

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

SECURITIES AND EXCHANGE COMMISSION,	§	
	§	
Plaintiff,	§	Civil Action No.
	§	
vs.	§	
	§	
JOE SUMMERS,	§	
	§	
Defendant.	§	
	§	

COMPLAINT

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

SUMMARY

1. Pride International, Inc. ("Pride") is one of the world's largest offshore drilling companies. In or about early 2006, through its internal controls processes, Pride discovered evidence of improper payments during the time period from 2003 to 2005 in Latin America. Pride made a voluntary disclosure to the Commission staff and undertook an internal investigation under the direction of the Audit Committee of its Board of Directors. Pride also undertook a worldwide compliance review of other international operations. Pride cooperated fully with the Commission staff throughout its internal investigation and compliance review.

2. From approximately 2003 to 2005, Joe Summers authorized or allowed payments totaling approximately \$384,000 to third-party companies believing that all or a portion of the funds would be given to an official of Venezuela's state-owned oil company in order to secure extensions of three drilling contracts. In addition, Summers authorized the payment of approximately \$30,000 to a third party believing that all or a portion of the funds would be given

to an employee of Venezuela's state-owned oil company in order to secure an improper advantage in obtaining the payment of certain receivables.

3. By engaging in the conduct described in this Complaint, Summers violated Sections 13(b)(5) and 30A of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78m(b)(5) and 78dd-1] and Exchange Act Rule 13b2-1 [17 C.F.R. § 240.13b2-1] and aided and abetted Pride's violations of Sections 13(b)(2)(A), 13(b)(2)(B), and 30A of the Exchange Act [15 U.S.C. §§ 78m(b)(2)(A), 78m(b)(2)(B), and 78dd-1].

4. The Commission brings this action against Summers seeking injunctive relief to prevent future violations of the federal securities laws and a civil penalty.

JURISDICTION

5. 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]. In connection with the conduct described herein, Summers, directly or indirectly, made use of means or instrumentalities of interstate commerce, of mails, or of facilities of a national securities exchange in connection with the transactions, practices, and courses of business alleged in this Complaint.

6. Venue in the Southern District of Texas is proper pursuant to Section 27 of the Exchange Act [15 U.S.C. § 78aa] because certain acts or transactions constituting the violations by Summers occurred in this district.

DEFENDANT AND OTHER ENTITIES

7. Defendant Joe Summers is a U.S. citizen and resident of John Day, Oregon. Summers was nominally employed by Pride International Personnel Ltd—a wholly owned subsidiary of Pride, incorporated in, and with its principal place of business located in, the British Virgin Islands—and was responsible for managing the operations of Pride Foramer de

Venezuela S.A. Summers functioned, however, as an “employee” and/or “agent” of Pride. Summers reported to, and was controlled by, Houston-based Pride officers. Summers was responsible for, among other things, ensuring that Pride conducted its Venezuelan operations in compliance with the Foreign Corrupt Practices Act, that adequate controls were in place to prevent illegal payments, and that the company’s books and records were accurate. When subpoenaed to testify by the Commission’s staff during its investigation, Summers asserted his Fifth Amendment privilege against self-incrimination.

8. Pride International, Inc. is a Delaware corporation headquartered in Houston, Texas. Its common stock is registered under Section 12(b) of the Exchange Act and trades on the New York Stock Exchange.

9. Pride Forasol S.A.S. (“Pride Forasol”) is organized and has its principal place of business in France. Pride Forasol was acquired by Pride in 1997. As relevant to the conduct alleged, Pride Forasol operated through Pride Foramer de Venezuela S.A., a branch of Pride Forasol’s wholly owned subsidiary Pride Foramer S.A.S., which operated in Venezuela (hereinafter “Pride Foramer Venezuela”).

10. At all times relevant to this Complaint, the financial results of the entities referenced in paragraph 9 were consolidated into the financial results for Pride.

