

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA**

\_\_\_\_\_)  
)  
**U.S. SECURITIES AND EXCHANGE** )  
**COMMISSION,** )  
**100 F. Street, NE** )  
**Washington, D.C. 20549-6030** )

**Plaintiff,** )

v. )

**FLOWSERVE CORPORATION** )  
**5215 North O'Connor Blvd.** )  
**Suite 2300** )  
**Irving, Texas 75039** )

**Defendant.** )  
\_\_\_\_\_)

Case: 1:08-cv-00294  
Assigned To : Sullivan, Emmet G.  
Assign. Date : 2/21/2008  
Description: General Civil

**COMPLAINT**

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

**SUMMARY**

1. From approximately 2001 through 2003, Flowserve Corporation ("Flowserve") violated the books and records and internal controls provisions of the Foreign Corrupt Practices Act (the "FCPA") [15 U.S.C. §§ 78dd-1, et seq.] when two of its foreign subsidiaries entered into twenty contracts involving the payment of kickbacks totaling approximately \$820,246 in connection with sales of industrial equipment to Iraqi government entities under the United Nations Oil for Food Program. Flowserve, through its subsidiaries, authorized or paid these kickbacks in the form of under-the-table "after sales service fees" ("ASSFs") through third-party agents. Approximately \$646,488 of the kickback payments were made, and another \$173,758 were authorized.

















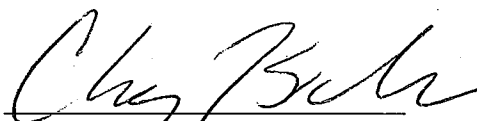




- B. Ordering Flowserve to disgorge ill-gotten gains, with prejudgment interest, wrongfully obtained as a result of its illegal conduct;
- C. Ordering Flowserve to pay civil penalties pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]; and
- D. Granting such further relief as the Court may deem just and appropriate.

Dated: February 21, 2008

Respectfully submitted,



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Tracy L. Price  
Robert I. Dodge

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