

## United States v. Frederic Cilins (S.D.N.Y. 2013)

### Nature of the Business.

Press reports describe Cilins as an “agent” of the Beny Steinmetz Group Resources (“BSGR”), who allegedly paid witnesses to obstruct an ongoing FCPA investigation into BSGR’s operations in Guinea. BSGR is a Guernsey-based mining and resource extraction company operating around the world and is owned by Israeli businessman Beny Steinmetz.

### Influence to be Obtained.

According to the complaint and indictment, a federal grand jury was investigating possible violations of the FCPA and anti-money laundering statutes by a mining company in connection with mining concessions in Guinea. During the investigation, investigators began working with the former wife (the “cooperating witness”) of a now-deceased Guinean government official suspected of receiving bribes in exchange for the award of the valuable mining concession. As alleged in the complaint, the cooperating witness revealed that while her husband was in office, both were visited by several individuals from an unnamed company, including the defendant Frederic Cilins. During these meetings, these individuals offered bribes to the cooperating witness and various other government officials to secure valuable mining rights in Guinea.

In March 2013, investigators learned that Cilins contacted the cooperating witness in an effort to destroy any record of the alleged bribes. Through a series of recorded phone calls and face-to-face meetings, Cilins allegedly agreed to pay the cooperating witness approximately \$1 million in exchange for the relevant documents, and sought to induce the cooperating witness to sign an affidavit containing false statements. Throughout these conversations, the complaint alleges that Cilins made multiple statements which suggested his actions were at the direction of a superior within the unnamed company.

### Enforcement.

On April 14, 2013, Cilins was arrested by federal officials in Jacksonville, Florida. Thereafter, on April 25, 2013, Cilins was indicted by a grand jury sitting in the Southern District of New York on five counts of obstruction of justice related charges including tampering with a witness and destroying records in a federal investigation. On March 10, 2014 Cilins pleaded guilty to one count of obstruction of justice through a plea agreement and was subsequently sentenced to two years in prison on July 25, 2014.

### Key Facts

**Citation.** *United States v. Cilins*, No. 1:13-cr-315 (S.D.N.Y. 2013).

**Date Filed.** April 19, 2013.

**Country.** Guinea.

**Date of Conduct.** 2013.

**Amount of the Value.** Not Stated.

**Amount of Business Related to the Payment.** Not Stated.

**Intermediary.** Agent; Consultant.

**Foreign Official.** Guinean government official with authority to influence the award of mining concessions.

**FCPA Statutory Provision.** None.

**Other Statutory Provision.** Obstruction of Justice.

**Disposition.** Plea Agreement.

**Defendant Jurisdictional Basis.** Not Applicable.

**Defendant’s Citizenship.** France.

**Total Sanction.** Two Years Imprisonment.

**Related Enforcement Actions.** None.