

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

UNITED STATES OF AMERICA	§	
	§	
v.	§	CRIMINAL NO. 4:17-CR-514
	§	
PAULO JORGE DA COSTA	§	
CASQUEIRO MURTA	§	
	§	
Defendant.	§	

PLEA AGREEMENT

The United States of America, by and through Alamdar S. Hamdani, United States Attorney for the Southern District of Texas and Robert S. Johnson, Assistant United States Attorney, and Glenn S. Leon, Chief of the Fraud Section of the Criminal Division of the United States Department of Justice (“Fraud Section”), Sonali D. Patel, Assistant Chief, and Michael C. DiLorenzo, Trial Attorney, and the Defendant, Paulo Jorge Da Costa Casqueiro Murta (“Defendant”), and Defendant’s counsel, pursuant to Rule 11(c)(1)(A) and 11(c)(1)(B) of the Federal Rules of Criminal Procedure, state that they have entered into an agreement, the terms and conditions of which are as follows:

Defendant’s Agreement

1. Defendant agrees to plead guilty to Count One of the Information. Count One charges Defendant with conspiracy to violate the Foreign Corrupt Practices Act (“FCPA”), Title 15, United States Code, Sections 78dd-2 and 78dd-3, in violation

of Title 18, United States Code, Section 371. Defendant, by entering this plea, agrees that he is waiving any right to have the facts that the law makes essential to the punishment either charged in the Information, or proved to a jury, or proven beyond a reasonable doubt.

Punishment Range

2. The statutory maximum penalty for a violation of Title 18, United States Code, Section 371 is imprisonment of not more than five years and a fine of not more than \$250,000 or twice the gross gain or loss. Additionally, Defendant may receive a term of supervised release after imprisonment of up to three years. *See* Title 18, United States Code, Sections 3559(a)(3), 3571(b)(1), 3571(d), and 3583(b)(2). Defendant acknowledges and understands that if he should violate the conditions of any period of supervised release which may be imposed as part of his sentence, then Defendant may be imprisoned for the entire term of supervised release, without credit for time already served on the term of supervised release prior to such violation. *See* Title 18, United States Code, Sections 3559(a)(3) and 3583(e)(3). Defendant understands that he cannot have the imposition or execution of the sentence suspended, nor is he eligible for parole.

Mandatory Special Assessment

3. Pursuant to Title 18, United States Code, Section 3013(a)(2)(A), immediately after sentencing, Defendant will pay to the Clerk of the United States

District Court a special assessment in the amount of one hundred dollars (\$100.00) per count of conviction. The payment will be by cashier's check or money order, payable to the Clerk of the United States District Court, c/o District Clerk's Office, P.O. Box 61010, Houston, Texas 77208, Attention: Finance.

Immigration Consequences

4. Defendant recognizes that pleading guilty may have consequences with respect to his immigration status if he is not a citizen of the United States. Defendant understands that if he is not a citizen of the United States, by pleading guilty he may be removed from the United States, denied citizenship, and denied admission to the United States in the future. Defendant's attorney has advised Defendant of the potential immigration consequences resulting from Defendant's plea of guilty.

Waiver of Appeal and Collateral Review

5. Defendant is aware that Title 28, United States Code, section 1291, and Title 18, United States Code, section 3742, afford a defendant the right to appeal the conviction and sentence imposed. Defendant is also aware that Title 28, United States Code, section 2255, affords the right to contest or "collaterally attack" a conviction or sentence after the judgment of conviction and sentence has become final. Defendant knowingly and voluntarily waives the right to appeal or "collaterally attack" the conviction and sentence, except that Defendant does not

waive the right to raise a claim of ineffective assistance of counsel on direct appeal, if otherwise permitted, or on collateral review in a motion under Title 28, United States Code, section 2255. Defendant's knowing and voluntary waiver of the right to appeal or collaterally attack the conviction and sentence includes waiving the right to raise on appeal or on collateral review any argument that (1) the statute(s) to which Defendant is pleading guilty is unconstitutional and (2) the admitted conduct does not fall within the scope of the statute(s). In the event Defendant files a notice of appeal following the imposition of the sentence or later collaterally attacks his conviction or sentence, the United States will assert its rights under this agreement and seek specific performance of these waivers.

