

Ecuador Blocks Corruption-Plagued Odebrecht from New Contracts



Quito, January 10 (RHC)-- Ecuadorean officials have announced that the Brazilian construction company Odebrecht will not be able to sign any future contracts with public institutions in the South American country, as authorities continue to investigate alleged corruption in its operations.

Ecuadorean Attorney General Galo Chiriboga announced that Odebrecht won't be able to work with local governments around the country. Currently, only the administration of Quito holds a contract with the company for the second phase of the metro construction for \$1.5 billion.

Ecuador's decision comes after the government of Peru also announced last week that companies involved in fraud will be blocked from submitting bids for projects in the country. President Pedro Pablo Kuczynski has denied taking bribes from Odebrecht while working in government under other presidents and dismissed calls to kick the company out of Peru.

Odebrecht officials have been found guilty of corruption, leading a worldwide bribery scheme paying millions to "intermediaries" to secure contracts in a dozen countries. The international scheme also included international money laundering spanning the United States and Switzerland. Some of the

companies working with Odebrecht were based in tax havens like Belize and the Virgin Islands.

In Ecuador, the attorney general's office began an investigation in December after Ecuadorean officials requested complete and uncensored information related to the allegations that the company had paid US\$33.5 million in bribes between 2007 and 2008, in only one case mentioned where an "intermediary" acted in the name of the government.

According to an investigation by the U.S. Department of Justice, Odebrecht paid local officials to secure contracts with public companies for about \$116 million in Ecuador.

In 2007, the government of Ecuador expelled the Brazilian company for irregularities in the construction of a hydroelectric plant. After pressure from the government to respect investment agreements, the company agreed to pay a fine and rebuild the plant in 2010.

Ecuadorean President Rafael Correa has been a leader in promoting the end of tax havens around the world and has scheduled a referendum during the elections in February to ask citizens whether they want to prevent public servants or candidates from having accounts or companies in offshore tax havens.

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