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AMERICAS

# U.S. Charges 2 With Corruption Linked to Venezuelan Oil Company

By **WILLIAM NEUMAN** DEC. 21, 2015

LIMA, Peru — Two Venezuelan businessmen based in the United States bribed officials at Venezuela’s government-run oil company to win contracts in a vast scheme worth more than \$1 billion, according to court documents made public on Monday.

The accusations offer a stunning look at the corrupt practices at the company, *Petróleos de Venezuela*, known as *Pdvsa*, during the oil boom of the previous decade, when oceans of money flowed through its coffers.

An order of detention filed in Federal District Court in Houston said that at least \$750 million had been traced to one of the men, Roberto Rincón, between 2010 and 2013. And it said that Mr. Rincón had paid bribes of \$2.5 million to one official involved in the scheme.

Mr. Rincón, 55, and the other businessman, Abraham Shiera, 52, were arrested Wednesday. Mr. Rincón was arrested in Texas, where he has a home, and Mr. Shiera was arrested in Florida, where he lives, according to the court documents and Peter Carr, a Justice Department spokesman.

They were charged with conspiracy to violate the Foreign Corrupt Practices Act. The law prohibits American businesses or individuals from bribing government officials in other countries to obtain business there. The two men were

also charged with wire fraud and money laundering.

Court documents said Mr. Rincón had entered a plea of not guilty. Mr. Shiera has not entered a plea, Mr. Carr said.

The arrests are the latest in a string of corruption and drug trafficking charges involving Pdvsa and other Venezuelan government institutions or current and former officials.

In March, the Treasury accused a bank in Andorra of laundering more than \$4 billion from Venezuela. At least half of that amount was linked to Pdvsa, according to American officials.

The detention order and an indictment against the two men says that they bribed at least five Pdvsa officials involved in contracts and procurement to steer contracts to their companies. In some cases, they arranged it so that all the companies approved to bid on a contract were owned by them, although they sometimes concealed their involvement using straw owners. They would then instruct officials as to which company should be awarded the contract.

The men paid money to the oil company officials, whom they referred to as “allies,” and also lavished them and their relatives with trips, hotel rooms, meals and whiskey, the court documents allege.

The payments were sometimes disguised as commissions or payment for work or services that never existed, such as engineering work.

The order of detention said that Mr. Rincón is a close friend of Hugo Carvajal, a former Venezuelan intelligence chief who is wanted in the United States on drug trafficking charges. It said that Mr. Carvajal was on Mr. Rincón’s private plane when he was arrested last year after arriving in Aruba. Mr. Carvajal was ultimately allowed to return to Venezuela rather than being extradited to the United States to face the drug charges.

The papers said that Mr. Rincón owns a house in the Houston area worth \$5

million and also has residences in Spain and Aruba.

The new allegations of corruption come a week after the commander of Venezuela's National Guard, who is a former interior minister and chief of the country's drug police, was said to be facing federal narcotics charges in New York.

A person with knowledge of that case said that the official, Néstor Reverol, had been charged in an indictment that is expected to be unsealed soon. The person, who spoke on the condition of anonymity to discuss details of a federal case still under seal, said Mr. Reverol was accused of having been on the payroll of Colombian cocaine traffickers and of having helped them avoid law enforcement while they moved their drugs through Venezuela.

The Venezuelan government said in a statement last week that the United States was engaging in "judicial and police terrorism" to attack officials there.

Venezuela's governing United Socialist Party was handed a major defeat in elections earlier this month. Newly elected opposition legislators said they plan to investigate cases of government corruption.

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