6. Defendant waives all defenses based on venue, speedy trial under the Constitution and Speedy Trial Act, and the statute of limitations, in the event that (a) Defendant's conviction is later vacated for any reason, (b) Defendant violates any provision of this Agreement, or (c) Defendant's plea is later withdrawn. Defendant also waives all defenses based on the Rule of Specialty in this criminal proceeding and specifically consents to the filing of the Information.

7. Defendant waives his right to seek a decision from the Court in criminal case number 17-CR-514-8 regarding whether dismissal of the Superseding Indictment should have been with prejudice.

8. In agreeing to these waivers, Defendant is aware that a sentence has not yet been determined by the Court. Defendant is also aware that any estimate of the possible sentencing range under the Sentencing Guidelines that he may have received from his counsel, the United States or the Probation Office, is a prediction and not a promise, did not induce his guilty plea, and is not binding on the United States, the Probation Office or the Court. The United States does not make any promise or representation concerning what sentence Defendant will receive. Defendant further understands and agrees that the United States Sentencing Guidelines are “effectively advisory” to the Court. *See United States v. Booker*, 543 U.S. 220 (2005). Accordingly, Defendant understands that, although the Court must consult the Sentencing Guidelines and must take them into account when sentencing Defendant, the Court is not bound to follow the Sentencing Guidelines nor sentence Defendant within the calculated guideline range.

9. Defendant understands and agrees that each and all waivers contained in the Agreement are made in exchange for the concessions made by the United States in this plea agreement.

The United States’ Agreements

10. The United States Attorney for the Southern District of Texas and the Fraud Section agree to each of the following:

(a) If Defendant pleads guilty to Count One of the Information and persists in that plea through sentencing, and if the Court accepts this plea agreement, the United States will not seek a decision from the Court in criminal case number 17-CR-514-8 regarding whether dismissal of the Superseding Indictment should have been without prejudice. Defendant agrees that with respect to any and all of the charges that could be re-indicted, he is not a 'prevailing party within the meaning of the 'Hyde Amendment,' Section 617, P.L. 105-119 (Nov. 26, 1997), and will not file any claim under that law;

(b) The United States agrees not to oppose Defendant's anticipated request to the Court that the sentencing hearing take place on the same day as the arraignment on the Information and Defendant's plea hearing.

(c) The United States agrees not to oppose Defendant's anticipated request to the Court that the Presentence Investigation Report be waived to accommodate the timing of the sentencing hearing.

(d) At the time of sentencing, the United States agrees not to oppose Defendant's anticipated request to the Court and the United States Probation Office that he receive a two (2) level downward adjustment pursuant to section 3E1.1(a) of the United States Sentencing Guidelines, should Defendant accept responsibility as contemplated by the Sentencing Guidelines; and

(e) If Defendant qualifies for an adjustment under section 3E1.1(a) of the United States Sentencing Guidelines, the United States agrees not to oppose Defendant's request for an additional one-level departure based on the timeliness of the plea or the expeditious manner in which Defendant provided complete information regarding his role in the offense (if Defendant's offense level is 16 or greater).

Agreement Binding - Southern District of Texas and Fraud Section Only

11. The United States Attorney's Office for the Southern District of Texas and the Fraud Section agree that they will not further criminally prosecute Defendant

for offenses arising from conduct charged in the Superseding Indictment or the Information. This plea agreement binds only the United States Attorney's Office for the Southern District of Texas, the Fraud Section, and Defendant. It does not bind any other United States Attorney's Office or any other component of the Department of Justice. The United States Attorney's Office for the Southern District of Texas and the Fraud Section will bring this plea agreement to the attention of other prosecuting offices, if requested.

United States' Non-Waiver of Appeal

12. The United States reserves the right to carry out its responsibilities under guidelines sentencing. Specifically, the United States reserves the right:

- (a) to bring its version of the facts of this case, including its evidence file and any investigative files, to the attention of the Court;
- (b) to set forth or dispute sentencing factors or facts material to sentencing;
- (c) to seek resolution of such factors or facts in conference with Defendant's counsel;
- (d) to file a pleading relating to these issues, in accordance with section 6A1.2 of the United States Sentencing Guidelines and Title 18, United States Code, section 3553(a); and
- (e) to appeal the sentence imposed or the manner in which it was determined.

