



PRESS RELEASE

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IRS – Criminal Investigation

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Two Businessmen Plead Guilty to Foreign Bribery Charges in Connection with Venezuela Bribery Schemes

A former general manager and partial owner of a Florida-based energy company and an owner of multiple Texas-based energy companies each pleaded guilty today to foreign bribery charges for their roles in a scheme to corruptly secure contracts from Venezuela's state-owned and state-controlled energy company, Petroleos de Venezuela S.A. (PDVSA).

Assistant Attorney General Leslie R. Caldwell of the Justice Department's Criminal Division, U.S. Attorney Kenneth Magidson of the Southern District of Texas, Special Agent in Charge Mark Dawson of U.S. Immigration and Customs Enforcement's Homeland Security Investigations (ICE-HSI) in Houston and Special Agent in Charge Richard Goss of Internal Revenue Service-Criminal Investigation's (IRS-CI) Houston Field Office made the announcement.

Juan Jose Hernandez Comerma (Hernandez), 51, of Weston, Florida, pleaded guilty in federal court in Houston to one count of conspiracy to violate the Foreign Corrupt Practices Act (FCPA) and one count of violating the FCPA. Charles Quintard Beech III, 46, of Katy, Texas, pleaded guilty to one count of conspiracy to violate the FCPA. U.S. District Judge Gray H. Miller of the Southern District of Texas accepted the guilty pleas. Sentencing for both defendants is scheduled for July 14, 2017.

According to admissions made in connection with Hernandez's plea, Hernandez conspired with U.S.-based businessmen Abraham Jose Shiera Bastidas (Shiera) and Roberto Enrique Rincon Fernandez (Rincon) to pay bribes and other things of value to PDVSA purchasing analysts. This ensured that Shiera's and Rincon's companies were placed on PDVSA bidding panels, which enabled the companies to win lucrative energy contracts with PDVSA. From 2008 until 2012, Hernandez admitted that, while general manager and later partial owner of one of Shiera's companies, he provided recreational travel and entertainment and offered bribes to PDVSA officials, including Alfonso Eliezer Gravina Munoz (Gravina), based on a percentage of contracts the officials helped to award to Shiera's companies. Rincon, Shiera and Gravina have all also pleaded guilty in the case.

According to admissions made in connection with Beech's plea, from 2011 to 2012, Beech paid bribes to multiple PDVSA officials, including Gravina, in exchange for their assistance in placing Beech's companies on PDVSA bidding panels and assisting Beech's company or companies in receiving payment for previously awarded PDVSA contracts. Beech also admitted that he

agreed with others, including PDVSA officials, to engage in financial transactions to conceal the nature, source and ownership of the bribe proceeds.

In addition to Hernandez and Beech, the Justice Department has announced the guilty pleas of six other individuals as part of a larger, ongoing investigation by the U.S. government into bribery at PDVSA.

ICE-HSI is conducting the ongoing investigation with assistance from the FBI and IRS-CI. Trial Attorneys Aisling O'Shea and Jeremy R. Sanders of the Criminal Division's Fraud Section and Assistant U.S. Attorneys (AUSA) John Pearson and Robert S. Johnson of the Southern District of Texas are prosecuting the case. AUSAs Kristine Rollinson and Vincent Carroll of the Southern District of Texas are handling the forfeiture aspects of the case.

The Criminal Division's Office of International Affairs and the Swiss Federal Office of Justice also provided assistance.

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