



PRESS RELEASE

Commodities Trading Company Will Pay Over \$661M to Resolve Foreign Bribery Case

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For Immediate Release

Office of Public Affairs

Gunvor S.A. (Gunvor), an international commodities trading company based in Switzerland, has pleaded guilty and will pay over \$661 million to resolve an investigation by the U.S. Justice Department into violations of the Foreign Corrupt Practices Act (FCPA).

Gunvor's guilty plea stemmed from the company's corrupt scheme to pay substantial bribes to Ecuadorean government officials to secure business with Ecuador's state-owned and state-controlled oil company, Petroecuador.

In connection with the resolution, Gunvor entered into a plea agreement with the government and pleaded guilty to an information charging the company with conspiracy to violate the anti-bribery provisions of the FCPA. Following the plea, the court sentenced Gunvor to pay a criminal monetary penalty of \$374,560,071 and to forfeit \$287,138,444 in ill-gotten gains. The sentence includes credits of up to one-quarter of the criminal fine each for amounts Gunvor pays to resolve investigations by Swiss and Ecuadorean authorities into the same misconduct so long as the payments are made within one year of today's date.

The Office of the Attorney General of Switzerland announced today a parallel resolution of its investigation into Gunvor's misconduct that involved payment of approximately \$98 million by Gunvor to Swiss authorities.

"Over nearly a decade, Gunvor representatives bribed high-level government officials at Ecuador's state-owned oil company to enter into business transactions with other state-owned entities that ultimately benefited Gunvor. As a result of this complex bribery scheme, Gunvor obtained hundreds of millions of dollars in illicit profits," said Acting Senior Counselor Brent S. Wible of the Justice Department's Criminal Division. "Foreign bribery emboldens corrupt officials and undermines the rule of law. Gunvor's guilty plea demonstrates that the Criminal Division remains resolute in our efforts to root out bribery and official corruption. We will continue to hold both corporations and individuals who bribe foreign officials to account, in coordination with our international partners."

“Today’s guilty plea and sentencing marks yet another example of this office’s efforts to combat widespread corruption,” said U.S. Attorney Breon Peace for the Eastern District of New York. “Corruption erodes the public’s trust in their government, prevents government officials from acting in the best interests of the people they represent and harms businesses that play by the rules, driving up prices for consumers. The Justice Department, including my office, will not tolerate bribes being paid by American companies or foreign companies misusing the U.S. financial system.”

“Gunvor’s years-long bribery scheme involving high-level Ecuadoran officials was both detrimental to the business environment and eroded the public’s trust and confidence in their government,” said Special Agent in Charge Jeffrey B. Veltri of the FBI Miami Field Office. “This guilty plea and significant fine would not have been possible without significant cooperation from our international partners in the Cayman Islands, Colombia, Curacao, Ecuador, Panama, Portugal, Singapore, and Switzerland. This truly was an international effort.”

According to the company’s admissions and court documents, between 2012 and 2020, Gunvor and its co-conspirators paid more than \$97 million to intermediaries knowing that some of the money would be and in fact was used to bribe Ecuadorean officials, including Nilsen Arias Sandoval, a then-high ranking official at Petroecuador. As part of the scheme, Gunvor managers and agents attended meetings in the United States and elsewhere. The bribe payments were routed through banks in the United States using shell companies in Panama and the British Virgin Islands controlled by Gunvor’s co-conspirators. Among other things, a Gunvor employee also directed one of the intermediaries to use the money to purchase an 18-karat gold Patek Philippe watch for Arias.

In exchange for these bribe payments, high-level Ecuadorian officials helped various state-owned entities, which were acting as front companies for Gunvor, win the rights to a series of oil-backed loan contracts with Petroecuador. This structure allowed Gunvor and its co-conspirators to avoid a competitive bidding process and to obtain contractual terms that it could not have obtained otherwise. Gunvor also received confidential Petroecuador information in exchange for the bribes. In total, Gunvor earned more than \$384 million in profits from the contracts it obtained corruptly from Petroecuador.

The department reached this resolution with Gunvor based on a number of factors, including, among others, the nature and seriousness of the offense. Gunvor received credit for its cooperation with the department’s investigation, which included: (i) producing documents to the department from multiple foreign countries expeditiously while navigating foreign data privacy and criminal laws; (ii) providing information obtained through its own internal investigation to the department, which allowed the department to preserve and obtain evidence as part of the department’s investigation; (iii) making detailed, factual presentations to the department; (iv) arranging for the interview of an employee based outside the United States; (v) promptly collecting, analyzing, and organizing voluminous information, including complex financial information, at the request of the department, and producing an analysis of trading activity conducted by multiple outside forensic accounting firms retained by Gunvor; (vi) translating foreign language documents to facilitate and expedite review by the department; and (vii) imaging the phones of relevant custodians at the beginning of Gunvor’s internal investigation, thus preserving business communications sent on mobile messaging applications.

