

Ignacio Cueto Plaza

Case ID:

ST-461

Case Cluster :

Ignacio Cueto Plaza

Jurisdiction of Settlement:

United States

Jurisdiction of Settlement / Enforcement Agency:

Securities and Exchange Commission

Jurisdiction of Foreign Public Official(s) :

Argentina

Year of Settlement:

2016

Month/Day of Settlement (or Notes):

2/4

Other Jurisdictions of Settlement:

Unknown

Settlement with Individual or Legal Person?:

Individual

Type of Settlement:

Civil

Legal Form of Settlement:

Cease and Desist Order

Monetary Sanctions (Types):

Civil Penalty

Total Monetary Sanctions (US\$):

\$75,000

Civil Disgorgement of Profits (US\$) :

\$0

Civil Prejudgment Interest (US\$) :

\$0

Civil Fine / Penalty (US\$):

\$75,000

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, Art. 8

Offenses - Alleged:

Falsification of books and records, Internal controls violations

Offenses - Settled:

No admission or denial of alleged offenses

Public Procurement Contract / SOE Involved?:

No

Summary:

According to the US Securities and Exchange Commission Administrative Summary, "An SEC investigation found that Ignacio Cueto Plaza, who was serving as president and chief operating officer at the time, authorized a sham consulting agreement and the company wired \$1.15 million in payments to the consultant's Virginia-based brokerage account. The unsigned agreement falsely stated that the consultant would undertake a study of existing air routes in Argentina. Cueto knew no such study would be performed and the consultant instead agreed to help settle the labor dispute, and Cueto also understood it was possible that the consultant would pass a portion of the payments along to union officials in Argentina. Cueto approved the payments to get the unions to abandon their threats to enforce the single-function rule and to get them to accept a wage increase lower than the amount asked for in negotiations." (Source: US SEC Administrative Summary, "Airline Executive Settles FCPA Charges," February 4, 2016.)

Sources :

US SEC Administrative Proceeding File No. 3-17100, In the Matter of Ignacio Cueto Plaza, at <https://www.sec.gov/litigation/admin/2016/34-77057.pdf>; Summary, "Airline Executive Settles FCPA Charges," February 4, 2016, at <https://www.sec.gov/litigation/admin/2016/34-77057-s.pdf>.