Sentence Determination

13. Defendant is aware that the sentence will be imposed after consideration of the United States Sentencing Guidelines and Policy Statements, which are only advisory, as well as the provisions of Title 18, United States Code, Section 3553(a). Defendant nonetheless acknowledges and agrees that the Court has authority to impose any sentence up to and including the statutory maximum set for the offense to which Defendant pleads guilty, and that the sentence to be imposed is within the sole discretion of the sentencing judge after the Court has consulted the applicable Sentencing Guidelines. Defendant understands and agrees that the parties' positions regarding the application of the Sentencing Guidelines do not bind the Court and that the sentence imposed is within the discretion of the sentencing judge. If the Court should impose any sentence up to the maximum established by statute, Defendant cannot, for that reason alone, withdraw a guilty plea, and will remain bound to fulfill all of the obligations under this plea agreement.

Rights at Trial

14. Defendant understands that by entering into this agreement, he surrenders certain rights as provided in this plea agreement. Defendant understands that the rights of a defendant include the following:

- (a) Defendant has the right to have a United States District Judge determine whether the charges against him in the Superseding Indictment should have been dismissed with or without prejudice. If

it is determined that the charges should have been dismissed without prejudice, Defendant has the right to have the United States Attorney present the charges in the Information and Superseding Indictment to a Grand Jury consisting of not less than sixteen (16) nor more than twenty-three (23) impartial citizens, who would hear the facts of the case as presented by the United States Attorney and witnesses, and then return an indictment against the Defendant only if twelve (12) or more members of the Grand Jury found that there was probable cause to believe the Defendant committed the crimes charged in the Information and Superseding Indictment.

(b) If Defendant persisted in a plea of not guilty to the charges, and the United States were to re-indict Defendant on the previously dismissed charges in the Superseding Indictment, Defendant would have the right to a speedy jury trial with the assistance of counsel. The trial may be conducted by a judge sitting without a jury if Defendant, the United States, and the court all agree.

(c) At a trial, the United States would be required to present witnesses and other evidence against Defendant. Defendant would have the opportunity to confront those witnesses and his attorney would be allowed to cross-examine them. In turn, Defendant could, but would not be required to, present witnesses and other evidence on his own behalf. If the witnesses for Defendant would not appear voluntarily, he could require their attendance through the subpoena power of the court; and

(d) At a trial, Defendant could rely on a privilege against self-incrimination and decline to testify, and no inference of guilt could be drawn from such refusal to testify. However, if Defendant desired to do so, he could testify on his own behalf.

Factual Basis for Guilty Plea

15. Defendant is pleading guilty because he is in fact guilty of the charges contained in Count One of the Information. If this case were to proceed to trial, the

United States could prove each element of the offenses beyond a reasonable doubt. The following facts, among others, would be offered to establish Defendant's guilt:

From 2011 through 2013, Defendant was the General Manager of Swiss Company B, a Swiss wealth management firm. As the General Manager of Swiss Company B, Defendant worked very closely with several bankers from Banco Espirito Santo ("BES"), including BES Banker 1 and BES Banker 2. Through his professional activities, Defendant met and/or provided professional services to Luis Carlos De Leon ("De Leon"), the former Finance Minister for Electricidad de Caracas; Rafael Ernesto Reiter Munoz ("Reiter"), the former Head of Security and Loss Prevention for Petróleos de Venezuela S.A. (together with its subsidiaries, "PDVSA"); Abraham Jose Sheira Bastidas ("Shiera") and Roberto Enrique Rincon Fernandez ("Rincon"), U.S. based businessmen who owned and controlled several U.S. based businesses; and Shiera Associate 1, who provided financial and accounting services to Shiera and his companies.

PDVSA is the state-owned and state-controlled oil company of Venezuela. PDVSA and its subsidiaries and affiliates are responsible for the exploration, production, refining, transportation, and trade in energy resources in Venezuela. One such subsidiary, Bariven S.A. ("Bariven"), was responsible for equipment purchases. PDVSA and its subsidiaries, including Bariven, were "instrumentalities" of the Venezuelan government and its officers and employees

were “foreign officials” as those terms are used in the Foreign Corrupt Practices Act (“FCPA”), Title 15, United States Code, Section 78dd-2(h)(2)(A) and 78dd-3(f)(2)(A).