Gunvor also engaged in timely and appropriate remedial measures, including: (i) eliminating the use of third-party business origination agents; (ii) enhancing its third party due-diligence process; (iii) developing and implementing a control framework for internal business developers and additional layers of review and approval for counterparty payments; (iv) enhancing the independent compliance committee with

responsibility for reviewing high-risk transactions; (v) engaging resources to review its compliance program and test the effectiveness of its overall reporting process, its reporting hotline and the effectiveness of the investigation of reports made through the hotline; (vi) evaluating and updating its compensation policy to better incentivize compliance with the law and corporate policies; (vii) hiring additional compliance personnel; (viii) testing and enhancing its compliance program, including by conducting compliance culture reviews, testing new third party due diligence process and payment controls, and evaluating controls around business development activities; and (ix) developing and implementing a risk-based business communications policy that addresses the use of ephemeral and encrypted messaging applications.

The department also considered Gunvor's history of misconduct. In October 2019, Gunvor reached a resolution with the Office of the Attorney General of Switzerland concerning a corrupt scheme to bribe officials in Congo-Brazzaville and Côte d'Ivoire to secure oil contracts obtained between approximately 2009 and 2012. As part of the 2019 Swiss resolution, Gunvor admitted that it lacked sufficient controls to prevent the underlying misconduct and failed to take "all the reasonable organizational measures" required to prevent Gunvor's employees and agents from engaging in bribery. The conduct that is the subject of today's guilty plea occurred, in part, at the same time as the prior Swiss investigation and resolution.

In light of these considerations, the department determined that the appropriate resolution in this case was for Gunvor to plead guilty to one count of conspiracy to violate the FCPA. The criminal fine calculated under the U.S. Sentencing Guidelines reflects a 25% reduction off the 30th percentile of the applicable guidelines fine range, taking into account Gunvor's cooperation and remediation, as well as its prior history.

The department previously secured convictions in the Eastern District of New York of four individuals who were implicated in Gunvor's bribery scheme, including:

- Antonio Pere Ycaza, a former consultant for Gunvor, pleaded guilty on Oct. 7, 2020, to one count of conspiracy to violate the FCPA and one count of conspiracy to commit money laundering.
- Enrique Pere Ycaza, a former consultant for Gunvor, also pleaded guilty on Oct. 7, 2020, to one count of conspiracy to commit money laundering and to violate the FCPA.
- Raymond Kohut, a former Gunvor employee and agent, pleaded guilty on April 6, 2021, to one count of conspiracy to commit money laundering.
- Nilsen Arias Sandoval, a former senior Petroecuador official, pleaded guilty on Jan. 19, 2022, to one count of conspiracy to commit money laundering.

The FBI Miami Field Office is investigating the case, with assistance from the FBI's International Corruption Unit.

Trial Attorney Clayton P. Solomon and Assistant Chiefs Derek J. Ettinger and Jonathan P. Robell of the Criminal Division's Fraud Section, Trial Attorney D. Hunter Smith and Deputy Chief Adam J. Schwartz of the Criminal Division's Money Laundering and Asset Recovery Section, and Assistant U.S. Attorneys Nick M. Axelrod, Jonathan P. Lax, and Matthew R. Galeotti for the Eastern District of New York are prosecuting the case. Assistant U.S. Attorneys Laura Mantell and Brendan King for the Eastern District of New York are handling forfeiture matters.

The Justice Department's Office of International Affairs and authorities in the Cayman Islands, Colombia, Ecuador, Panama, Portugal, Singapore, and Switzerland provided valuable assistance.

The Criminal Division’s Fraud Section is responsible for investigating and prosecuting FCPA matters. Additional information about the Justice Department’s FCPA enforcement efforts can be found at www.justice.gov/criminal/fraud/fcpa.

The Kleptocracy Asset Recovery Initiative is led by a team of dedicated prosecutors in the Criminal Division’s Money Laundering and Asset Recovery Section, in partnership with federal law enforcement agencies, and often with U.S. Attorneys’ Offices, to forfeit the proceeds of foreign official corruption and, where appropriate, to use those recovered assets to benefit the people harmed by these acts of corruption and abuse of office.

[Information Plea Agreement](#)

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Topic

FOREIGN CORRUPTION

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