



Month in a Minute: May 2024

Hughes Hubbard's anti-corruption "Month in a Minute" offers a quick look-back at the biggest foreign corruption-related developments from the prior month. The Month in a Minute is intended to provide a quick snapshot of the latest news and developments. We hope you find it a useful and perhaps even enjoyable resource.

Highlights from May 2024 include several PDVSA-related guilty pleas and sentencings.

Murta Pleads Guilty & Receives Time Served for PDVSA Scheme

On May 21, 2024, U.S. District Judge Gray Miller of the U.S. District Court for the Southern District of Texas sentenced Paulo J.D.C. Casquero-Murta ("Murta") to time served with one year of supervised release and ordered him to pay a money judgment of \$105,000 for his role in a corruption scheme involving Venezuela's state-owned energy company, Petróleos de Venezuela, S.A. ("PDVSA"). On the day of his sentencing, Murta pleaded guilty to one count of conspiracy to violate the FCPA and admitted that from 2012 through 2013 he facilitated the payment of \$25 million in bribes to PDVSA employees and concealed the payments through the use of off-shore bank accounts.

Murta's lawyers requested a sentence of time served, arguing that Murta had already spent nine months in custody and four months in home confinement. Prosecutors argued for a sentence of five-years' imprisonment. Ultimately, the court sentenced Murta to time served, taking into account his health condition, the health condition of his mother, and the fact that he was a first-time offender and had a minor role in the scheme. Murta's sentencing ended a nearly five-year legal battle in which Murta was indicted on one count of conspiracy to violate the FCPA and three related money-laundering counts.

Asset Manager Pleads Guilty to PDVSA-related Money Laundering Charges

On May 14, 2024, Luis Fernando Vuteff, an Argentinian financial asset manager, pleaded guilty to one count of conspiracy to commit money laundering and agreed to forfeit over \$4 million in proceeds for his role in a \$1.2 billion currency exchange scheme involving PDVSA. Between 2006 and 2018, Vuteff worked with Swiss financial advisor Ralph Steinmann to launder proceeds from the PDVSA bribery scheme into the US banking system and offshore accounts.

Vuteff, who was indicted in July 2022, admitted to setting up a shell company and bank accounts that allowed others to access \$550 million in profits obtained from the PDVSA scheme. Vuteff also laundered proceeds for the benefit Carmelo Urdaneta, former counsel for Venezuela's Ministry of Oil and Mines, and Alvaro Ledo, PDVSA's former general counsel, who have both been sentenced to several years in prison and ordered to forfeit substantial sums for their involvement in the PDVSA scheme.

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For his involvement, Vuteff faces up to ten years in prison and a maximum fine of \$250,000, or twice the amount of the criminally derived property, whichever greater. Steinmann is currently a fugitive.

Former PDVSA Official Sentenced to Time Served

On May 21, 2024, César David Rincón Godoy (Rincón), a former PDVSA official was sentenced to time served for his involvement in the PDVSA bribery scheme. On April 19, 2018, Rincón pleaded guilty to one count of conspiracy to commit money laundering for his role in soliciting bribe payments from vendors in exchange for oil contracts. As part of his plea, Rincón admitted to receiving bribes from the owners of two U.S.-based energy companies in exchange for securing contracts with PDVSA. Rincón also admitted to concealing the money in wire transfers between the U.S. and Switzerland. As part of his guilty plea, Rincón was ordered to forfeit \$7 million.

Following his guilty plea, Rincón cooperated with the DOJ, which led to the arrest of US-Venezuelan businessman José Manuel González Testino (Gonzalez), though the charges were dropped upon González's death in 2024. At Rincón's sentencing, U.S. District Judge Gray Miller sentenced him to time served, a sentence which accounted for the six months Rincón spent in custody and the six years of house arrest he served while awaiting sentencing. Judge Miller also ordered Rincón to forfeit an additional \$1.2 million.

FACT OF THE MONTH

One of the most recognized pieces of architecture in the world and a central feature of the New York City skyline, the Empire State Building, first opened its doors on May 1, 1931. At the time of its completion, it was the tallest building in the world and remained so for the next 39 years.