

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA**

**Case No. 19-CR-20284-SMITH**

**UNITED STATES OF AMERICA**

**vs.**

**ARMENGOL ALFONSO CEVALLOS DIAZ,**

**Defendant.**

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**FACTUAL PROFFER IN SUPPORT OF GUILTY PLEA**

The United States Department of Justice, Criminal Division, Fraud Section and Money Laundering and Asset Recovery Section (collectively, the “Government”), and the defendant, Armengol Alfonso Cevallos Diaz (“the defendant”), stipulate and agree that the information stated herein is true and accurate and a sufficient basis for the defendant’s plea of guilty to the conspiracy to commit an offense against the United States in violation of Title 18, United States Code, Section 371, and the money laundering conspiracy in violation of Title 18, United States Code, Section 1956(h) charged in the instant case. Had this matter proceeded to trial, the defendant stipulates and agrees that the Government would have proven the facts alleged below beyond a reasonable doubt and the forfeiture allegations set forth in the Indictment by a preponderance of the evidence.

Empresa Pública de Hidrocarburos del Ecuador (“PetroEcuador”) is the state-owned and state-controlled oil company in Ecuador. PetroEcuador performed government functions for and on behalf of Ecuador. The defendant, a citizen of Ecuador residing in the Southern District of Florida since approximately 2016, was a director of a company based in Miami, Florida during part of the relevant time period.

From in or around 2012 and continuing until at least 2015, the defendant together with others, including United States citizens, knowingly and willfully agreed to use the mails and means and instrumentalities of interstate commerce, including U.S.-based companies and U.S.-based bank accounts, to corruptly promise to pay, and to pay, approximately \$4,400,000 in bribes to PetroEcuador officials in order to obtain and retain business with PetroEcuador and to influence PetroEcuador officials in their official capacity and to secure an improper advantage in order to assist the defendant in obtaining and retaining business for or with, or directing business to, companies controlled or associated with the defendant and others.

In addition, from in or around 2013 and continuing until at least 2015, the defendant knowingly and willfully conspired with others, including his co-defendant Jose Melquiades Cisneros Alarcon (“Cisneros”) and Marcelo Reyes Lopez (“Reyes”), who was a PetroEcuador official at the time of the agreement, to knowingly conduct financial transactions designed to conceal and disguise the nature, location, source, ownership, and control of the proceeds of the illegal bribery scheme and with the intent to promote the carrying on of the illegal bribery scheme.

In furtherance of the bribery and money laundering schemes, among other things, the defendant, together with his co-conspirators, used companies in the Southern District of Florida (“Intermediary Company 1” and “Intermediary Company 2”) to pay and launder bribe payments, created a shell company in the Southern District of Florida called O&G International Supplies Inc. (“O&G”) for the benefit of Reyes, opened a bank account in the Southern District of Florida in the name of O&G, transferred the proceeds of the illegal bribery scheme into the account of O&G and into the Panamanian bank account of a Panamanian shell company controlled by another PetroEcuador official (“PetroEcuador Official 1”), and used the proceeds of the illegal

bribery scheme to purchase properties in the Southern District of Florida for the benefit of Reyes and another PetroEcuador official (“PetroEcuador Official 2”).

### The Bribery Conspiracy

To accomplish the bribery scheme, among other things, the defendant discussed with an executive of an Ecuadorian oil services company (“Oil Services Company”) that Oil Services Company would have to pay PetroEcuador officials, in particular Reyes, in exchange for obtaining and retaining a contract with PetroEcuador. Following the award of the contract by PetroEcuador to Oil Services Company, on or about February 13, 2013, Oil Services Company, from an account in the Southern District of Florida, transferred more than \$4.6 million to three corporate bank accounts in the United States provided to Oil Services Company by the defendant, including two accounts in the Southern District of Florida—one in the name of Intermediary Company 1 and the other in the name of Intermediary Company 2—over which the defendant and his co-conspirator Cisneros exercised control. The funds paid by Oil Services Company to the three accounts were intended and subsequently used as a bribe to Reyes and other PetroEcuador officials, as well as a fee to the defendant for his facilitation of the bribe payments. In addition, on or about June 5, 2014, the defendant, while in the Southern District of Florida, caused a wire transfer of approximately \$55,000 from a U.S.-based account held in the defendant’s name to Intermediary Company 1’s U.S.-based account, which was then used to purchase a property for the benefit of Reyes. The defendant also provided cash payments to Reyes and other PetroEcuador officials in Ecuador in order to obtain and retain contracts for his own entities, which were laundered into the U.S. through O&G and the intermediary companies controlled by the defendant and Cisneros.

