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**In defense of the Workers Party (PT), Truth and Democracy**

**2015**

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*This publication, written by a group of members of the Workers Party National Executive Commission, is part of the PT defense in face of the attacks our party has suffered throughout its existence.*

*Now, more than ever, escalating lies, calumnies, factoids, distortions, manipulations succeed one another in an increasingly more evident attempt to criminalize the PT and – a dream always pursued by the ruling classes – to erase the party from the map of Brazil.*

*Led by the media monopoly, the siege and annihilation campaign finds the shrewd support of politicians from several parties, sectors of the Judiciary branch, the Public Prosecution, and the Federal Police.*

*Though somewhat long given the purpose of providing our militants with information and arguments for our defense and the struggle of ideas in society, the document is divided into independent chapters for ease of reading.*

*Against the biased versions of our enemies and adversaries, we submit unquestionable facts.*

The PT was born to change Brazil. And it has changed Brazil. For the first time in our country a mass political party, created from the bottom up, gave voice and opportunity to the workers and to broad sectors that had, throughout history, been excluded from national decision-making. And for the first time a popular, democratically elected government, placed the workers and the poorest at the center of public policies, promoted development for the benefit of all, and set out to break the historical cycle of inequality and injustice in our society.

In little over 12 years, the PT administrations, and those of its political allies, changed the lives of the Brazilian people and the very face of the country. In the greatest social mobility of all times, 36 million people freed themselves from extreme poverty and over 40 million reached middle class income and consumption levels. More than 20 million conquered jobs in the formal labor.

Nearly 4 million youths, mostly blacks and from poor households, were able to enter our universities – as students, not as servants. The dream of one’s own home and access to essential consumer goods has come true for the overwhelming majority of the population. Brazil has become less unequal, while the Brazilian people live in greater dignity.

The transformation of Brazil into a better and fairer place is the PT’s indisputable legacy. Our 12-year government has restored the self-esteem of the Brazilians and made Brazil respected and admired all over the world. This is unbearable for the more backward sectors of the Brazilian society, who have never accepted losing full control over the State, which they exercised in a manner both exclusionary and unfair for centuries.

Defeated in the polls in four consecutive elections, these sectors have engaged in a hate, intolerance, and smear campaign against our party and our government. They no longer disguise their goals: besides harassing the democratically elected government of President Dilma Rousseff, they want to ban the PT from the Brazilian political life.

The key objective of this campaign is the attempt to criminalize the party, our leaders, and our greatest leader, brother Luiz Inácio Lula da Silva. Around this objective revolve the opposition’s honchos, in complicity with the big media and in collusion with unashamedly biased State agents. In their obstinate frenzy to impute crimes to the PT and its supporters, the *petistas*, these individuals weave a conspiracy of lies.

They lie under the protection of their robes in the highest courts, in an affront to the Nation’s legal consciousness, on nationwide TV broadcasts. They lie under the protection of parliamentary immunity, spreading hate on social media. They lie under the protection of their office’s autonomy, forging groundless investigation procedures only to produce headlines. They lie under the protection of cowardly anonymity, smuggling partial, and manipulated, data to the media by means of criminal leaks.

Lying has always been the weapon to point at the PT ever since the Party was founded, 35 years ago. In 1986, when elections were held to the Constitutional Assembly, a police chief falsely accused PT brothers and sisters of shooting at rural workers during a strike in Leme (SP). In 1989, upon arresting the kidnappers of businessman Abílio Diniz, the São Paulo police department forced them to put on Workers Party T-shirts, took pictures of them, and released them to the press on the eve of the presidential election.

Lies like these produced their hazardous effects even after having been tardily uncovered. Throughout the PT administrations, other hoaxes were created, always seeking to criminalize the Party and its leaders. Totally discredited today, VEJA magazine has published stories associating the PT with drug trafficking, Colombian guerrillas, and an unrealistic dollar-smuggling scheme from Cuba.

VEJA published false bank statements of accounts in Switzerland, falsely attributed to Lula and government officials, in addition to creating rocambolesque stories about imaginary dossiers, non-existing government contracts, and the case of the Federal Supreme Court phone bugs, evidence of which has never been disclosed. For having so unashamedly lied, in 2010 VEJA magazine was sentenced by Justice to grant the PT the right of reply and to publish it. A just and pedagogical measure, albeit barely repairing the damage caused.

