

A New Parallel FCPA Investigation Involving Brazil Results in a More Than 41 USD Million Penalty

SEPTEMBER 27, 2022

On September 15, Brazilian airline GOL Linhas Aéreas Inteligentes S.A. (“GOL”) agreed to pay more than \$41 million to resolve parallel bribery investigations by criminal and civil authorities in the United States and Brazil. GOL entered separate resolutions with the U.S. Department of Justice (“DOJ”), the U.S. Securities and Exchange Commission (“SEC”), the Brazilian Comptroller General and the Brazilian Attorney General’s Office.

According to the deferred prosecution agreement (“DPA”), GOL, through its director and intermediary, paid approximately 3.8 million in bribes to Brazilian government officials with the goal of getting two pieces of legislation passed by the National Congress of Brazil and the Legislative Chamber of the Federal District of Brasilia. The legislation involved payroll and fuel tax reductions beneficial to GOL. The company entered into fraudulent contracts with third-party vendors to generate and conceal the necessary funds - falsely recording the sham payments as legitimate business expenses in GOL’s books.

GOL entered into a three-year DPA with the DOJ (see Press Release) and separate settlements with the SEC (see Press Release) and Brazilian authorities. Due to GOL’s inability to pay the fines in full, the DOJ and the SEC waived payment of a significant portion of the fines. Ultimately, GOL agreed to pay the following amounts:

- 17 USD million to the DOJ.
- 24.5 USD million to the SEC.
- GOL will also pay a criminal penalty of approximately 3.4 USD million to Brazilian authorities.

This is the third SEC enforcement action and fourth DOJ case this year that relates to Brazilian entities. This matter serves as a reminder of the risks inherent in third party relationships and highlights the need for effective internal accounting controls, including the need for controls surrounding transactions initiated at the highest levels in the company.

1 Min Read

Related Locations

San Francisco

Washington, DC

Related Topics

Foreign Corrupt Practices Act (FCPA)

DOJ Investigations

DPA

Related Capabilities

Government Investigations, Enforcement & Compliance

International Trade

Related Regions

North America

Related Professionals



[Mariana Pendás Fernández](#)