

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 24-20050-CR-WILLIAMS/GOODMAN(s)

UNITED STATES OF AMERICA,

v.

MAURICIO GOMEZ BAEZ,

Defendant.

FACTUAL PROFFER

The United States of America (the “United States”) and MAURICIO GOMEZ BAEZ (the “defendant”), stipulate and agree that the information stated herein is true and accurate and a sufficient basis for the defendant’s plea of guilty to conspiracy to commit an offense against the United States, in violation of Title 18, United States Code, Section 371, charged in the instant case and the forfeiture of assets identified in the Information. Had this matter proceeded to trial, the defendant stipulates and agrees that the government would have proven the facts alleged below beyond a reasonable doubt.

1. From at least 2011 to 2016, Stericycle, Inc. (“Stericycle”) was a Delaware corporation headquartered in Lake Forest, Illinois. Stericycle ran an international waste management network, focused primarily on medical waste, industrial waste, maritime waste, and document destruction. Stericycle had a class of publicly traded securities that were registered with the United States Securities and Exchange Commission pursuant to Section 12(b) of the Securities Exchange Act of 1934 and were traded on the NASDAQ under the ticker “SRCL.” Stericycle was an “issuer,” as that term is used in the Foreign Corrupt Practices Act (“FCPA”), Title 15, United States Code, Sections 78dd-1(a) and 78m(b).

2. Individuals in Stericycle's Latin American division ("Stericycle LATAM") were responsible for overseeing and running the operations of Stericycle's subsidiaries in Mexico, Brazil, Argentina, Chile, and Puerto Rico. Beginning at least in or about 2014 Stericycle LATAM was headquartered in Miami, Florida. Beginning at least in or about 2015, the defendant, along with other Stericycle LATAM leadership and staff were based in Miami, Florida.

3. The defendant was a Mexican citizen and resident of Miami, Florida, who worked for Stericycle as the Senior Vice President of Stericycle LATAM. His business responsibilities included oversight and management of Stericycle LATAM and certain of Stericycle subsidiaries, including acquisitions, operations, finance, and sales. Throughout the relevant time period, the defendant directly reported to Stericycle senior executives in Lake Forest, Illinois. The defendant was an employee and agent of Stericycle, an "issuer," as that term is used in the FCPA, Title 15, United States Code, Section 78dd-1(a).

4. Stericycle LATAM Finance Executive was a Mexican citizen based in Mexico and was an executive of Stericycle LATAM whose business responsibilities included, among other things, the management of Stericycle LATAM's finances. Stericycle LATAM Finance Executive reported to the defendant as well as senior finance executives in Lake Forest, Illinois, during the relevant time period.

5. Medam S.A. de C.V., together with other affiliated entities (collectively "Stericycle Mexico"), was a wholly owned subsidiary of Stericycle and headquartered in and around Mexico City, Mexico. Stericycle Mexico was under the direction and control of Stericycle LATAM, and its books, records, and accounts were consolidated into the financial statements of Stericycle. During the relevant time period, Stericycle Mexico and its employees were agents of Stericycle.

6. “Mexico Vendors” were Mexican companies with which Stericycle Mexico entered into sham service contracts that were used to generate funds for bribe payments to Mexican government officials.

7. Stericycle Gestao Ambiental Ltda., together with other affiliated entities (collectively, “Stericycle Brazil”), was a wholly owned subsidiary of Stericycle and headquartered in Recife, Brazil. Stericycle Brazil was under the direction and control of Stericycle LATAM, and its books, records, and accounts were consolidated into the financial statements of Stericycle. During the relevant time period, Stericycle Brazil and its employees were agents of Stericycle.

8. “Brazil Vendors” were Brazilian companies with which Stericycle Brazil entered into sham agreements to provide debt-collection services that were never provided. The Brazil Vendors issued false invoices that Stericycle Brazil used in its books and records to conceal the bribe payments to Brazilian government officials.

9. Habitat Ecologico S.A., together with other affiliated entities (collectively “Stericycle Argentina”); was a wholly owned subsidiary of Stericycle headquartered in Buenos Aires, Argentina. Stericycle Argentina was under the direction and control of Stericycle LATAM, and its books, records, and accounts were consolidated into the financial statements of Stericycle. During the relevant time period, Stericycle Argentina and its employees were agents of Stericycle.

OVERVIEW

10. From in or about and between at least 2011 through 2016, the defendant and other employees, and agents, including Stericycle LATAM Finance Executive, knowingly and willfully conspired to use, and did use, the mails and means and instrumentalities of interstate commerce, including U.S.-based email communications, and travel between Brazil, Mexico, Argentina, and the United States, to corruptly offer, promise to pay, authorize the payment of, and pay,

approximately \$10.5 million in bribes to Mexican, Brazilian, and Argentinian government officials, in order to influence those officials in their official capacities and to secure an improper advantage to assist the defendant, Stericycle, and others, in obtaining government contracts for medical waste collection. Stericycle earned approximately \$21.5 million in profits from the corrupt scheme and through its corruptly obtained and retained government contracts. The defendant knew that this conduct was unlawful.

