



July 8, 2024

Reta Jo Lewis
Chair, US Export-Import Bank (EXIM)
Washington, DC

CC: Senate Banking Committee
House Financial Services Committee
US Department of Justice
US Export-Import Bank Office of Inspector General
US Export-Import Bank Board of Directors

Re: Continued fraud and corruption concerns with Trafigura and governance and accountability concerns with EXIM

Dear Chairwoman Lewis,

I write with continued concerns regarding the apparent lack of adequate due diligence and remedial action regarding fraud and corruption matters pertaining to EXIM's client Trafigura.

In January 23, 2024, Friends of the Earth U.S., Oil Change International and Public Citizen sent a [letter](#) to you, calling on the agency to withdraw financing supporting the Trafigura Pte, a major global commodity trader. Specifically, the groups called for the end of two Financial Institution Buyer Credit (FIBC) policies for two lenders that allow Trafigura to purchase liquid natural gas for export from the United States, despite media reports of ongoing criminal investigation of Trafigura by US and Swiss law enforcement authorities for alleged activities in Brazil and Angola.

In response, on February 6, 2024, Mark H. Chu, EXIM's Assistant General Counsel, Litigation, Fraud and Compliance Unit wrote the groups a [response](#) rejecting this request, which stated *inter alia*:

EXIM is aware of corruption allegations regarding Trafigura in Angola. EXIM reviewed the available information, and at this point, EXIM has not been provided with evidence that these allegations of corruption against Trafigura are credible.

EXIM's letter also states that "EXIM will continue to monitor transactions involving Trafigura and will conduct additional due diligence regarding any additional credible allegations of corruption." Therefore, I want to flag updated information regarding corruption, fraud and Trafigura. First, on March 28, 2024, the US Department of Justice issued a [press release](#) stating that Trafigura:

[P]lead guilty today and will pay over \$126 million to resolve an investigation by the U.S. Justice Department into violations of the Foreign Corrupt Practices Act (FCPA), stemming from the company's corrupt scheme to pay bribes to Brazilian government officials to secure business with Brazil's state-owned and state-controlled oil company, *Petróleo Brasileiro S.A. – Petrobras* (Petrobras).

On May 10, 2024, the EXIM Inspector General Parisa Salehi issued a [report](#) titled, Management Alert: Lack of Agency Action Related to an OIG Enhanced Due Diligence Referral (OIG-O-24-10). The report found that EXIM:

[A]ppeared not to act on fraud-related information OIG provided concerning a program participant...[with regards to] two insurance policies involving *Trafigura* in July 2023, which created up to \$360 million in exposure. *Trafigura* plead guilty in U.S. District Court on March 28, 2024, for violations of the Foreign Corrupt Practices Act, specifically conspiracy to violate anti-bribery provisions in Brazil.⁵ Separate corruption charges are under consideration against *Trafigura* in Switzerland.⁶ OIG is making EXIM aware of the above facts and intends to initiate additional oversight related to EXIM's due diligence and risk management practices in FY 2025.

The Inspector General's report also expresses deep concern that in the course of drafting its report:

EXIM requested during its review of a draft of this report that OIG withhold information from release, citing an exemption under the Freedom of Information Act...OIG is concerned about the extent of EXIM's requested redactions as well as EXIM's failure to identify any non-speculative harm to the deliberative process that would result if several exemptions highlighted by OIG were disclosed. Moreover, OIG believes the underlying information is necessary to understand OIG's report, particularly the above-disputed discretionary exemptions. In OIG's view, several of the proposed redactions relate to decisions made by the agency as opposed to opinions or recommendations offered as part of a deliberative process. Other proposed redactions relate to established agency processes that EXIM has already made public and, regardless, the report's mention of these processes would not create foreseeable harm.

And:

OIG is releasing this report with EXIM's requested deliberative process redactions because OIG is not able to waive the agency's privilege, and because OIG believes it would be imprudent to further delay publication of this report given its important subject matter related to fraud referrals.

On June 17, 2024, the U.S. Commodity Futures Trading Commission (CFTC) issued a [press release](#) announcing the results of its investigation of *Trafigura's* activities in Mexico, and: "[I]ssued an order simultaneously filing and settling charges against *Trafigura Trading LLC*." And that as per the settlement the agency: "Orders *Trafigura* to pay \$55 million for Fraud, Manipulation and Impeding Communications with the CFTC."

In CFTC's press release, the agency's Director of the Whistleblower Office Brian Young commented,

This is the first CFTC action charging a company under regulations designed to prevent interference with whistleblower communications. This groundbreaking action demonstrates the CFTC's commitment to protecting potential whistleblowers and puts the market on notice that the CFTC will not tolerate contractual arrangements that could impede communication by potential witnesses.

The finding of fraud and other illegal activities by two separate agencies, the EXIM Inspector General's Management Alert on EXIM's failure to act on fraud-related information, and EXIM's insistence on redacting public-interest information in the Inspector General's report reveals a pattern of contempt for the law by Trafigura and raises questions about EXIM Management's commitment to responsible governance and accountability.

The May 10, 2024, EXIM Inspector General's report also indicates that the agency's two FIBC lender policies supporting Trafigura: "[W]ere valid for one year from the date of issuance—until July 2024—and will require Board authorization if either lender requests to renew their policy."

Trafigura's recidivist criminal activities must not be rewarded with EXIM financing. I urge EXIM to publicly end all its support for Trafigura, to permanently debar the company from future EXIM support, and to overhaul the agency's failed detection and prevention policies and practices.

I request a response to this letter within a month.

Sincerely,

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