On this foundation of false denunciations was raised the *mensalão* mythology, whereby the big media and our adversaries transformed Penal Action 470 into a political trial. Instead of, based on the law, analyzing and punishing the conduct of the accused, the suit embraced theories foreign to the Brazilian law, as the so-called ‘control over the act’ theory, which was used to disseminate the absurd thesis that the government had bribed the majority of Congress, which has never been proven, or ever will, as it is absolutely devoid of verisimilitude.

Since the 2014 electoral campaign, our adversaries have shifted to the investigations of the so-called Operation Car Wash to keep on criminalizing the PT. Repeating the *mensalão* method, they seek to attribute to the PT – and exclusively to the PT – the crimes of guilty pleaders who are linked to several political parties, including opposition parties, acted with impunity for decades, and today bargain depositions in exchange for benefits, without submitting evidence of what they allege.

Let us make it plain clear that the PT vigorously supports every action undertaken by the Judiciary, the Public Prosecution, and the Federal Police to curb corruption and misappropriation of public funds. The PT does not defend those who have done wrong or committed any crime. On the contrary: the PT is actually the party that has fought the most against impunity in Brazil, both when it was in the opposition and over these twelve years in government.

Operation Car Wash and many other investigations would not have been possible without the dramatic changes our government championed towards making the Brazilian State more transparent and democratic. No other government, we repeat, has challenged corruption and impunity as the PT administrations have done. Let those found guilty be punished, but may those unjustly accused be found innocent.

Regrettably, all the effort to investigate and punish the wrongdoings in Petrobras can be compromised by abuse of authority and procedural flaws in association with Operation Car Wash*.* This is what happens when the limits and guarantees of democratic rule of law are overlooked, regardless of motive, when *vigilantes* are praised to the detriment of due legal process.

We believe that this operation’s flaws – among them, the sentencing of brother João Vaccari Neto without any piece of evidence – will be reviewed in higher courts, but nothing can repair the damage caused to the image of the PT and to a level playing field for political contest in the country. In addition to the losses caused to the national economy, with the summary and unjust condemnation of thousands of workers who have lost their jobs in the horror-movie atmosphere spun by the media with the operation in the background. On another front of attack against the PT, financial records of the companies being investigated in Operation Car Wash are being ‘analyzed’ by the Superior Electoral Court for the purpose of criminalizing the party’s campaign funds. Ultimately, the goal is to ban the party, as occurred in 1947 with the old Brazilian Communist Party (PCB). This is an arbitrary and politically cynical maneuver, conducted by a well-known PT adversary, who is not ashamed to stain the Supreme Court robe by acting as an oligarchic *coronel* of the Old Republic.

The PT has always argued in favor of public funding-only of political parties and campaigns. We have resorted to corporate funding, in compliance with the law, because that was the rule in force and because we had the political responsibility of defending our project in the real conditions of the electoral contest, and not as we wished they were: safe from the influence of economic power.

The companies being investigated that made contributions to the PT – all registered, pursuant with the law – donated similar, actually higher, amounts to the PSDB and its candidates. They undertook public works projects and signed contracts with PSDB state governments. The same criminals who tried to incriminate the PT pointed their finger to the PSDB; yet, for the heads of the operation this “doesn’t matter”. The target is the PT, and just the PT.

On a third front, our adversaries rely on the collusion between the media and partisan sectors of the Public Prosecution, in an attempt to incriminate former President Lula, the country’s greatest leader, and the only one capable of rallying the popular and democratic forces to resist against coup plotting and backwardness. That’s precisely why Lula has become the target of an extrajudicial plot that seeks to falsely portray him as a suspect of crimes that have never been committed.

In an outrageous inversion of values, Lula is being persecuted for having worked – as no other president did – to increase the presence of Brazil and of Brazilian companies around the world. Any other former president would be lauded for doing so, but the Brazilian press and its accessories stubbornly hold on to seeing crime in that activity – yet are not able to provide any evidence thereof. Still, the headlines go on.

The systematic, violent, and insulting way these lies are been disseminated – in an atmosphere of hate, intolerance, and terror that has already prompted attacks to three PT offices plus the Lula Institute – leaves no doubt as to the objectives of those who masterminded them: they want to eliminate Lula and the PT from the Brazilian political scene, fearing to suffer a fifth consecutive defeat in the 2018 elections.

More than ever we must be ready to clarify the facts, rebut the lies, and unmask the frauds. The purpose of this publication is to munition with the truth PT militants and all citizens of good faith, who fortunately are the overwhelming majority in society. Sharing the truth on social media, in factories, in schools, in assemblies; this is the duty we must carry out in earnest, in defense of the PT and in defense of Democracy, which cost us so dearly to achieve.

