Month in a Minute: Developments in Anti-Corruption

Month in a Minute: October 2025

Hughes Hubbard's anti-corruption "Month in a Minute" offers a quick snapshot of key foreign corruption-related developments from the prior month. We hope you find it a useful and perhaps enjoyable resource.

Highlights from October 2025 include foreign bribery charges for Smartmatic, a guilty plea for a customs broker and sentencing in a case arising from a bribery scheme in Honduras.

New Charges Against Smartmatic

On Oct. 16, a federal grand jury in the U.S. District Court for the Southern District of Florida returned a six-count superseding indictment adding multinational voting machine company Smartmatic Corp. to its ongoing Foreign Corrupt Practices Act (FCPA) action against three Smartmatic executives and the former chairman of the Philippines' Commission on Elections (COMELEC). Companies are rarely indicted in the FCPA context, and the decision to indict Smartmatic has been mired in controversy and claims of political bias given that (i) Smartmatic was a target of unsubstantiated allegations from Trump campaign surrogates and/or supporters that Smartmatic interfered with the 2020 U.S. presidential election, and (ii) Smartmatic is involved in an ongoing defamation suit against Fox News regarding some of those allegations.

The superseding indictment alleges that Smartmatic; its co-founder, Roger Alejandro Piñate Martinez; one of its executives, Elie Moreno; and an executive at one of its subsidiaries, Jorge Miguel Vásquez, paid approximately $1 million in bribes to Juan Andres Doñato Bautista, the former chairman of COMELEC, to obtain three contracts to provide voting machines and election services in the 2016

Philippine elections and to obtain the release of associated value-added tax payments. The contracts were collectively worth about $182.3 million.

The superseding indictment charged Smartmatic with one count of conspiracy to violate the FCPA, one count of conspiracy to commit money laundering and three counts of international laundering of monetary instruments. The superseding indictment did not alter the charges against Bautista or the Smartmatic executives.

Guilty Plea for Customs Broker

On Oct. 23, Carlos Leopoldo Alvelais Alarcón pleaded guilty in the U.S. District Court for the Western District of Texas to conspiring to violate the FCPA in a sealed plea agreement. According to the magistrate judge's report, the entry of the guilty plea is subject to final approval and sentencing by the presiding federal judge.

Alvelais is the head of Agencia Aduanal Alvelais Alarcón, a customs brokerage in Chihuahua, Mexico, and Alvelais Forwarding & Logistics, a freight forwarder in El Paso, TX. Little information has been made public regarding the case, with the magistrate judge only providing that "there is a factual basis to support the plea of guilty." The indictment and related materials remain under seal.

Alvelais is currently out on a $30,000 bond posted Oct. 24. His sentencing is scheduled for Jan. 8, 2026.

Aldo Nestor Marchena Sentenced

On Oct. 28, Aldo Nestor Marchena was sentenced to seven years in prison for his role in facilitating bribe payments to Honduran officials.

In December 2023, Marchena and his two co-conspirators, Carl Alan Zaglin and Francisco Roberto Cosenza Centeno, were indicted on charges of money laundering, engaging in transactions in criminally derived property and FCPA-related offenses. The indictment alleged that between 2015 and 2019, Marchena and Zaglin paid over $166,000 in bribes to Cosenza and other Honduran government officials to secure over $10 million in government contracts with TASA, the Honduran government agency responsible for supplying goods for the Honduran National Police. According to trial testimony and plea documents, Marchena worked with Zaglin and others to arrange the bribe payments, falsifying contracts and invoices to conceal the bribery scheme and laundering more than $2 million through shell companies and bank accounts.

Marchena pleaded guilty to a charge of money laundering conspiracy in June 2025 and later testified against Zaglin at his trial. Zaglin was ultimately convicted on FCPA and money laundering charges and is now awaiting sentencing along with Cosenza, who pleaded guilty in July.

Prosecutors recommended a downward departure from the statutory maximum sentence due to Marchena's cooperation, resulting in the sentencing judge's determination of 84 months in prison. While the sentencing judge also recommended that Marchena receive credit for time served since November 2022, the Bureau of Prisons will ultimately make that determination.

FACT OF THE MONTH

At 8 p.m. ET on Oct. 30, 1938, Orson Welles' adaptation of H.G. Wells' novel "The War of the Worlds" aired on the CBS Radio Network. The adaptation, which utilized a realistic "breaking news" format, including reports from fictional reporters, caused some listeners to believe that an alien invasion of Earth was actually occurring. The "panic" incited by the broadcast made Welles a cultural icon and cemented the broadcast as a pop culture moment in American history.

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