FACTUAL BACKGROUND

Payments to Extend Contracts in Venezuela

11. In early 2003, a Pride Foramer rig operated in Venezuela on a drilling contract with the Venezuelan state-owned oil company, *Petróleos de Venezuela S.A.* (“PDVSA”), that was coming up for renewal or termination in February 2003.

12. In or around February 2003, an individual purporting to represent a PDVSA official (the “Venezuela Intermediary”) told Summers that the PDVSA official could assist the company in obtaining an extension of the drilling contract in exchange for a payment of \$60,000 per month for each month that the contract was extended.

13. PDVSA extended the drilling contract from April 2003 to mid-July 2003. In or around mid-2003, Summers authorized payments totaling approximately \$120,000, through a vendor of Pride Foramer Venezuela, to a Miami bank account in the name of the Venezuela Intermediary, believing that all or a portion of the funds would be given to the PDVSA official.

14. In or around April 2004, a Pride Foramer Venezuela operations employee (the “Operations Employee”) believed that the same PDVSA official was blocking or planned to block contract extensions for two rig management contracts with PDVSA, at least in part because Pride Foramer Venezuela had refused to make a third payment of \$60,000 for the 2003 drilling contract extension. In or around May 2004, Summers authorized an additional payment to the Venezuela Intermediary of \$60,000 in connection with the 2003 drilling contract extension, believing that all or a portion of the funds would be given by the Venezuela Intermediary to the PDVSA official. In or around May 2004, Summers was informed by the Operations Employee of the potential for additional payments of \$12,000 per rig, per month to be made for each month that the rig management contracts were extended.

15. From approximately mid-2004 to the end of 2004, Pride Foramer Venezuela made the monthly payments to the Venezuela Intermediary through certain of its local vendors. In or around December 2004, Summers left Venezuela to assume a new position at Pride in another country. In or around December 2004, without Summers’ involvement, Pride retained a marketing agent in Venezuela (the “Venezuela Agent”). From in or around January 2005 to in or

around June 2005, Pride Foramer Venezuela made the monthly payments to the Venezuela Intermediary through the Venezuela Agent.

16. Summers, by authorizing or allowing his subordinates to execute the bribery schemes involving the vendors, caused Pride Foramer Venezuela to inaccurately record those payments as payments for goods and services received from the vendors. Pride Foramer Venezuela also falsely recorded the payments made to the Venezuela Intermediary through the Venezuela Agent as marketing commission payments to the Venezuela Agent.

Payments to Collect Outstanding Receivables in Venezuela

17. Following widespread strikes and civil unrest in Venezuela in late 2002, Pride Foramer Venezuela and other companies performing work for PDVSA had difficulty collecting outstanding receivables from PDVSA. By early 2003, Pride Foramer Venezuela had significant unpaid receivables for services that it had provided to PDVSA.

18. In or around March or April 2003, Pride Foramer Venezuela received information that a mid-level PDVSA accounts payable employee was holding up the payment of funds owed to Pride Foramer Venezuela and wanted a payment of approximately \$30,000 in order to release the funds due.

19. In or around March or April 2003, Summers authorized a payment of approximately \$30,000 to a third party, believing that all or a portion of the funds would be offered or given by the third party to an employee of PDVSA for purposes of securing an improper advantage in receiving payment from PDVSA. Shortly thereafter, in or around April 2003, Pride Foramer Venezuela received overdue payments from PDVSA for work that Pride Foramer Venezuela had performed.

FIRST CLAIM
Violations of Section 30A of the Exchange Act
(Anti-Bribery)

20. Paragraphs 1 through 19 are realleged and incorporated herein by reference.

21. As described above, Summers an “employee” and/or “agent” of “issuer” Pride, acting on behalf of Pride and certain of its subsidiaries, made use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift, promise to give, or authorization of the giving of anything of value, to foreign officials for the purposes of influencing their acts or decisions, securing an improper advantage, or inducing them to use their influence, to assist Pride or its subsidiaries in obtaining or retaining business.