**PART I**

ELECTORAL CAMPAIGN FUNDING: **The truth of numbers**

Businesses have donated nearly the same amounts to the PSDB and the PT in the national elections, including those businesses charged in Operation Car Wash. In the São Paulo gubernatorial elections, the PSDB received twice as much overall, while 92% of the campaign funding the party received came from companies investigated by Operation Car Wash. Companies charged with participation in the so-called *Trensalão* funded more than half of Geraldo Alckmin’s campaign, yet that was no reason to incriminate the governor of São Paulo and his party, the PSDB. Why then accuse the PT funds, all legal and registered with the electoral justice, of illicit and stemming from bribery?

1. **FHC was the one who opened the doors of politics to economic power**

Electoral contributions by companies (legal persons) were approved by National Congress in 1995 (Law of the Political Parties) and 1997 (Electoral Law), at the same time the Constitution was amended to allow for the reelection of Fernando Henrique Cardoso, under strong evidence of vote-buying in cash.

This legislation, introduced by the power base of the PSDB administration, flung open every limit for corporate donations to parties and candidates, triggering a skyrocketing increase of electoral campaign costs, significantly biasing the democratic process.

The PT has always been against the participation of companies in campaign and party funding. Our program defends an exclusive public campaign funding system because we understand this is the democratic way to neutralize the influence of economic power on the political process.

The PT received donations in accordance with the law, all of which have been entered in President Dilma Rousseff’s campaign accounts, approved by the Superior Electoral Court (TSE) last November, and now being reopened by the latent coup plotting spirit of the Brazilian opposition and its “henchmen” in the judicial apparatus. All the other parties did the same, but only the PT accounts are targeted by petitions and news headlines.

Corporate funding of campaigns and parties was ruled unconstitutional by the STF in a review concluded on September 15, 2015 of a Direct Action of Unconstitutionality (Adin) filed by the Federal Board of the Brazilian Bar Association (OAB). The ruling of the majority of the Supreme Federal Court could have been in effect since last year had it not been scandalously sabotaged by Justice Gilmar Mendes – appointed to the STF by Fernando Henrique Cardoso.

With a request for adjournment in April 2014, when there were six votes (a majority) against private corporate funding, Mendes prevented a ruling on the case for 17 long months, until he was finally defeated. The connections of Gilmar Mendes with PSDB politicians are widely known, as is his openly biased behavior against the PT, both in the STF and in the Superior Electoral Court (TSE).

Mendes’ anti-PT maneuvers and statements, unbecoming for the impartiality and decorum required from a judge, cannot change reality: the PSDB administration paved the way for political power to be able to influence Brazil’s political life, the same party that corrupted Congress to pass the reelection.

1. **PT and PSDB national committees receive contributions from the same companies**

In national elections, the same companies made donations to several parties, often to parties running against each other for the same offices. According to the Superior Electoral Court (TSE), 137 companies were responsible for 70% of the donations made to the national electoral campaigns of both the PT and the PSDB in 2014. Among the 17 largest donors to the two parties’ national campaigns, half donated to both.



Source: Supreme Electoral Court - TSE ([www.tse.gov.br](http://www.tse.gov.br))

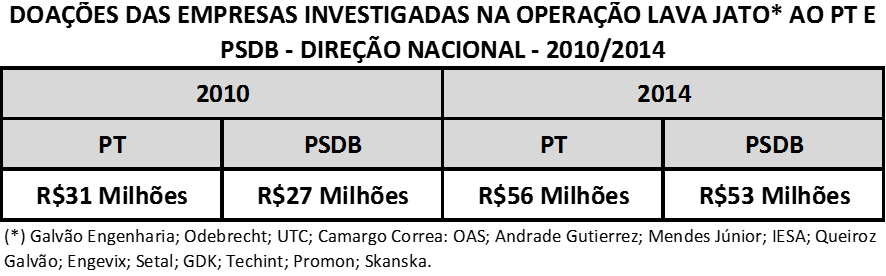
**Note**: *Official data on the accounts of the National Directorate, the National Financial Committee for the Presidency of the Republic, and of the respective presidential candidates of both parties provided by the Superior Electoral Court (TSE). Transferring resources across accounts is allowed (the National Directorate donates to the National Financial Committee and/or to the presidential candidate and vice-versa), thus making it inaccurate to simply add up the columns, as there can be double counting.*

The data in the table above shows the donation amounts received by the Workers Party (PT) and the Party of the Brazilian Social Democracy (PSDB) nationwide in 2010 and 2014.