Prior to his involvement in the instant conspiracy in 2012, Defendant worked with high-ranking PDVSA officials, including De Leon, Villalobos, Alvarado, and Reiter, to set up accounts for them at various BES branches. These accounts were in the names of relatives or close associates of the officials.

In or about 2012, Defendant entered into a conspiracy with De Leon, Shiera, Rincon, and a group of then-current and former Venezuelan government officials, referred to as the “management team.” The management team included De Leon; Nervis Gerardo Villalobos Cardenas (“Villalobos”), the former Vice Minister of Energy for Venezuela; Javier Alvarado Ochoa (“Alvarado”), the former President of Bariven; Cesar David Rincon Godoy (“Cesar Rincon”), the former General Manager of Bariven, PDVSA’s procurement subsidiary; Alejandro Isturiz Chiesa (“Isturiz”), the former Assistant to the President of Bariven; and Reiter.

The management team solicited bribes and kickbacks from Rincon and Shiera in exchange for providing assistance to those vendors in connection with their PDVSA business, including payment priority over other vendors and to provide them with assistance in winning future PDVSA business. Shiera and Rincon paid bribes to the management team in the amount of 10% of all payments they received

from PDVSA. Defendant and his co-conspirators (described further below) then laundered the proceeds of the bribery scheme through a series of complex financial transactions. Defendant opened bank accounts to funnel the bribes from, to, and through multiple destinations in the United States and elsewhere before reaching their ultimate recipient. The bribe payments were sent to various recipients other than the intended PDVSA officials, including companies, intermediaries, relatives, friends, creditors, and close personal associates of the PDVSA officials for the purpose of concealing and disguising the nature, source, and ownership of the bribe payments.

Specifically, from 2012 through 2013, Defendant agreed to conspire and did conspire with De Leon, Shiera, Rincon, Villalobos, Alvarado, and others to pay bribes and launder money. Defendant, together with others, including Shiera and Villalobos, agreed to attempt to conceal, and did in fact conceal, the nature, source, and ownership of the bribe proceeds. Specifically, Defendant assisted others in opening structures and bank accounts into which bribe proceeds could be received that were not in the names of the management team and other PDVSA officials, but were instead in the names of others, including companies, intermediaries, relatives, friends, and close personal associates.

In furtherance of the scheme, Defendant set up financial structures and accounts at BES (which included BES Accounts 1 through 10), including some

structures in Dubai, into which bribe payments could be received. In setting up those accounts, Defendant worked closely with BES Banker 1 and BES Banker 2. Defendant knew that the structures that he set up for De Leon, Rincon, Shiera, Alvarado, and others from the management team were used to funnel bribe payments from, to, and through multiple destinations before reaching their ultimate recipient.

In furtherance of the bribery scheme, Defendant traveled to meet with his co-conspirators regarding the bank accounts and structures that he would set up to funnel bribe payments. For example, Defendant traveled to Miami, Florida on or about February 28 or 29, 2012, to meet with several of his co-conspirators to discuss the bribery scheme. Following the meeting, on or about May 3, 2012, Defendant sent an e-mail to Shiera Associate 1, that contained details for BES Accounts 2, 3, and 4, one for Villalobos, one for De Leon, and one for Alvarado. Documents related to BES Accounts 5 and 6 were attached to this e-mail.

In or about February 2013, Defendant, Shiera, and others met in Dubai to discuss the scheme. A few weeks later, on or about March 8, 2013, Shiera sent Defendant a BlackBerry Message (“BBM”) asking him to send Shiera Associate 1, as translated into English, “any info [Shiera Associate 1] needs about the friends’ recipient companies. It’s in order to set up the contracts” and Defendant responded “Hi.ok.” On March 11, 2013, Defendant sent Shiera a BBM asking Shiera to confirm, as translated in English, that Shiera Associate 1 “will do the contracts for

yours and Roberto's. Correct?" On or about March 21, 2013, Defendant sent Shiera an e-mail attaching a hand-drawn diagram depicting the financial structure that members of the management team, including Villalobos, De Leon, and Alvarado, intended to use. The diagram showed funds from Rincon and Shiera's businesses being transferred to a common account, and then being further transferred to accounts for "Amigo 1," "Amigo 2," and "Amigo 3."

