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Vitol Inc. Agrees to Pay over \$135 Million to Resolve Foreign Bribery Case

Vitol Inc. (Vitol), the U.S. affiliate of the Vitol group of companies, which together form one of the largest energy trading firms in the world, has agreed to pay a combined \$135 million to resolve the Justice Department's investigation into violations of the Foreign Corrupt Practices Act (FCPA) and to resolve a parallel investigation in Brazil.

The resolution arises out of Vitol schemes to pay bribes to officials in Brazil, Ecuador, and Mexico. Vitol has also agreed to disgorge more than \$12.7 million to the Commodity Futures Trading Commission (CFTC) in a related matter and to pay the CFTC a penalty of \$16 million related to trading activity not covered by the deferred prosecution agreement with the department.

"Over a period of 15 years, Vitol paid millions of dollars in bribes to numerous public officials – in three separate countries – to obtain improper competitive advantages that resulted in significant illicit profits for the company," said Acting Assistant Attorney General Brian C. Rabbitt of the Justice Department's Criminal Division. "Today's coordinated resolution with Brazil, along with our first coordinated FCPA resolution with the CFTC, underscores the department's resolve to hold companies accountable for their crimes while, at the same time, avoiding unnecessarily duplicative penalties."

"Vitol paid bribes to government officials in Brazil, Ecuador and Mexico to win lucrative business contracts and obtain competitive advantages to which they were not fairly entitled," said Acting U.S. Attorney Seth D. DuCharme of the Eastern District of New York. "The United States Attorney's Office for the Eastern District of New York will continue to hold accountable companies and individuals that attempt to defy U.S. law to the detriment of honest competitors."

"This resolution demonstrates the FBI's commitment to investigate foreign corruption and hold accountable those who circumvent laws for financial gain at the expense of American consumers," said Assistant Director in Charge Kristi K. Johnson of the FBI's Los Angeles Field Office. "We'll continue to work with our partners to root out corruption, whether it occurs domestically or abroad, to ensure trust on the international playing field."

Vitol entered into a deferred prosecution agreement with the department in connection with a criminal information filed today in the Eastern District of New York charging the company with two counts of conspiracy to violate the anti-bribery provisions of the FCPA. The case is assigned to Senior U.S. District Judge Eric N. Vitaliano.

Pursuant to its agreement with the department, Vitol's total criminal penalty is \$135 million. The department will credit \$45 million – approximately one third of the total criminal penalty – against the amount that Vitol will pay to resolve an investigation by the Brazilian Ministério Público Federal for conduct related to the company's bribery scheme in Brazil.

As part of the deferred prosecution agreement, Vitol Inc. and Vitol S.A., another company within the Vitol group of companies, have agreed to continue to cooperate with the department in any ongoing investigations and prosecutions relating to the conduct, including of individuals; to enhance their compliance programs; and to report to the department on the implementation of their compliance programs.

According to the company's admissions and court documents, between 2005 and 2014, Vitol and its co-conspirators paid bribes of more than \$8 million to at least four officials at Brazil's state-owned and controlled oil company Petróleo Brasileiro S.A. – Petrobras (Petrobras). Vitol paid these bribes in exchange for receiving confidential Petrobras pricing and competitor information. Vitol concealed the scheme through the use of intermediaries and a fictitious company that facilitated the payments to offshore accounts and, ultimately, to the Petrobras officials.

Vitol also admitted that from 2011 to 2014, it bribed at least five other Petrobras officials in exchange for receiving confidential pricing information that Vitol used to win fuel oil contracts with Petrobras. During that scheme, a consultant acting on behalf of Vitol engaged in back-channel negotiations with a Houston-based Petrobras official. The parties would then hold staged negotiations, ultimately settling on the pre-arranged price that allowed for bribes to be paid from Vitol to the Petrobras officials. Several of the co-conspirators communicated using alias email accounts and code names, including "Batman," "Tiger," "Phil Collins," "Dolphin," "Popeye," and "Beb."

Vitol also admitted to a second conspiracy to bribe officials in Ecuador and Mexico in order to obtain and retain business in connection with the purchase and sale of oil products. Between 2015 and July 2020, Vitol agreed to offer and pay more than \$2 million in bribes to officials in Ecuador and Mexico.

In furtherance of this bribery scheme, Vitol and its co-conspirators entered into sham consulting agreements, set up shell companies, created fake invoices for purported consulting services and used alias email accounts to transfer funds to offshore companies involved in the conspiracy – all while knowing that the funds, at least in part, would be used to pay bribes to Ecuadorian and Mexican officials.

In related matters, the department recently unsealed charges against a Houston-based former Petrobras official who received bribes in association with the scheme, and who pleaded guilty to one count of conspiracy to commit money laundering on Feb. 8, 2019, in the Eastern District of New York. In addition, the department recently unsealed charges against one of the intermediaries involved in the Brazil scheme, who pleaded guilty on Sept. 22, 2017, to one count of conspiracy to violate the FCPA in connection with a related bribery scheme. Both individuals are awaiting sentencing. Further, on Sept. 22, 2020, a federal grand jury in the Eastern District of New York returned an indictment against Javier Aguilar, a Vitol trader, for his alleged role in the Ecuador scheme.

The investigation is being conducted by the FBI's International Corruption Unit. The government's case is being handled by the Criminal Division's Fraud Section and the U.S. Attorney's Office for the Eastern District of New York. Fraud Section Trial Attorneys Derek J. Ettinger, Jonathan P. Robell, and Clayton P. Solomon, and Assistant U.S. Attorneys Mark E. Bini and Andrey Spektor are prosecuting the case. The U.S. Marshals Service and Justice Department's Office of International Affairs provided assistance in the investigation.

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.

The year 2020 marks the 150th anniversary of the Department of Justice. Learn more about the history of our agency at www.Justice.gov/Celebrating150Years.

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Foreign Corruption

Component(s):

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