It proves the hypocrisy of the PSDB and its allies in the press: if the source of donations is the same, why then is it that only PT contributions are criminalized? Why are some donations legal and others, the fruits of graft?

1. **Operation Car Wash companies made same donations to PSDB and PT**

If we compute only the donations made by companies investigated in Operation Car Wash to the national campaign, there is also close proximity between the amounts received by the electoral campaign accounts of the PT and PSDB national offices in the years of 2010 and 2014.

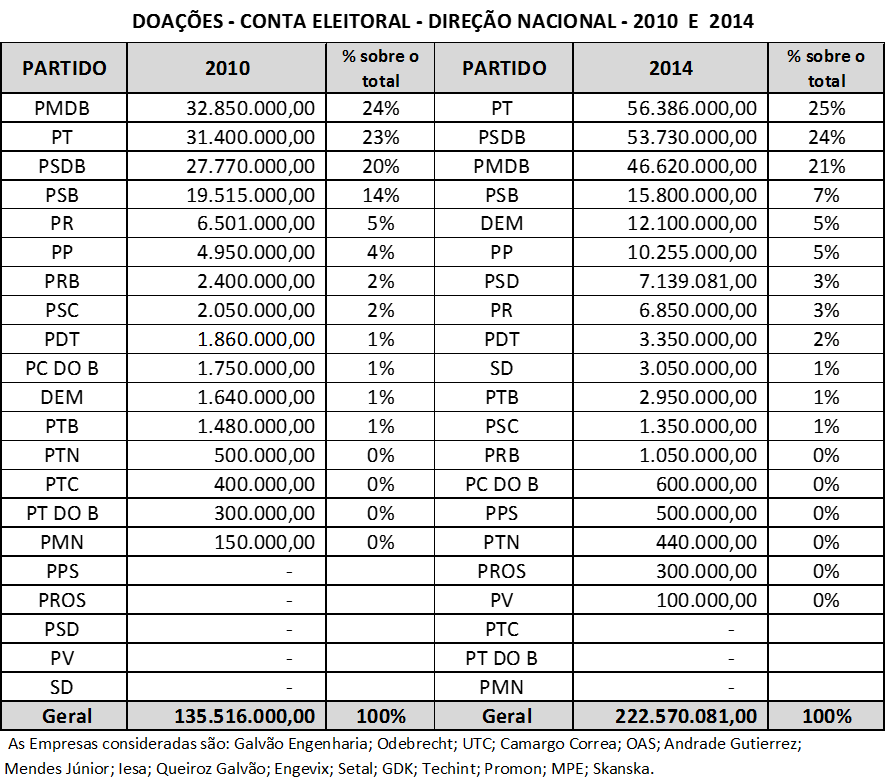


Source: TSE ([www.tse.gov.br](http://www.tse.gov.br))

The 17 companies investigated in Operation Car Wash do not only hold contracts with the Federal Government; they also have contracts with state and city administrations controlled by the PSDB and other parties. Why then only investigate and criminalize these companies’ relations with the PT?

**4) Operation Car Wash companies donated to all, including the PPS, DEM and Solidariedade**

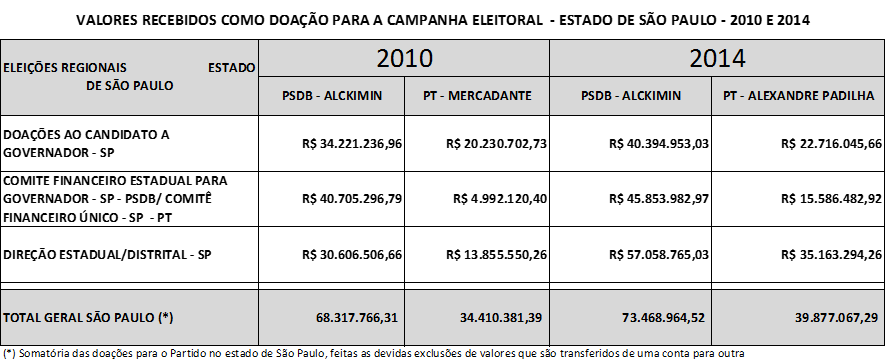
The TSE data show that not only the PSDB and the PT were granted donations by companies investigated in Operation Car Wash. Other parties received funding from the same companies, including the most hypocritical moralists: PPS, DEM, and Solidariedade.



