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Brokerage employee gets three years in U.S. prison over Venezuelan bribes

NEW YORK | BY NATE RAYMOND

A Florida man who worked at a Wall Street brokerage was sentenced to three years in prison on Tuesday for participating in a massive scheme to bribe officials at Venezuelan state-owned development banks for trading business.

Jose Alejandro Hurtado, who prosecutors said was central to connecting New York-based Direct Access Partners with a senior Venezuelan banking official, was also ordered by U.S. District Judge Denise Cote in Manhattan to forfeit nearly \$11.9 million.

Hurtado, 40, had already served 17 months in prison after his 2013 arrest, according to his lawyers, who had sought a sentence of time served in light of cooperation he provided authorities.

His sentence was confirmed by a spokesman for Manhattan U.S. Attorney Preet Bharara, whose office had pursued the case as part of a foreign bribery probe involving Direct Access Partners and Venezuelan state-owned development banks.

The investigation led to charges against Benito Chinaea, Direct Access Partners' ex-chief executive, and Joseph DeMeneses, a managing director, each of whom was sentenced to four years in prison in March.

Prosecutors said Direct Access made more than \$60 million in fees from trading business directed to it by a senior official at Caracas-based Banco de Desarrollo Económico y Social de Venezuela, known as Bandes.

Direct Access employees in turn sent about \$5 million to that official, Maria de los Angeles Gonzalez de Hernandez, prosecutors said.

Prosecutors said Hurtado brought Gonzalez to Direct Access while working in private banking. The firm in turn directed \$8 million in purported finder fees to Hurtado's then-girlfriend, prosecutors said.

Hurtado later joined Direct Access and, despite lacking a bond-broker's license, became one of its top-paid employees, earning \$4.38 million, prosecutors said.

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Prosecutors said employees also schemed to direct payments to a banker at another Venezuelan-state owned development bank, Banfoandes.

The scheme was uncovered during a periodic U.S. Securities and Exchange Commission review. Federal prosecutors and the SEC announced initial charges in May 2013, helping to push Direct Access's parent company into bankruptcy.

Hurtado pleaded guilty in August 2013 to charges including that he violated the Foreign Corrupt Practices Act along with two other employees, Ernesto Lujan and Tomas Clarke. They were sentenced this month to two years in prison each.

Gonzalez pleaded guilty in November 2013. She is scheduled to be sentenced Jan. 15.

The case is U.S. v. Hurtado, U.S. District Court, Southern District of New York, No. 13-cr-673.

(Reporting by Nate Raymond in New York; Editing by Bernard Orr)

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