

Direct Access Partners Global / Joseph DeMeneses (Managing Director)

Case ID:

ST-443

Case Cluster :

Direct Access Partners (DAP) Global

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Department of Justice

Jurisdiction of Foreign Public Official(s) :

Venezuela

Year of Settlement:

2015

Month/Day of Settlement (or Notes):

3/27

Other Jurisdictions of Settlement:

Unknown

Settlement with Individual or Legal Person?:

Individual

Type of Settlement:

Criminal

Legal Form of Settlement:

Guilty Plea

Monetary Sanctions (Types):

Criminal Forfeiture

Total Monetary Sanctions (US\$):

\$2,670,612

Criminal Fine/Penalty (US\$) :

\$0

Criminal Forfeiture / Confiscation (US\$):

\$2

670

612

Criminal Restitution / Reparation (US\$):

\$0

Monetary Sanctions Returned / Ordered Returned (US\$):

\$0

Monetary Sanctions Returned / Ordered Returned (Explanation):

NA

UNCAC Articles(s) Implicated:

Art.16

OECD Anti-Bribery Convention Articles Implicated:

Art. 1

Offenses - Alleged:

Conspiracy to Bribe Foreign Officials, Travel Act

Offenses - Settled:

Conspiracy to Bribe Foreign Officials, Travel Act

Public Procurement Contract / SOE Involved?:

Yes

Summary:

According to the US Department of Justice, Benito Chinaea, former chief executive officer and Joseph DeMeneses, former managing director of a U.S. broker dealer Direct Access Partners Global ["Broker Dealer"] were sentenced in 2015 "for their roles in a scheme to pay bribes to a senior official in Venezuela's state economic development bank, Banco de Desarrollo Económico y Social de Venezuela (BANDERES), in return for trading business that generated more than \$60 million in commissions. [] [Chinaea and DeMeneses] were each sentenced to four years in prison. They were also ordered to pay \$3,636,432 and \$2,670,612 in forfeiture, respectively, which amounts represent their earnings from the bribery scheme. On Dec. 17, 2014, both defendants pleaded guilty to one count of conspiracy to violate the Foreign Corrupt Practices Act and the Travel Act." According to the press release, it was alleged in the court documents that Chinaea and DeMeneses, together with three Miami based employees participated in a bribery scheme that ran from late 2008 through 2012, in which Maria de los Angeles Gonzalez, a BANDERES Vice President of Finance directed trading business to Direct Access Partners, and in return, agents and employees of DAP split the revenue that DAP generated from this trading business with Gonzalez. During this time period, DAP generated over \$60 million in commissions from trades with BANDERES. As further alleged in court documents, in order to conceal the scheme, payments to Gonzalez, frequently in six figure amounts, were routed through third parties posing as "foreign finders" and into offshore bank accounts. In several instances, Chinaea personally signed checks worth millions of dollars that were made payable to one of these purported "foreign finders" and later deposited in a Swiss bank account. Chinaea and DeMeneses admitted that they agreed to use DAP funds to reimburse DeMeneses and Clarke for the approximately \$1.5 million from their personal funds they used to bribe Gonzalez. To conceal their true nature, Chinaea and DeMeneses agreed to hide these reimbursements in DAP's books as sham loans from DAP to DeMeneses and Clarke. (Source: US DOJ Press Release, "CEO and Managing Director Of US Broker/Dealer Sentenced for International Bribery Scheme," March 27, 2015.) Please note that the date of Mr. Chinaea and Mr. DeMeneses' sentencing is used as the settlement date in this entry.

Sources :

US v. Benito Chinaea and Joseph DeMeneses, Case No. 14-cr-240, Indictment filed April 10, 2014 and DOJ Press Release, "CEO and Managing Director Of US Broker/Dealer Sentenced for International Bribery Scheme," March 27, 2015, at <https://www.justice.gov/criminal-fraud/case/united-states-v-joseph-demeneses-court-docket-number-14-cr-240-dlc>.