Jail Sentence For Trafigura Powerbroker Shows Bribery Crackdown

Mike Wainwright this week made history as the first senior executive at a major commodity trading house to be convicted of corruption.

By Jack Farchy, Archie Hunter, and Hugo Miller
1 February 2025 at 12:48 CET

Mike Wainwright departs the Federal Criminal Court in Bellinzona, on Jan. 31.

Photographer: Francesca Volpi/Bloomberg

When a 22-year-old Mike Wainwright joined Trafigura as an accounts assistant in 1996, the quietly spoken Englishman could hardly have imagined that three decades later he'd be making history.

By the time he left the company last year, Wainwright was one of the most powerful people in the secretive business of buying, selling and shipping commodities around the world. Now, he's just became the first senior executive at a major commodity trading house to be convicted of corruption.

It's a startling statistic in an industry that's had a reputation for bribes and brown envelopes since the days of its infamous pioneer Marc Rich — whose proteges founded Trafigura only a few years before Wainwright knocked on their door looking for a job. Rich himself was open about it: "The bribes were paid in order to be able to do the business," he told his biographer.

The conviction on Friday of Trafigura and its longtime chief operating officer in a Swiss court marks the culmination of a global crackdown on commodity trading that has been building for much of the last decade. The US in particular has pursued a series of sweeping investigations into the biggest players, securing a slew of guilty pleas and laying bare the details of a widespread culture of bribery and corruption.

The Federal Criminal Court in Bellinzona.*Photographer: Francesca Volpi/Bloomberg*

Read More: [How the Top Oil Trader's Brazen Corruption Was Caught on Tape]()

But while a handful of mid-level individuals was convicted, no senior leader of a major company has stood trial for corruption. Until now.

Wainwright, now 51, appeared in Switzerland's Federal Criminal Court in Bellinzona on Friday dressed in a blue open-necked shirt and a dark sweater. He sat in silence as judges read out a verdict that found him guilty of bribery and sentenced him to 32 months in prison, a sentence that was partly suspended subject to probation, pending appeal.

Asked if he had understood the terms of his probation, he nodded and said "yes, I did... oui."

During the trial in December, Wainwright testified that he had joined Trafigura by happenstance. He had recently left university and decided he needed to leave home and find a job in London. "By chance I was interviewed by Trafigura for a role as an accounts assistant in its oil trading department," he said.

He rose up the ranks, becoming a favorite of founder Claude Dauphin, moving to Geneva — and eventually taking a spot as one of the most powerful people in one of the largest companies in the business. He testified how he, then-Chief Executive Officer Jeremy Weir and head of oil trading Jose Larocca "took over the running of the company" after Dauphin's death in 2015.

Jeremy Weir*Photographer: F. Carter Smith/Bloomberg*

Now retired and an avid motor racer, he is likely a billionaire, including the money still owed to him by Trafigura for the buyback of his shares. "I'm fortunate to be a wealthy individual," he said in his testimony in December, adding that as a young retiree, he hoped "to spend time with my family on a forward basis."

His lawyer, Daniel Kinzer, said that Wainwright would appeal, and that the court had "disregarded key evidence that shows he was not involved in any bribery scheme."

Trafigura, which through its Dutch holding company Trafigura Beheer BV was also found guilty of not having sufficient systems in place to prevent bribery, said it was "disappointed" by the decision, but did not immediately say whether it would appeal.

For Switzerland, the case is a watershed. The country that many of the largest trading houses have called home since the 1950s was for many years seen as a haven from the long arm of foreign regulators – it harbored Rich himself as a fugitive from US justice, when he was charged with tax evasion. Foreign bribes or "commissions" were even tax deductible.

"It used to be a very different industry – when the general feeling of society at large around corruption was not as sharp as it is now," said Jean-Francois Lambert, a consultant and former banker to the trading industry. "The key was doing what was necessary to get hold of resources."

Read More: [How Marc Rich's Former Haven Put a Commodity Trader on Trial]

Still, the maximum fine for corruption remains small in Switzerland, at just 5 million francs ($5.5 million), plus disgorgement of ill-gotten gains. Trafigura was fined 3 million francs, in recognition that it did have some compliance procedures in place.

And the decision could yet be overturned. For Wainwright and the other two defendants, who under Swiss law benefit from the presumption of innocence until all their avenues of appeal have been exhausted, that means they may never see the inside of Swiss jail.

Regardless, the move to hold individual executives culpable for historical corruption is a major change for the commodities industry.

Since the days of Rich, very few individual commodity traders have been charged or convicted. Several big trading houses were accused of paying illegal kickbacks to Saddam Hussein's Iraq in the oil-for-food scandal of the early 2000s, but the only executives to go to jail were the heads of two smaller trading houses.

The recent wave of investigations into the industry secured admissions of historical corruption from most of the biggest companies, but only mid-level individuals have been convicted until now. The only other senior executive to have been charged, Glencore Plc's former head of oil Alex Beard, won't face trial until 2027 in the UK. (His lawyer has said he plans to plead not guilty.)

"It marks a big change for the industry in terms of corruption," said Adrià Budry Carbó of Swiss NGO Public Eye. "You are not safe anymore – your company is not able to protect you – you may face jail time."

Up Next

Trump Vows Tariffs to Hit Saturday With More in Coming Months