11. The defendant and other Stericycle executives, employees, and agents, expanded Stericycle LATAM through acquisitions and implemented and maintained similar methods of bribe payments in Mexico, Brazil, and Argentina. The defendant and his co-conspirators made and caused to be made hundreds of bribe payments to foreign government officials employed by government agencies and instrumentalities in Mexico, Brazil, and Argentina to obtain and retain business advantages and to direct business to Stericycle.

12. The defendant knowingly approved and directed a scheme by which employees at Stericycle Mexico, Stericycle Brazil, and Stericycle Argentina, including Stericycle LATAM Finance Executive, made or caused to be made bribe payments, typically in cash, and calculated the amount of the bribes as a percentage of underlying contract payments made by or owing from a government customer. In each of the three jurisdictions, the defendant and his co-conspirators tracked the bribe payments on spreadsheets using code words such as "IP."

13. Approximately 70% of the medical waste collection contracts were with regional government customers. Serving government customers in the various regions throughout Latin America required significant investment from Stericycle and without these customers, Stericycle would not have the necessary volume to support service in each region. The government contracts typically lasted for a one-year period and were re-bid annually.

14. The defendant and other Stericycle executives, employees, and agents utilized the means and instrumentalities of interstate commerce, including the use of wires in the Southern District of Florida. In addition, Mexico, Brazil, and Argentina country managers traveled regularly to Miami for business meetings in furtherance of the conspiracy.

Bribes Paid in Mexico

15. From in or about and between at least 2011 and 2016, the defendant, other employees and agents conspired to pay bribes to, and for the benefit of, foreign officials employed by local and regional government agencies and instrumentalities in Mexico. In exchange for the bribes, they obtained and retained business from at least fifteen Mexican state-owned entities in connection with providing waste management services, authorization for or priority release of payments owed under contracts; and avoided fines. Stericycle earned at least \$3.7 million in profits from corruptly obtained and retained contracts with the Mexican government.

16. As authorized by the defendant, Stericycle LATAM Finance Executive and Stericycle Mexico employees distributed funds to the Mexico Vendors, which purported to provide services to Stericycle Mexico, in order to make bribe payments to officials employed by state-owned and state-controlled hospitals and other government entities. Bribes were typically paid monthly to these officials and were calculated as a percentage of the customer's invoice value, a percentage of the amount of waste collected, or as a fixed amount. Most of the bribe payments were made in cash and were referred to in code, as "IP" payments.

17. The defendant received and reviewed spreadsheets created and maintained by Stericycle LATAM Finance Executive that reflected the bribe payments. These spreadsheets tracked each bribe payment as well as pertinent details, including among others, the Mexico Vendor providing the fake invoice, the amount of the bribe, the date and method of payment, the

Stericycle employee responsible for paying the bribe, method of calculating the bribe payments, the government official receiving the bribe, and the fake description of services note on the Mexico Vendor invoice.

18. For example, on or about January 17, 2013, a Stericycle Mexico employee emailed the defendant and Stericycle LATAM Finance Executive, attaching a spreadsheet “Invoices IP [] DIC.12” and describing the spreadsheet as a “reference file” that included the “monthly amount summary” and an analysis of the “concepts we use in order to sustain the operation.” The attached spreadsheet included references to bribe payments from in or about January through December 2012, along with corresponding Mexico Vendors that would submit fake invoices with descriptions of fabricated services.

19. Additionally, on or about October 1, 2014, a senior manager at Stericycle Mexico emailed the defendant, stating “[t]he dinner with [Mexican Official 1] from [the Mexican social security agency] was postponed for tomorrow, he has been in communication supporting the process of the current contracts and apparently, he is orienting us properly.” The spreadsheets tracking the bribe payments showed Mexican Official 1 receiving at least one bribe payment per month during most months in 2015, paid by Stericycle LATAM Finance Executive.

20. For May 2015, the IP spreadsheets included 17 bribe payments totaling approximately 1.1 million pesos. The spreadsheets showed that 14 of the payments were made in cash by Stericycle LATAM Finance Executive to individuals, including named government officials. The spreadsheets included false entries identifying fake services to justify the payments, such as “forklift rental,” “publicity,” and “promotional products.”

21. Stericycle’s general ledger reflected payments to certain of the Mexico Vendors through at least April 2016. For example, on or about April 14, 2016, the defendant and LATAM

Finance Executive caused Stericycle Mexico to pay approximately 56,000 pesos (approximately \$3,208) to one of the Mexico Vendors, which was, in fact, a payment under a sham service contract used to generate funds for bribe payments in Mexico.