The Money Laundering Conspiracy

With the intent to conceal and disguise the proceeds of the illegal bribery scheme, as well as to promote the illegal bribery scheme, the defendant, Cisneros and Reyes devised and effectuated a scheme to launder bribe proceeds for Reyes and two other PetroEcuador officials into and through the Southern District of Florida. In early 2013, the defendant introduced Reyes to Cisneros in Miami, Florida and instructed Cisneros to take good care of Reyes. Shortly thereafter, Cisneros agreed with Reyes, with the defendant's knowledge, to create O&G, which the defendant knew was used to receive and hide Reyes's bribe proceeds. Between in or around February 2013 and in or around December 2014, the defendant and his co-conspirators transferred bribe proceeds from Oil Services Company, another company associated with the defendant, a personal account associated with the defendant, and other PetroEcuador contractors, into bank accounts held by O&G, Intermediary Company 1, and Intermediary Company 2. From there, the defendant and his co-conspirators caused transfers to purchase six real properties in the Southern District of Florida for the benefit of Reyes, including: (1) 11316 NW 79 Lane, Doral, Florida; (2) 14340 SW 156th Avenue, Miami, Florida; (3) 16711 Collins Avenue, Unit 1902, Sunny Isles Beach, Florida; (4) 605 S. Ocean Drive, Hollywood, Florida; (5) 609 S. Ocean Drive, Hollywood, Florida; and (6) 345 Monroe Street, Hollywood, Florida. All of these properties were titled in the name of O&G for the benefit of Reyes. In or around February 2015, ownership of O&G was transferred to Reyes and Reyes's wife.

Further, at Reyes' direction and with the defendant's knowledge, Cisneros also used some of the bribe proceeds that were sent to Intermediary Company 1 and Intermediary Company 2 to purchase two properties in the Southern District of Florida for the ultimate benefit of PetroEcuador Official 2.

In addition, the defendant facilitated the transfer of funds from another PetroEcuador contractor through a U.S.-based bank account controlled by Cisneros for the benefit of PetroEcuador Official 1. Specifically, the defendant asked Cisneros to make wire transfers from a corporate bank account in the United States controlled by Cisneros to a bank account in Panama beneficially owned by PetroEcuador Official 1, including \$425,000 transferred on or about August 3, 2015 and two transfers of \$250,000 on or about August 10, 2015.

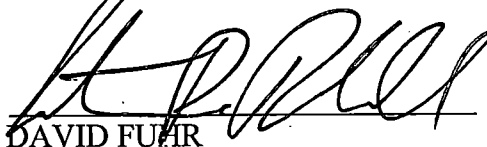
The defendant, knowing that his conduct was wrong and unlawful, conducted and attempted to conduct various financial transactions involving interstate and foreign commerce using U.S. bank accounts, knowing that the property involved in the transactions represented the proceeds of the illegal bribery scheme, and acting with the intent to conceal and disguise the true nature, source, location, ownership, and control of the proceeds of the illegal bribery scheme. The defendant, knowing that his conduct was wrong and unlawful, also caused financial transactions from a place in the United States to or through a place outside the United States and to a place in the United States from or through a place outside the United States, with the intent to promote the illegal bribery scheme.

ROBERT ZINK  
CHIEF, FRAUD SECTION  
DEPARTMENT OF JUSTICE

Date:

1/23/2020

By:



DAVID FUHR  
ASSISTANT CHIEF  
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DEBORAH L. CONNOR  
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DEPARTMENT OF JUSTICE

Date: 1/23/2020

By: Mary Ann McCarthy  
MARY ANN MCCARTHY  
TRIAL ATTORNEY

Date: 1-22-20

[Signature]  
ANA DAVIDE, ESQ.  
ATTORNEY FOR DEFENDANT

Date: 1-22-20

[Signature]  
ARMENGOL ALFONSO CEVALLOS DIAZ  
DEFENDANT