater employees had concerns regarding certain conduct of the Azerbaijan Agent. For example, Executive A believed that the 2001 Audit was a sort of "shakedown" that the Azerbaijan Agent created in order to collect a fee.

28. On or about July 20, 2001, senior Tidewater employees, including Executive A and Employee 1, discussed plans to change and backdate an existing contract at the recommendation of the Azerbaijan Agent in order to avoid certain tax assessments in Azerbaijan. Executive A was reluctant to make any changes to the contract in Azerbaijan and instructed Tidewater employees to not submit anything changing the nature of the contact until "blessed" by Tidewater's headquarters.

29. On or about July 25, 2001, Tidewater employees, including Executive A and Employee 4, learned that the Azeri tax auditors threatened to use an accounting method that would result in a higher tax assessment because the tax auditors did not feel "respected".

30. On or about August 3, 2001, senior Tidewater employees, including Employee 1, approved the changes to the pre-existing contract submitted to the Azeri tax auditors.

31. On or about August 13, 2001, the Azerbaijan Agent sent an email to Tidewater and TCL employees in Baku, including Employee 1, informing them that the Azeri

tax auditors had submitted a report in line with the mutual understanding and agreement reached a few days before. The agreement required Tidewater to wire \$50,000 to the bank account of the Dubai Entity. The Azerbaijan Agent further informed Employee 1 that the tax inspector for the government of Azerbaijan would sign a tax clearance once the payment reached the Dubai Entity's account. The Azerbaijan Agent would release the funds once the tax clearance was signed.

32. On or about August 13, 2001, Executive A authorized the payment to the Dubai Entity even though this payment bore no relation to any actual services the Dubai Entity or the Azerbaijan Agent provided. In fact, Executive A found it unusual for an agent in Azerbaijan to request payment in Dubai.

33. On or about August 14, 2001, Tidewater wired \$50,000 to a bank account belonging to the Dubai Entity for "payment of taxes". This payment bore no relation to any taxes payable in Azerbaijan and was intended largely to pay bribes to government officials. This payment was recorded in an account tracking "professional services" expenses.

34. In or about June 2003, the Azerbaijan Tax Ministry initiated a second tax audit of Tidewater's office in Azerbaijan (the "2003 Audit").

35. Tidewater's Azerbaijan Agent warned employees at TMII's Baku office about the 2003 Audit and instructed them to take out any local files the Company did not want the foreign tax auditors to see. The Azerbaijan Agent further instructed senior employees at Tidewater's subsidiaries, including Employee 2, to go through the books and "do some clean up."

36. The Azerbaijan Agent informed Tidewater personnel employed by the Company's subsidiaries, including Employee 2, that the Azeri tax auditors had verbally

identified a potential figure of up to \$60,000 to resolve the 2003 audit. This amount bore no relation to any actual tax assessment or penalty. A TCL employee overseeing the Baku office suspected that the Azeri tax auditors were “simply looking for a cash payment.”

37. On or about July 14, 2003, the Azerbaijan Agent sent an email to the general manager of TMII’s Baku office informing him that the Azeri tax auditors would accept no less than \$40,000 to resolve the 2003 Audit. Again, this amount bore no relation to any actual tax assessment or penalty.

38. On or about July 21, 2003, the Azerbaijan Agent sent an email to the general manager of TMII’s Baku office informing him that the Azerbaijan Agent had received a final tax audit report from the Azeri tax auditors and “they [had] done their job quite as we agreed.” The Azerbaijan Agent further informed the general manager that no amounts were due in addition to the agreed amount of \$40,000, which was described as a “consultancy fee” and “all inclusive”. In addition, the Azerbaijan Agent informed the general manager that the auditors used certain language in the tax report so that “it does not look suspicious and does not attract any unnecessary attention in the future.” The Azerbaijan Agent instructed the general manager to wire the \$40,000 payment in two installments to a bank account belonging to the Dubai Entity. This amount was identified as “their consultancy fee” but bore no relation to any actual services that the Dubai Entity or the Azerbaijan Agent rendered to Tidewater, its subsidiaries or any Company affiliate.

39. On or about July 21, 2003, the Azerbaijan Agent sent an email with the payment instructions for the \$40,000 payment to Employee 4. Employee 4 authorized the \$40,000 payment in two installments to the Dubai Entity even though these payments bore no relation to any actual services the Dubai Entity provided. In fact, the payments were recorded on

the books of a contractual joint venture which the Company maintained with a local Azeri company (the “Azerbaijan Joint Operation”) in a manner that concealed their true nature. The Dubai Entity never rendered any services to the Azerbaijan Joint Operation. In reality, the payment was intended to be used to pay bribes to foreign officials in the government of Azerbaijan.