22. In addition, Summers a “United States person” acting as an “employee” and/or “agent” of Pride committed acts outside the United States in furtherance of an offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift, promise to give, or authorization of the giving of anything of value, to foreign officials for the purposes of influencing their acts or decisions, securing an improper advantage, or inducing them to use their influence, to assist Pride or its subsidiaries in obtaining or retaining business.

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

SECOND CLAIM
Violations of Section 13(b)(5) of the Exchange Act and Exchange Act Rule 13b2-1
(Circumvention of Internal Controls and Falsification of Books and Records)

24. Paragraphs 1 through 19 above are realleged and incorporated by reference herein.

25. Section 13(b)(5) of the Exchange Act prohibits any person from knowingly circumventing or knowingly failing to implement a system of internal accounting controls or

knowingly falsifying any book, record, or account described in Section 13(b)(2) of the Exchange Act. Exchange Act Rule 13b2-1 likewise prohibits any person from directly or indirectly falsifying, or causing to be falsified, any book, record or account subject to Section 13(b)(2)(A) of the Exchange Act.

26. By reason of the foregoing, Summers violated, and unless restrained and enjoined may continue to violate, Section 13(b)(5) of the Exchange Act and Exchange Act Rule 13b2-1 [15 U.S.C. § 78m(b)(5) and 17 C.F.R. § 240.13b2-1].

THIRD CLAIM
Aiding and Abetting Violations of Section 30A of the Exchange Act
(Anti-Bribery)

27. Paragraphs 1 through 19 above are realleged and incorporated by reference herein.

28. As described above, Summers knowingly provided substantial assistance to others who, acting on behalf of Pride, made use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift, promise to give, or authorization of the giving of anything of value, to foreign officials for the purposes of influencing their acts or decisions, securing an improper advantage, or inducing them to use their influence, to assist Pride or its subsidiaries in obtaining or retaining business.

29. By reason of the foregoing, Summers aided and abetted, and unless restrained and enjoined may continue to aid and abet, violations of Section 30A of the Exchange Act [15 U.S.C. § 78dd-1].

FOURTH CLAIM

Aiding and Abetting Violations of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act (Books and Records and Internal Controls)

30. Paragraphs 1 through 19 above are realleged and incorporated by reference herein.

31. Certain of Pride's subsidiaries operating in Venezuela inaccurately recorded bribes as legitimate business expenses, causing inaccuracies in Pride's consolidated books and records in violation of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78m(b)(2)(A) and 78m(b)(2)(B)]. Through his participation in the bribery schemes as described above, Summers knowingly provided substantial assistance to Pride in its violations.

32. By reason of the foregoing, Summers aided and abetted, and unless restrained and enjoined may continue to aid and abet, violations of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78m(b)(2)(A) and 78m(b)(2)(B)].

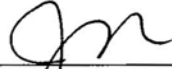
RELIEF REQUESTED

The Commission respectfully requests that this Court:

- (1) enter an order permanently enjoining Defendant Joe Summers from violating Sections 13(b)(5) and 30A [15 U.S.C. §§ 78m(b)(5) and 78dd-1] of the Exchange Act and Exchange Act Rule 13b2-1 [17 C.F.R. § 240.13b2-1] and from aiding and abetting violations of Sections 13(b)(2)(A), 13(b)(2)(B), and 30A of the Exchange Act [15 U.S.C. §§ 78m(b)(2)(A), 78m(b)(2)(B), and 78dd-1];
- (2) order Defendant Joe Summers to pay a civil penalty pursuant to Sections 21(d)(3) and 32(c) of the Exchange Act [15 U.S.C. §§ 78u(d)(3) and 78ff(c)]; and
- (3) grant the Commission such other and further relief as is just and appropriate.

DATED: August 5, 2010

Respectfully submitted,



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