22. From in or about and between at least 2010 and 2016, the defendant, Stericycle LATAM Finance Executive, and Stericycle Mexico employees participated in monthly Mexico Executive Committee sessions during which they reviewed financial records that contained an accounting of bribe payments. For example, the minutes from the June 2012 and September 2013 Mexico Executive Committee sessions reflected a breakdown of “advanced payments,” including “IP” totaling 346,535 pesos and 1,768,866 pesos, respectively.

23. On March 31, 2016, the defendant signed a certification attesting that there were no material or potential material events necessary to be disclosed in order to make Stericycle’s financial reports with the U.S. Securities and Exchange Commission not misleading. On the same date, Stericycle LATAM Finance Executive, in his then role as Financial Controller for Stericycle Mexico, signed a Stericycle Business Unit Representation letter that stated, in sum and substance, that Stericycle LATAM Finance Executive had “no knowledge of actual or suspected fraud, bribery, or corrupt payments affecting the Business Unit” the previous quarter. The spreadsheets created by Stericycle LATAM Finance Executive that detailed payments made to public officials in January 2016 were made prior to this representation and, as such, the defendant and Stericycle LATAM Finance Executive knew their attestations to be false statements.

Bribes Paid in Brazil

24. Between at least in or about 2011 and 2016, the defendant, and other Stericycle employees and agents, including Stericycle LATAM Finance Executive, conspired to pay bribes to, and for the benefit of, foreign officials who were employed by at least twenty-five local and

regional government agencies and instrumentalities in Brazil to obtain and retain business from the Brazilian government in connection with providing waste management services, as well as to obtain authorization for priority release of payments owed under contracts with government agencies. Stericycle earned at least \$13.4 million in profits from corruptly obtained and retained business with the Brazilian government.

25. The defendant received spreadsheets containing the bribe payments in hardcopy and by email for review. For example, on or about January 8, 2016, a Stericycle Brazil executive emailed the defendant a version of a spreadsheet tracking bribe payments, stating “[a]s per our conversation, please find attached the spreadsheet detailing the expenses with the debt collection services for 2014 and 2015.”

26. The defendant and others, including Stericycle LATAM Finance Executive, authorized the distribution of cash to Stericycle Brazil sales employees, who used the cash to make bribe payments — often through third party intermediaries — to government officials in different regions. As part of the scheme, Stericycle Brazil employees agreed upon bribe payments in return for receiving payment priority on certain invoices owed under contracts with government agencies; the bribe payments were typically a percentage of the invoice amount owed or a fixed amount.

Bribes Paid in Argentina

27. Between in or about 2011 and 2016, the defendant, other Stericycle employees and agents, including Stericycle LATAM Finance Executive, conspired to corruptly offer and pay bribes to, and for the benefit of, foreign officials within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1)(A), in Argentina to secure improper advantages in order to obtain and retain business in connection with providing waste management services and to obtain authorization or priority release of payments owed under those contracts. Stericycle earned at least

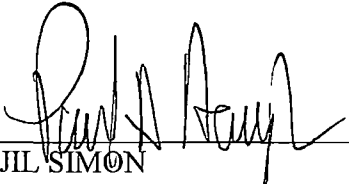
\$4.4 million in profits from corruptly obtained and retained contracts with the Argentinian government.

28. For example, on or about January 11, 2011, Stericycle LATAM Finance Executive emailed the defendant providing a spreadsheet of the “Top 20 SG&A” expenses by country.” In the email, Stericycle LATAM Finance Executive wrote that the spreadsheet included comparisons of the SG&A numbers with and without “IP,” and provided a breakdown of the amounts of the bribe payments by jurisdiction, including Mexico, Brazil, and Argentina.

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29. The preceding statement is a summary, made for the purpose of providing the Court with a factual basis for the defendant's guilty plea to the charge against him. It does not include all the facts known to the defendant or the United States concerning criminal activity in which the defendant and others engaged. The defendant makes this statement knowingly and voluntarily and because he is in fact guilty of the crime charged.

GLENN S. LEON
CHIEF, FRAUD SECTION
U.S. DEPARTMENT OF JUSTICE



JIL SIMON
PAUL A. HAYDEN
TRIAL ATTORNEYS

Date: 2/27/24

Date: 2/27/24

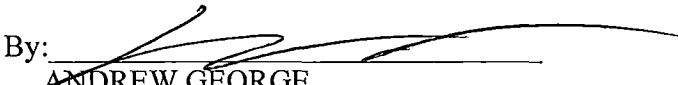
Date: 2/27/24

MARKENZY LAPOINTE
UNITED STATES ATTORNEY



MANOLO REBOSO
ASSISTANT U.S. ATTORNEY

Date: 2/27/24

By: 

ANDREW GEORGE
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MAURICIO GOMEZ BAEZ
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