40. On or about July 23, 2003, a Company affiliate wired \$20,000 to the Dubai Entity’s bank account for the first installment of the \$40,000 payment. On or about July 24, 2003, Employee 4 sent an email to the Azerbaijan Agent requesting whether there was any chance that the Azerbaijan Agent could prepare an invoice relating to the \$40,000 payment indicating in the invoice that it was a payment for “professional services” associated with the Azeri Tax Ministry inspection of the Azerbaijan Joint Operation for the period April 2001 to March 2003 with the payment instructions to the Dubai Entity provided. That same day, the Azerbaijan Agent responded that this “is rather difficult for us as we are a US company too.”

41. On or about July 29, 2003, A Company affiliate wired an additional \$20,000 to the Dubai Entity’s bank account representing the second installment of the \$40,000 payment. This payment bore no relation to any actual services that the Dubai Entity rendered to Tidewater, its subsidiaries or any Company affiliate.

42. In order to further conceal the bribes related to the 2003 Audit, the Dubai Entity submitted invoices to Employee 4 that bore no relation to any actual services. On August 9, 2003, the Dubai Entity sent Employee 4 an invoice dated June 30, 2003, representing the first installment in the amount of \$20,000 for “consulting services”. This invoice was dated after the date that the first installment was paid. The Dubai Entity also submitted four additional invoices to Employee 4 on August 9, 2003 for the second \$20,000 installment in \$5,000 increments, the

maximum discretionary financial authority of Employee 4. These invoices were dated July 2, 2003, July 14, 2003, July 22, 2003, and July 26, 2003, respectively, and were for “Tax and Legal Consultancy”. These invoices bore no relation to any actual services that the Dubai Entity rendered to Tidewater, its subsidiaries or any Company affiliate. The accrued liabilities and expenses associated with these payments were recorded in the books and records of the Azerbaijan Joint Operation that were not consolidated into the Company’s financial statements.

43. At least two Company personnel, including Employee 2 and Employee 4, knew or believed that some or all of the amounts paid to Dubai Entity would be passed to government officials in Azerbaijan involved with the 2003 Audit.

44. In or about August 2005 the Azerbaijan Tax Ministry initiated a third tax audit of TMII’s Baku office (the “2005 Audit”).

45. On or about November 2, 2005, the Azerbaijan Agent sent an email to Employee 3 with “good news”, instructing Employee 3 to wire \$70,000 to a bank account belonging to the Dubai Entity in accordance with directions that the Azerbaijan Agent had received from the Azeri tax auditors. The Azerbaijan Agent further instructed Employee 3 that only \$5,000 “will be transferred locally...to the Tax Ministry’s account as [sic] company’s overall tax assessment for the audited period. This amount will correspond with the formal tax audit report.”

46. Employee 3 consulted with Employee 1 and Employee 4 about the payment to resolve the 2005 Audit. Employee 3 authorized the \$70,000 payment to the Dubai Entity.

47. On or about November 7, 2005, TMII wired \$70,000 to the Dubai Entity’s bank account. This payment bore no relation to any actual services that the Dubai Entity

rendered. This payment was recorded in a Company subsidiary's books and records in an account relating to "Crew Travel" expenses, as a payment to "[Dubai Entity]" and consolidated into the Company's financial statements.

48. The Company knew, or was reckless in not knowing that payments made to the Dubai Entity in 2001, 2003 and 2005 would be used, in whole or in part, by the Azerbaijan agent to make payments to Azeri tax officials with discretionary authority over the outcome of each of the audits.

49. Certain Company employees responsible for receiving third party invoices or purchase orders, approving the disbursement of funds, and funding payments to its subsidiaries' agents, including Executive A and Employee 1, were physically located in New Orleans, Louisiana or Houston, Texas during the relevant period. Moreover, Tidewater Inc. directly employed Employee 4 during the relevant period.

50. All of the Azerbaijan Tax Ministry officials in questions were "foreign officials" within the meaning of the FCPA.

B. The Nigerian "Intervention" Payments

51. From in or about January 2002 through March 2007, Tidewater, through its subsidiaries and agents, authorized the reimbursement of approximately \$1.6 million to the Nigerian Agent that the Nigerian Agent used, in whole or in part, to make improper payments to NCS employees to induce them to disregard certain regulatory requirements in Nigeria relating to the temporary importation of the Company's vessels into Nigerian waters.

