

Court OKs \$2.6B Fine Agreed to by Feds, Brazilian Builder

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A Brazilian construction conglomerate that pleaded guilty last year to running a vast bribery operation was sentenced Monday to pay a landmark \$2.6 billion, one of the largest settlements in the United States under the Foreign Corrupt Practices Act.

The sentence by Eastern District Judge Raymond Dearie memorialized a plea agreement between prosecutors and lawyers for Odebrecht SA.

According to the agreement, the company and its co-conspirators paid about \$788 million in bribes to officials in 12 countries in Central and South America and in Africa to secure contracts from 2001 to 2016. The company distributed bribes through an off-the-books

accounting system known as its Department of Structured Operations, and the conduct produced more than \$3.3 billion in corrupt payments and profits.

In December, Odebrecht pleaded guilty to a single conspiracy count. The company was eligible to be fined \$4.5 billion, but it argued that \$2.6 billion was as high it could go. The federal government is set to receive \$93 million of the fine, which is due by June 30, while \$2.39 billion goes to Brazil and \$116 million goes to Switzerland.

Odebrecht also must retain an independent compliance monitor for three years.

The company was prosecuted by Eastern District assistant U.S. attorneys Julia Nestor and Alixandra Smith; and a team of Department of Justice trial attorneys composed of Christopher Cestaro, Sarah Edwards, David Fuhr, Kevin Gingras, Lorinda Laryea and David Last.

Odebrecht was represented by Quinn Emanuel Urquhart & Sullivan partners William Burck, Eric Lyttle and Richard Smith.

Panamanian prosecutors are investigating possible links between Odebrecht and Mossack Fonseca & Co., the law firm at the center of the Panama Papers leaks, Reuters has reported. The law firm denies having ties with Odebrecht.