One of the methods that Defendant and his conspirators used to pay bribes to the management team was through a fake loan between Swiss Account 5 and BES Account 1. The money to be transferred through this fake loan was for the ultimate benefit of De Leon, Villalobos, Alvarado, and others, and Defendant was aware that it was not a legitimate loan. On or about May 8, 2012, Defendant e-mailed Shiera Associate 1 information to assist Shiera set up BES Account 1 at BES. On May 15, 2012, Shiera Associate 1 sent an e-mail to Defendant stating, as translated into English: "Enclosed you will find the loan document, as you will see no date because it has not been signed . . . , if you can please place the date yesterday 14 and send them to us as soon as possible to make the transfer." The next day, on May 16, 2012, Defendant sent a signed and dated the contract for the fabricated loan to Shiera Associate 1. On or about May 16, 2012, \$4.8 million was wired from Swiss Account 5 to BES Account 1. On or about June 27, 2012, funds from BES Account 1 were transferred to BES Account 4 through two intermediary accounts. BES

Account 4 was another account that Defendant had created at BES for De Leon.

Defendant frequently communicated with Shiera and the other co-conspirators regarding the bribery scheme by e-mail and messaging services, including BlackBerry Messenger, regarding the status of bribe payments that were due to the management team. For example, on or about March 21, 2013, Shiera sent Defendant a BBM stating, as translated to English, that Shiera Associate 1 needed to “transfer the \$6.1M to the friends urgently. Can they process the transfer while the contracts are being signed? I promised them that the money by tomorrow.” Defendant replied, as translated to English, “Yes you can send, but the funds are going to go into [BES Account 5] and they won’t be in the friends’ accounts tomorrow.” On the same day, Defendant sent Shiera the bank account information for BES Account 8.

On or about March 21, 2013, Defendant sent Shiera an e-mail containing the bank account information for Macau Account 1. This account was used to receive bribe payments from Shiera and Rincon for members of the management team. Between in or about April 2013 and in or about May 2013, based on the account information provided by Murta to Shiera, Rincon transferred approximately \$10,094,231, through a series of transactions through accounts inside and outside the United States, into Macau Account 1 for the benefit of the management team.

Defendant also worked with Shiera to set up and maintain accounts at BES

for members of the management team and other PDVSA officials. For example, on or about January 25, 2012, Defendant sent Shiera an e-mail containing a breakdown of the fees that needed to be paid in order to reactivate Reiter's account at BES. The fees for 2012 amounted to approximately 38,217 Swiss Francs. Defendant also helped Shiera set up BES Account 9, for Official C, a senior PDVSA official. On or about March 14, 2013, Shiera sent Defendant a BBM stating, as translated to English, "Hi Paulo. Please confirm for me that [Official C's] account in the name of [a relative of Official C's] is ready to be funded. Also let me know the costs that have to be paid for the opening of the structure and the account." On or about March 14, 2013, Defendant responded, as translated to English, "Yes the account is ready. I'll send the costs later[.]" On or about March 15, 2013, Defendant sent Shiera an e-mail containing the amount owed, which was approximately 39,982 Swiss Francs, for the opening of Official C's account, BES Account 9, and account information for Swiss Company B, into which Shiera could pay the amount owed.

Approximately \$25.9 million in bribes was paid through the accounts that were set up by the Defendant.

Breach of Plea Agreement

16. If Defendant should fail in any way to fulfill completely all of the obligations under this plea agreement, the United States will be released from its obligations under the plea agreement, and Defendant's plea and sentence will stand.

If at any time Defendant retains, conceals, or disposes of assets in violation of this plea agreement, or if Defendant knowingly withholds evidence or is otherwise not completely truthful with the United States, then the United States may move the Court to set aside the guilty plea and reinstate prosecution. Any information and documents that have been disclosed by Defendant, whether prior to or subsequent to this plea agreement, and all leads derived therefrom, will be used against Defendant in any such prosecution.

Forfeiture

17. Defendant stipulates and agrees that he obtained at least \$105,000 from the criminal offense of conviction, that the factual the factual basis for his guilty plea supports the imposition of a money judgment in that amount, and that the Defendant agrees to the imposition of a money judgment in that amount.

18. Defendant stipulates and admits that one or more of the conditions set forth in Title 21, United States Code, Section 853(p), exists. Defendant agrees to forfeit any of his property in substitution to satisfy his money judgment.