52. During the relevant period, TCL employees working in the Company's Nigerian operations generally understood that non-Nigerian flagged vessels could be temporarily imported into Nigeria after receiving a temporary importation permit ("TIP"). A TIP is an

authorization from the NCS to import, on a duty free basis, heavy equipment, including vessels, into Nigeria. Once temporarily imported, the vessels may be chartered to customers in Nigeria as long as the TIP remains valid. No fee is generally required. TIPs were generally valid for up to twelve months during the relevant period, and generally could be extended twice for six months each time if necessary.

53. During the relevant period, TCL employees working in the Company's Nigerian operations generally understood that a TIP could only be applied for through a licensed customs broker in Nigeria, including the Nigerian Agent. Tidewater employees in the U.S. prepared the TIP application packages containing a commercial invoice and setting out the value of the vessel. The package was then mailed or delivered to TCL employees who added documents necessary to complete the package such as a tax clearance certificate, certificate of incorporation, and a photo of the vessel. TCL employees then provided the TIP application package to the Nigerian Agent which obtained the TIP on the Company's behalf. One of the requirements for the TIP to become effective was for Tidex to secure a bond, as security to the NCS that the Company would pay any duties owing if the Company did not comply with the terms of the TIP.

54. During the relevant period, TCL employees working in the Company's Nigerian operations generally understood that it normally took four to six weeks for a TIP application to be completed and approved. They further understood that a TIP must be in place before one of the Company's vessels arrived in Nigeria.

55. TCL employees working in the Company's Nigerian operations authorized the Nigerian Agent to perform an "intervention" to resolve problems or issues with Nigerian customs laws or regulations that arose when:

- a) a vessel arrived in Nigeria prior to the issuance of a TIP;
- b) a vessel arrived in Nigeria prior to the issuance of the bond associated with a TIP;
- c) a vessel moved from one customs zone to another prior to the issuance of a TIP or a bond, or when a TIP had expired;
- d) a chartered vessel with a valid TIP was chartered to a new customer without canceling and securing a new TIP;
- e) a vessel left Nigerian waters with a valid TIP, and returned to Nigerian waters without canceling and securing a new TIP; and
- f) a TIP had expired.

56. “Interventions” were nothing more than improper payments, in whole or in part, made by the Nigerian Agent to NCS employees to induce them to disregard certain regulatory requirements in Nigeria relating to the temporary importation of the Company’s vessels into Nigerian waters.

57. TCL employees working in the Company’s Nigerian operations generally believed that the Nigerian Agent made improper payments to NCS employees in connection with “interventions”. Tidewater personnel did not know at the time how much of the “intervention” amounts reimbursed were actually paid by the Nigerian Agent to NCS officials.

58. TCL employees working in the Company’s Nigerian operations authorized or reimbursed a total of 206 “intervention” payments representing a total reimbursement of approximately \$1.6 million to the Nigerian Agent during the relevant period from January 2002 through March 2007. All invoices from the Nigerian Agent listing “intervention” related expenses were denominated in Nigerian Naira, sent from the Nigerian Agent, and paid in Nigeria

by TCL employees working in the Company's Nigerian operations. The "intervention" payments were recorded in Tidex's and TMII's books and records in an expense account entitled "other vessel costs", described as "[Nigerian Agent]", and then consolidated into Tidewater's financial statements.

59. All NCS employees who received "intervention" payments from the Nigerian Agent were "foreign officials" within the meaning of the FCPA and were in a position to exercise authority over the enforcement of NCS regulations in Nigeria relating to the temporary importation of the Company's vessels into Nigerian waters.

C. Tidewater Employed U.S. Means to Engage in Bribery

60. All of the payments to the Dubai Entity were wired from the United States or involved Tidewater Inc. employees located in the United States. In addition, these payments involved transmitting mail and electronic mail in and out of the United States. As a result, Tidewater employed the mails and other means and instrumentalities of United States interstate commerce.

