

## United States v. Frank Roberto Chatburn Ripalda & Jose Larrea (S.D. Fla. 2018)

## United States v. Arturo Escobar Dominguez (S.D. Fla. 2018)

## United States v. Marcelo Reyes Lopez (S.D. Fla. 2017)

## United States v. Armengol Alfonso Cevallos Diaz & Jose Melquiades Cisneros Alarcon (S.D. Fla. 2019)

### Nature of the Business.

Frank Roberto Chatburn Ripalda is a dual U.S. and Ecuadorian citizen. Jose Larrea, a U.S. citizen, was a U.S.-based financial advisor.

Arturo Escobar Dominguez, an Ecuadorian citizen, was a former business management coordinator at Empresa Pública de Hidrocarburos del Ecuador (“PetroEcuador”), Ecuador’s state-owned and state-controlled energy company.

Marcelo Reyes Lopez, an Ecuadorian citizen, was a former in-house attorney and general coordinator of contracts for refining management at PetroEcuador.

Armengol Alfonso Cevallos Diaz, an Ecuadorian citizen, was the creator of O&G International Supplies, which served as a shell company for receiving bribes.

Jose Melquiades Cisneros Alarcon, an Ecuadorian citizen and a U.S. permanent resident, was the director of O&G International Supplies, which served as a shell company for receiving bribes.

PetroEcuador was an Ecuadorian state-owned oil company. Galileo was an Ecuadorian company that provided services in the oil and gas industry, including to PetroEcuador.

### Influence to be Obtained.

According to the DOJ, Ripalda and his co-conspirators made corrupt payments to PetroEcuador officials to retain and obtain contracts for Galileo. Ripalda and Larrea were involved in a money laundering scheme to conceal the payments.

Ripalda allegedly set up a Panamanian shell company, Denfield Investments, to funnel bribe payments, and helped two PetroEcuador officials set up offshore shell corporations and Swiss bank accounts to conceal payments. Larrea wired more than \$1 million from his own U.S.-based bank account to several other U.S.-based bank accounts to conceal payments. Larrea also created false and back-dated documents on behalf of Galileo.

The DOJ alleged that from approximately 2012 to 2014, Dominguez and Lopez laundered the proceeds from bribe payments. The DOJ further alleged that from approximately 2012 to 2015, Diaz and Alarcon set up and executed wire transfers from U.S.-based bank accounts to intermediary shell companies for the ultimate benefit of PetroEcuador officials.

### Enforcement.

On April 20, 2018, the DOJ charged Ripalda and Larrea with one count of conspiracy to violate the FCPA, one count of violating the FCPA, one count of conspiracy to commit money laundering, and two counts of money laundering.

On September 11, 2018, Larrea pleaded guilty to one count of conspiracy to commit money laundering and agreed to forfeit \$53,781. On November 27, 2018, Larrea was sentenced to twenty-seven months in prison and two years of supervised release. On October 11, 2019 Ripalda pleaded guilty, and on December 19, 2019, Ripalda was sentenced to 42 months in prison and three years of supervised release. He was also ordered to pay \$40,000.

On February 20, 2018, the DOJ charged Dominguez with one count of conspiracy to commit money laundering. On March 28, 2018, Dominguez

### Key Facts

**Citation.** *United States v. Ripalda et al.*, No. 1:18-cr-20312 (S.D. Fla. 2018); *United States v. Dominguez*, No. 1:18-cr-20108 (S.D. Fla. 2018); *United States v. Lopez*, No. 1:17-cr-20747 (S.D. Fla. 2017); *United States v. Armengol Alfonso Cevallos Diaz & Jose Melquiades Cisneros Alarcon*, 19-cr-20284 (S.D. Fla. 2019).

**Date Filed.** April 20, 2018 (Ripalda, Larrea); February 20, 2018 (Dominguez); October 24, 2017 (Lopez); May 9, 2019 (Diaz, Alarcon).

**Country.** Ecuador.

**Date of Conduct.** 2012 – 2018.

**Amount of the Value.** \$3,270,980.

**Amount of Business Related to the Payment.** Approximately \$27.8 million.

**Intermediary.** Shell Company.

**Foreign Official.** Government officials working for PetroEcuador.

**FCPA Statutory Provision.** Conspiracy (Anti-Bribery); Anti-Bribery (Ripalda).

### Other Statutory Provision.

- **Ripalda.** Conspiracy (Money Laundering); Money Laundering.
- **Larrea.** Conspiracy (Money Laundering).
- **Dominguez.** Conspiracy (Money Laundering).
- **Lopez.** Conspiracy (Money Laundering).
- **Diaz.** Conspiracy (Money Laundering); Money Laundering.
- **Alarcon.** Conspiracy (Money Laundering); Money Laundering.

### Disposition.

- **Ripalda.** Plea Agreement.
- **Larrea.** Plea Agreement.
- **Dominguez.** Plea Agreement.
- **Lopez.** Plea Agreement.

pleaded guilty. On June 6, 2018, Dominguez was sentenced to 48 months in prison and two years of supervised release.

On October 24, 2017, the DOJ charged Lopez with one count of conspiracy to commit money laundering. On April 10, 2018, Lopez pleaded guilty and agreed to forfeit six properties in Florida. On July 23, 2018, Lopez was sentenced to 53 months in prison and three years of supervised release, and fined \$30,000.

On May 9, 2019, the DOJ charged each of Diaz and Alarcon with one count of conspiracy to violate the FCPA, conspiracy to commit money laundering, and seven counts of money laundering (under different sections of the U.S. Code). On August 19, 2019, Alarcon entered into a plea agreement. On February 19, 2020, Alarcon was sentenced to 20 months in prison and three years of supervised release and was ordered to forfeit \$4.4 million. Diaz pleaded guilty on January 23, 2020 to one count of conspiracy to violate the FCPA and one count of conspiracy to commit money laundering. He was sentenced on January 28, 2021 to 35 months in prison and ordered to pay a \$35,000 fine. He was also ordered to forfeit \$4.4 million.

- **Diaz.** Plea Agreement.
- **Alarcon.** Plea Agreement.

**Defendant Jurisdictional Basis.** Domestic Concern.

**Defendant's Citizenship.** United States (Ripalda, Larrea); Ecuador (Ripalda, Dominguez, Lopez, Diaz, Alarcon).

**Total Sanction.**

- **Ripalda.** 42-Months Imprisonment; 3-Years Supervised Release; \$40,000 Criminal Fine.
- **Larrea.** 27-Months Imprisonment; \$53,780.70 Criminal Forfeiture.
- **Dominguez.** 48-Months Imprisonment.
- **Lopez.** 53-Months Imprisonment; \$30,000 Criminal Fine; Forfeiture of Six Properties in Florida.
- **Diaz.** 35-Months Imprisonment; \$35,000 Criminal Fine; forfeiture of \$4,400,000.
- **Alarcon.** 20-Months Imprisonment; 3-Years Supervised Release; forfeiture of \$4,400,000.

**Related Enforcement Actions.** None.