19. Defendant consents to the forfeiture order imposing a money judgment becoming final as to Defendant immediately following the Court's imposition of the money judgment, pursuant to Federal Rule of Criminal Procedure 32.2(b)(4)(A).

20. Subject to the provisions of paragraph 7 above, Defendant waives the right to challenge the money judgment and the criminal forfeiture of property in any manner, including by direct appeal or in a collateral proceeding.

Fines

21. Defendant understands that under the Sentencing Guidelines the Court is permitted to order Defendant to pay a fine that is sufficient to reimburse the government for the costs of any imprisonment or term of supervised release, if any. Defendant agrees that any fine imposed by the Court will be due and payable immediately, and Defendant will not attempt to avoid or delay payment. Subject to the provisions of paragraph 7 above, Defendant waives the right to challenge the fine in any manner, including by direct appeal or in a collateral proceeding.

Complete Agreement

22. This written plea agreement, consisting of 22 pages, including the attached addendum of Defendant and his attorneys, constitutes the complete plea agreement between the United States, Defendant, and Defendant's counsel. No promises or representations have been made by the United States except as set forth in writing in this plea agreement. Defendant acknowledges that no threats have been made against him and that he is pleading guilty freely and voluntarily because he is guilty.

23. Any modification of this plea agreement must be in writing and signed by all parties.

Filed at Houston, Texas, on May 21st, 2024.

AS-
Defendant

Subscribed and sworn to before me on May 21, 2024,

DAVID J. BRADLEY, Clerk
UNITED STATES DISTRICT CLERK

By:

Glenda H. Hesser
Deputy United States District Clerk

APPROVED:

Alamdar S. Hamdani
United States Attorney

By:

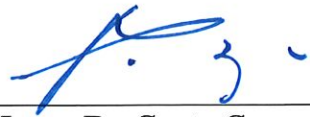
Robert S. Johnson
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Southern District of Texas
Telephone: (713) 567-9342

Glenn S. Leon
Chief, Fraud Section

By:



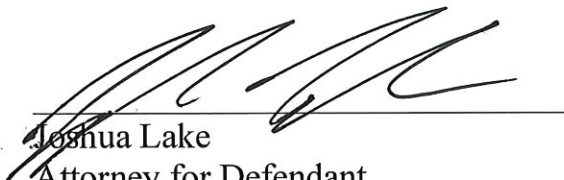
Sonali D. Patel, Assistant Chief
Michael C. DiLorenzo, Trial Attorney
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Paulo Jorge Da Costa Casqueiro Murta
Defendant



Samy Khalil
Attorney for Defendant



Joshua Lake
Attorney for Defendant

**UNITED STATES DISTRICT COURT
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PLEA AGREEMENT -- ADDENDUM

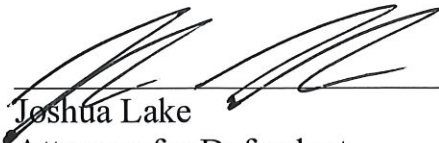
I have fully explained to Defendant his rights with respect to the Superseding Indictment and Information. These rights and the Superseding Indictment, Information, and Plea Agreement have been explained to Defendant in Portuguese. I have reviewed the provisions of the United States Sentencing Commission's Guidelines Manual and Policy Statements and I have fully and carefully explained to Defendant the provisions of those Guidelines which may apply in this case. I have also explained to Defendant that the Sentencing Guidelines are only advisory and the court may sentence Defendant up to the maximum allowed by statute per count of conviction. Further, I have carefully reviewed every part of this plea agreement with Defendant. To my knowledge, Defendant's decision to enter into this agreement is an informed and voluntary one.



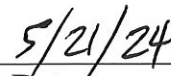
Samy Khalil
Attorney for Defendant



Date



Joshua Lake
Attorney for Defendant



Date

I have consulted with my attorney and fully understand all my rights with respect to the Information and Superseding Indictment pending against me. My attorney has fully explained, and I understand, all my rights with respect to the provisions of the United States Sentencing Commission's Guidelines Manual which may apply in my case. I have read and carefully reviewed every part of this plea agreement with my attorney. I understand this agreement and I voluntarily agree to its terms.



Paulo Jorge Da Costa Casqueiro Murta
Defendant



Date