D. Tidewater Failed to Maintain Its Books and Records

61. Tidewater made numerous payments to third parties in ways that obscured the purpose for, and the ultimate recipients of, the payments. In particular, the Company made an improper payment in 2001 to the Azerbaijan Agent that it recorded in an account tracking "professional services" expenses. TMII made an improper payment in 2005 to the Azerbaijan agent that it recorded in an account designated for "crew travel" expenses. Neither of these entries accurately reflected the character of the payments and these payments were consolidated into the Company's financial statements. Although the 2003 payment in Azerbaijan was not consolidated into the Company's financial statements, it involved the use of an intermediary that

prevented the payment from being properly recorded in Tidewater's books and records.

62. Tidewater also made numerous payments to the Nigerian Agent that were recorded in Tidex's and TMII's books and records in an expense account entitled "other vessel costs", described as "[Nigerian Agent]", and then consolidated into Tidewater's financial statements. These entries did not accurately reflect the character of these payments.

E. Tidewater Failed to Maintain Adequate Internal Controls

63. Tidewater failed to establish and maintain adequate internal controls over its foreign operations to comply with its obligations as an "issuer" of securities pursuant to 15 U.S.C. § 78m(b)(2)(B). Tidewater's controls over the engagement and activities of agents operating in high-risk jurisdictions outside of the marketing and sales area were inadequate. For example, the Company's compliance program, including training provided to its employees, did not adequately address the applicability of the FCPA to customs, tax, and similar regulatory issues in its foreign subsidiary operations until March 2007. Moreover, employees in Azerbaijan easily circumvented the Company's internal controls by setting up small cash reserves for contingencies, dividing the improper payments into increments below their discretionary financial authority and processing a payment through a Company affiliate.

64. Some of the payments for invoices that the Nigerian Agent submitted to Tidex were authorized, processed and funded without the work order or supporting documentation necessary to verify that the service was requested and rendered. Tidewater also conducted internal audits in 2001 and 2003 of its Nigerian operations that failed to detect the improper payments even though weaknesses with invoices from, and payments to, agents and consultants were identified.

CLAIMS FOR RELIEF

FIRST CLAIM

Violations of Section 30A of the Exchange Act

65. Paragraphs 1-2, 4-51, and 61-64 are re-alleged and incorporated by reference.

66. As described above, Tidewater, through its officers, agents, subsidiaries, and affiliates, corruptly offered, promised to pay, or authorized illicit payments to a third party in Azerbaijan in 2001, 2003 and 2005, while knowing, or being reckless in not knowing, that a portion of those payments would be offered, given, or promised, directly or indirectly, to foreign officials for the purposes of influencing their acts or decisions in their official capacity, inducing them to do or omit to do actions in violation of their lawful duties, securing an improper advantage, or inducing such foreign officials to use their influence with a foreign government or instrumentality thereof to assist Tidewater or its subsidiaries and affiliates in obtaining or retaining business.

67. By reason of the foregoing, Tidewater violated the anti-bribery provisions of the FCPA, as codified at 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

68. Paragraphs 1 through 64 are re-alleged and incorporated by reference.

69. As described above, Tidewater, through its officers, agents, subsidiaries, and affiliates, failed to make and keep books, records, and accounts which, in reasonable detail, accurately and fairly reflected its transactions and dispositions of its assets.

70. By reason of the foregoing, Tidewater violated the books-and-records provisions of the FCPA, as codified at Section 13(b)(2)(A) [15 U.S.C. §78m(b)(2)(A)].

THIRD CLAIM

Violations of Section 13(b)(2)(B) of the Exchange Act

71. Paragraphs 1 through 64 are re-alleged and incorporated by reference.

72. As described above, Tidewater, through its officers, agents, subsidiaries, and affiliates, failed to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that: (i) payments were made in accordance with management's general or specific authorization; and (ii) payments were recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for its assets.

73. By reason of the foregoing, Tidewater violated Section 13(b)(2)(B) of the Exchange Act [15 U.S.C. §78m(b)(2)(B)].

VII. PRAYER FOR RELIEF

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

A. Permanently enjoining Tidewater 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 (B)]; and

B. Ordering Tidewater to disgorge ill-gotten gains, with prejudgment interest, wrongfully obtained as a result of its illegal conduct.

C. Ordering Tidewater to pay a civil money penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)]; and Section 21(d) of the Exchange Act [15 U.S.C. § 78(d)(3)].

D. Further, the Commission respectfully requests that the Court retain jurisdiction

over this action in order to implement and carry out the terms of all orders and decrees that it may enter, or to entertain any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court.

Dated: November 4, 2010

Respectfully submitted,

s/ C. Ian Anderson

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