

United States v. Sargeant Marine Inc. (E.D.N.Y. 2020)

Nature of the Business.

Sargeant Marine Inc., (Sargeant Marine) is an asphalt company with its headquarters in Boca Raton, Florida. To engage in its business, Sargeant Marine works with several related and affiliated companies to provide asphalt services, to pursue lines of credit, and to engage in joint ventures.

Influence to be Obtained.

Sargeant Marine paid bribes to government officials in Brazil, Venezuela, and Ecuador from 2010 to 2018, in order to secure profits for itself and its affiliated companies of more than \$38 million. In Brazil, Sargeant Marine bribed various members of the Brazilian government, including a minister, a member of the Brazilian Congress, as well as executives at Petroleo Brasileiro S.A.-Petrobras to facilitate Sargeant Marine's acquisition of certain valuable asphalt contracts. The company orchestrated a scheme of fake consulting agreements and offshore bank accounts for shell corporations to through which it conveyed bribes through intermediaries to government officials.

In Venezuela, Sargeant Marine implemented a similar bribery scheme with four employees of the state-owned Petroleos de Venezuela, S.A. Sargeant Marine hid the identities of the officials taking bribes by referring to them using code names such as "Oiltrader," "Tony", and "Tony 2" in various communications. Similarly, to further obscure the nature of the transactions, the inside information sought by Sargeant Marine was referred to as "Chocolates."

Sargeant Marine's conduct in Ecuador looked similar, as it used a multistep scheme to facilitate bribes to a government official for the purpose of securing a contract to supply asphalt.

Enforcement.

On September 21, 2020, Sargeant Marine pleaded guilty to one count of conspiracy to violate the FCPA's antibribery provisions. In the Plea Agreement issued by the DOJ, Sargeant Marine accepted responsibility for the above conduct. Sargeant Marine was ordered to pay a criminal penalty of \$16.6 million. Sargeant Marine was also required to report to the DOJ's Fraud Section its remediation and compliance efforts in accordance with a compliance program for a three-year period. The DOJ indicated that its determination was based in part on Sargeant Marine's full credit for cooperating with the investigation, though the involvement of high-level executives weighed against it.

Additionally, in related matters, the DOJ has unsealed the guilty pleas of five individuals (and another in 2017) in connection with the alleged bribery scheme.

Key Facts

Citation. *United States v. Sargeant Marine Inc.*, No. 1:20-cr-00363 (E.D.N.Y. 2020).

Date Filed. September 22, 2020.

Country. Brazil, Venezuela, and Ecuador.

Date of Conduct. 2010 – 2018.

Amount of the Value. Not Stated.

Amount of Business Related to the Payment. \$38 Million.

Intermediary. Various agents and subsidiaries.

Foreign official. Unnamed government officials from Brazil, Venezuela, and Ecuador.

FCPA Statutory Provision. Conspiracy (Anti-Bribery).

Other Statutory Provision. None.

Disposition. Guilty Plea.

Defendant Jurisdictional Basis. Domestic Concern.

Defendant's Citizenship. United States.

Total Sanction. \$16.6 Million.

Compliance Monitor/Reporting Requirements. Three-year Reporting Requirement.

Related Enforcement Actions. *United States v. Andrade*; *United States v. Finocchi*; *United States v. Diaz*; *United States v. Meneses*; *United States v. Nuñez Troyano*; *United States v. Sargeant*; *United States v. Comoretto*.