

BNP Exec Exits FCA Bribery Suit Following \$80M Settlement

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Law360, New York (August 15, 2014, 2:49 PM ET) -- A Texas federal court on Friday dismissed a [BNP Paribas SA](#) manager accused of taking bribes from Mexican companies in violation of the False Claims Act after BNP settled with the government for \$80 million.

Jovenal "Jerry" Miranda Cruz was one of the execs who pled guilty to conspiracy to commit bank fraud, mail fraud and wire fraud as well as conspiracy to commit money laundering in 2012. After the [settlement](#) last month, the government agreed to let Cruz leave the proceedings without prejudice, with both sides bearing their own legal costs. This ends Cruz's civil case, while the criminal case against him is still pending.

"We are relieved that this aspect of the case is over," Cruz's counsel Philip Hilder of [Hilder & Associates PC](#) said in a phone call.

In July, U.S. District Judge Sim Lake signed off on a judgment against BNP, BNP Paribas North America Inc. and BNP Paribas Houston Agency in the total amount of \$80 million, resolving the government's allegations that they defrauded the [USDA's](#) Supplier Credit Guarantee program.

The program gave payment guarantees to U.S.-based exporters for their sales of grain and other agricultural commodities to importers in foreign countries, according to the [U.S. Department of Justice](#). The government said BNP knowingly accepted assignment of SCG program export credit guarantees from exporters under common control who improperly obtained them for transactions between the affiliated exporters and importers.

The \$80 million judgment, which includes any accrued prejudgment interest, costs and attorneys' fees, comes about three years after the U.S. sued BNP and Cruz for their roles in the scheme.

The government claimed that, from 1998 through 2007, BNP, its subsidiaries and Cruz participated in a sustained scheme to defraud the SCG program. Beginning in April 2005, when certain importers began defaulting on their payment obligations, BNP submitted claims to the USDA for the resulting losses, the DOJ said.

In January 2012, Cruz pled guilty to conspiracy to commit bank fraud, mail fraud and wire fraud as well as conspiracy to commit money laundering, according to the government.

Judge Lake signed off on the parties' settlement deal on Thursday and entered judgment against the BNP entities, which are jointly and severally liable for payment of the \$80 million.

Cruz is represented by Philip Hilder of Hilder & Associates PC.

The government is represented by Assistant Attorney General Stuart F. Delery and by Michael D. Granston, Michal Tingle, Samuel J. Buffone Jr., Linda M. McMahon, Donald Williamson and Elizabeth Young of the U.S. Department of Justice, Civil Division.

BNP is represented by Mary-Olga Lovett and Pamela Anne Ferguson of [Greenberg Traurig LLP](#), by Steven T. Cottreau, David D. DiBari, Christopher R. Lane and Thanh Nguyen of [Clifford Chance US LLP](#), and by Matthew W. Friedrich of [Freshfields Bruckhaus Deringer US LLP](#).

The case is United States of America v. BNP Paribas SA et al., case number [4:11-cv-03718](#), in the United States

District Court for the Southern District of Texas, Houston Division.

--Additional reporting by David McAfee. Editing by Rebecca Flanagan.

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