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Business Executive Pleads Guilty to Foreign Bribery Charge in Connection With Venezuelan Bribery Scheme

A former manager of a U.S.-based logistics and freight forwarding company pleaded guilty to a foreign bribery charge today for his role in a scheme to corruptly secure contracts and contract extensions from Venezuela's state-owned and state-controlled energy company, Petroleos de Venezuela S.A. (PDVSA). The guilty plea of the foreign official who was bribed was also unsealed today.

Assistant Attorney General Brian A. Benczkowski of the Justice Department's Criminal Division, U.S. Attorney Ryan K. Patrick of the Southern District of Texas and Special Agent in Charge Mark Dawson of U.S. Immigration and Customs Enforcement's Homeland Security Investigations' (HSI) Houston Field Office made the announcement.

Juan Carlos Castillo Rincon (Castillo), 55, of Conroe, Texas, previously of Miami, Florida, pleaded guilty before U.S. Magistrate Judge Nancy K. Johnson of the Southern District of Texas in Houston to one count of conspiracy to violate the Foreign Corrupt Practices Act (FCPA). Castillo is scheduled to be sentenced on Feb. 21, 2019 by U.S. District Judge Gray H. Miller of the Southern District of Texas.

Judge Johnson also unsealed the guilty plea of Jose Orlando Camacho (Camacho), 46, of Miami, Florida, previously of Katy, Texas, the PDVSA official whom Castillo bribed. In July 2017, Camacho pleaded guilty under seal before Judge Miller to conspiracy to commit money laundering. Camacho is also scheduled to be sentenced on Feb. 21, 2019 by Judge Miller.

"Corruption undermines the rule of law, tilts the playing field away from law-abiding businesses, and exposes our financial system to the distorting effects of illicit cash flows," said Assistant Attorney General Benczkowski. "The guilty pleas announced today are the latest in a series of actions arising out of an ongoing investigation of bribery at PDVSA. The Department will continue to combat corruption wherever we find it."

"These guilty pleas reflect the hard work of agents and investigators and mark another step in the joint effort to combat foreign corruption," said U.S. Attorney Patrick. "Our office will continue to prosecute those who bribe foreign officials or use our financial networks to launder the proceeds of these bribes."

"Foreign bribery schemes like this pose a significant threat to the public trust and fair trade practices," said HSI Houston Special Agent in Charge Dawson. "Today's pleas are a step in the right direction, but we will continue to aggressively investigate individuals and corporations who violate the FCPA to ensure a fair and equal playing field for U.S. companies and consumers."

Castillo was arrested in Miami on April 19, after a federal grand jury returned a five-count indictment against him. According to admissions made in connection with Castillo's plea, beginning in or around 2011 and continuing through at least 2013, Castillo, a manager at a Houston-based logistics and freight forwarding company, conspired with others to bribe a PDVSA official in exchange for the official providing assistance in connection with the company's business with PDVSA. In exchange for bribe payments, the PDVSA official assisted the company in obtaining PDVSA contracts, contract extensions and favorable contract terms; provided Castillo with inside information concerning the PDVSA bidding process; and supported the company in internal PDVSA meetings regarding purchasing decisions.

As part of his guilty plea, Camacho admitted that while employed by PDVSA or its wholly owned subsidiaries or affiliates, he accepted bribes from Castillo and the logistics and freight forwarding company for which Castillo was a manager in exchange for taking certain actions to assist the company in its business with PDVSA. Camacho also admitted that he conspired with Castillo to launder the proceeds of the bribery scheme.

As part of their plea agreements, both Castillo and Camacho have agreed to forfeit the proceeds of their criminal activity.

With Castillo's plea today and the unsealing of Camacho's plea, the Justice Department has announced charges against 18 individuals, 14 of whom have pleaded guilty, as part of a larger, ongoing investigation by the U.S. government into bribery at PDVSA. The HSI Houston Field Office is conducting the ongoing investigation, with assistance from HSI in Boston and from IRS Criminal Investigation. Trial Attorneys Jeremy R. Sanders and Sarah E. Edwards of the Criminal Division's Fraud Section and Assistant U.S. Attorneys John P. Pearson and Robert S. Johnson of the Southern District of Texas are prosecuting the case. Assistant U.S. Attorney Kristine Rollinson of the Southern District of Texas is handling the forfeiture aspects of the case.

The Criminal Division's Office of International Affairs and the Cayman Islands' Office of the Director of Public Prosecutions also provided assistance.

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

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