

Bribery Case Snares Man Who Held Trafigura's Secrets and Purse Strings

For decades, Trafigura's former chief operating officer has quietly been one of the most powerful people in commodity trading. This week he was charged with corruption in Switzerland.

By and 8 December 2023 at 02:54 GMT+8

The company's offices entrance in Geneva.

Photographer: Fabrice Coffrini/AFP/Getty Images

For years, one of the most powerful people in commodity trading has been a quietly spoken English accountant who is barely known outside his own company. But this week, Trafigura Group's Mike Wainwright was thrust into the spotlight after being charged by Switzerland's top prosecutor for allegedly bribing an Angolan government official.

Wainwright, who has spent his whole career at Trafigura and was a protégé of charismatic founder Claude Dauphin, might be the most senior commodity trader ever to be charged with corruption. Despite the industry's reputation for [brown envelopes and backhanders](#) that

goes back to the days of Marc Rich, very few of the most senior figures have ever faced prosecution.

If found guilty he'll face up to five years in prison. He denies the charges.

An avid motor racer, Wainwright, 50, has avoided the public profile of some of the company's top traders. But people who have worked with him at Trafigura say he has for decades been a hugely powerful figure — and one of the largest shareholders — at the company that ranks as one of the world's biggest commodity traders.

The Swiss case against Wainwright and Trafigura highlights the growing desire of prosecutors to hold the industry's top figures accountable for alleged corruption in a sprawling set of cases that have entwined most of the biggest traders. In the UK, prosecutors [say they are weighing](#) charges against up to eleven former Glencore Plc traders and executives after the company admitted to charges of [paying numerous bribes](#) over a period of years in multiple countries.

Mike Wainwright *Source: Alamy*

For Trafigura, the case coincides with the start of a generational shift in leadership. Wainwright, who held the title chief operating officer from 2008 until earlier this year, had already [announced plans](#) to retire next year. He is now on a leave of absence, although he remains an employee.

Both Trafigura and Wainwright intend to defend themselves against the Swiss allegations in court, the company said on Wednesday. A lawyer for Wainwright said he denied having "made, instructed or authorized payments with a corrupt intent."

In recent years, while prosecutors in the US, UK, Switzerland and Brazil have brought a wave of corruption cases against large commodity trading houses, only a few mid-level traders have been charged with wrongdoing as individuals. Marc Rich freely admitted to having paid bribes in his heyday, but that was in an era of laxer laws on bribery — especially in Switzerland where many traders are based. The oil-for-food scandal involving kickbacks paid to Saddam Hussein's Iraq in the early 2000s led to several prosecutions of individual traders, largely in the US, but not of the leaders of the world's largest trading houses.

"We are revisiting the past with today's eyes," said Jean-Francois Lambert, a consultant and former banker to the commodity trading industry. "The outcome will be painful for trading houses."

Employee 41

At Trafigura, Wainwright was formally responsible for the unglamorous side of commodity trading: the teams of logistics specialists and bookkeepers who work in the background to keep track of a company's trades.

But his role was much more than that. He joined the company in February 1996, just a few years after it was founded by a group of disaffected former Marc Rich + Co. employees. Wainwright was employee number 41, and started as an accountant.

Over time, he became a favorite of founder Dauphin, who valued him for his loyalty and trusted him without question, say several people who worked with both men.

Wainwright was one of the only people inside Trafigura other than Dauphin who knew the ownership stake of each employee in the company, a privately-held partnership where each year employee-shareholders wait with baited breath to discover how many shares they have been allotted.

One former board member recalls how Dauphin and Wainwright would discuss the shareholding breakdown between themselves before presenting it to the rest of the management board as a *fait accompli*.

In a sign of his significance, it was Wainwright, along with chief executive Jeremy Weir and longtime head of oil trading Jose Larocca, who Dauphin chose to shepherd the company after his death in 2015. For years, Trafigura's chief financial officer did not have a seat on the company's board; but Wainwright, its chief operating officer, did.

The individual shareholdings of Trafigura executives are a

closely guarded secret, but numerous current and former employees say that Wainwright is one of the company's largest shareholders.

While Wainwright has maintained a far lower profile outside of the company than Weir or Larocca, he received a rare moment of publicity when he [bought a villa on Lake Geneva](#) for just shy of 50 million francs (\$57 million). And the wealth he has generated over the years at Trafigura has helped fund his passion for motor racing — he owns an endurance driving team and has competed in amateur versions of the famed Le Mans 24-hour race.

Personally Approved

Wainwright is known inside Trafigura for his focus on numbers rather than relationships — almost a mirror image of his mentor, Dauphin, who relished striking friendships with business leaders and politicians and pursued new deals with a passion that sometimes obscured their dubious commercial logic.

He personally approved even relatively small expenditures — such as a subscription to an industry newsletter — making him unpopular among some in Trafigura's ranks who bridled at having their spending pored over.

That oversight has also made him a target for prosecutors pursuing Trafigura's alleged historical corruption. When Brazilian prosecutors accused Trafigura of corruption as

part of the sprawling "Car Wash" probe in a civil case in 2020, Wainwright was [named as a defendant](#). Prosecutors showed emails in which he approved payments – providing five-digit reference numbers for Trafigura's books – that they say were used to bribe Petrobras officials.

A spokesperson said that Trafigura was not aware of any evidence that Wainwright or anyone in its current management had "authorized or had knowledge of improper payments to employees of Petrobras."

And in Angola, Swiss prosecutors [allege](#), Wainwright approved bank transfers and cash payments totaling around \$5 million to the head of a unit of state oil company Sonangol.

Trafigura said it had been willing to settle the Swiss investigation out of court, but that now it would defend itself in court.

Still, Trafigura in a statement this week acknowledged past wrongdoing.

"We sincerely regret these incidents which breached our code of conduct and are contrary to our values," CEO Weir said in the [statement](#). "Our compliance policies and procedures have been externally reviewed and found to meet relevant legal requirements and international good practice standards. These historical incidents in no way represent the company we are today." The company said

it was close to a settlement with the US Department of Justice in relation to "improper payments" in Brazil.

In other trading companies, a settlement with US prosecutors has heralded a generational shift in management. For example, almost all of the top tier of Glencore's management [retired](#) in the years leading up to the company's settlement with the DOJ.

For Trafigura's leadership, the charges come at a sensitive time, as the company is still dealing with the fallout after falling victim to a massive [alleged nickel fraud](#). It also recently announced a reorganization of its top management, although Weir and Larocca remain its two most senior executives.

Trafigura does not expect any changes in its senior management as part of the settlement process, the company said in a response to questions on Thursday.

Up Next

Israeli Warning on Hamas Tunnels Means Months of Destruction