Source: TSE ([www.tse.gov.br](http://www.tse.gov.br))

1. **São Paulo state PSDB receives two times more corporate donations than the PT**

Governed by the PSDB for 22 years, São Paulo State is the paradise of corporate donations. Unlike what happens at a national level, where contributions are balanced between the PT and the PSDB, in São Paulo the PSDB received twice as much funding than the PT candidates in the 2010 and 2014 elections. However, there is no ongoing criminalizing process of such donations, which reveals a strange preference of these companies for the PSDB in the state of São Paulo.



Source: TSE

**6) In SP, 92% of donations by Operation Car Wash companies went to the PSDB**

When one considers only the companies investigated by Operation Car Wash, the disparity between donations to the São Paulo gubernatorial campaign is even bigger. In the donations made to the PT and the PSDB, we see that, in 2014, 92% of the investigated companies’ donations went to the PSDB, while the PT received only 8%. In 2010, the proportion was 65% to the PSDB and 35% to the PT.

Just as they have contracts with the federal government, the companies investigated in Operation Car Wash have contracts with the government of the state of São Paulo and its state-controlled companies. Why then only suspect of and criminalize the donations made to the national PT?

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **DONATIONS MADE BY COMPANIES INVOLVED IN OPERATION CAR WASH TO REGIONAL ELECTIONS SÃO PAULO** | **2010** | | **2014** | |
| **PSDB** | **PT** | **PSDB** | **PT** |
| Galvão Engenharia S/A | 3.135.000,00 |  |  | 150.000,00 |
| Construtora e Comercio Camargo Correa S/A | 3.150.000,00 | 5.000.000,00 |  |  |
| Fidens Engenharia S/A | 1.500.000,00 |  |  |  |
| Mendes Junior Trading e Engenharia S/A | 1.610.000,00 |  |  |  |
| Construtora OAS Ltda. | 2.200.000,00 | 2.099.301,00 | 1.750.000,00 |  |
| Construtora Queiroz Galvão S/A | 1.350.000,00 | 850.000,00 |  |  |
| Queiroz Galvão Alimentos S/A |  |  | 2.165.000,00 |  |
| UTC Engenharia S/A | 700.000,00 | 700.000,00 | 2.900.000,00 |  |
| Carioca Christian Nielsen Engenharia S/A | 846.700,00 | 250.000,00 | 800.000,00 | 500.000,00 |
| Construtora Andrade Gutierrez S/A | 500.000,00 |  |  |  |
| Alusa Engenharia Ltda. | 50.000,00 |  |  |  |
| **TOTAL CAR WASH COMPANIES** | **15.041.700,00** | **8.899.301,00** | **7.615.000,00** | **650.000,00** |

Besides being donors to PSDB electoral campaigns in the state of São Paulo, the companies investigated in Operation Car Wash also figure on the list of suppliers of big public works to the party’s state government.

When they are not direct suppliers, they are subcontracted by the companies awarded contracts, as reported by newspaper O Estado de São Paulo with the headline “Company of plea bargainer in Operation Car Wash was subcontracted in train cartel scheme”, without mentioning that the “train cartel scheme” was set up to, according to the Swiss Office of the Prosecutor, overprice public works purchase and maintenance contracts for train and subway companies CPTM and Metrô in the state of São Paulo, ruled by the PSDB.

Had it not been investigated abroad, this case would have also been hidden under the carpet. With the aid of federal prosecutor Rodrigo De Grandis, the petition had been shelved and only resurfaced because the Swiss prosecution requested information on the case to the Ministry of Justice of Brazil.

**7) Companies donating to the São Paulo state PSDB office are State Government suppliers**

Likewise, it is also worth noting that PSDB donor companies in the state of São Paulo, governed by this party for 20 years, are also suppliers of the state administration and state-controlled companies (See table below).

Where the PT is at the head of the administration, whether municipal, state, or federal, legal donations by companies rendering services to the government are criminalized. Why don’t the press and the Electoral Justice treat donations made to the PSDB governments in the same way?

|  |  |  |  |
| --- | --- | --- | --- |
| **DONATIONS TO REGIONAL ELECTIONS – PSDB – SÃO PAULO**  **MADE BY COMPANIES WITH SERVICES CONTRACTS WITH THE SÃO PAULO STATE GOVERNMENT** | | | |
|  | **2010** | **2014** | **CONTRATANTE / BODY** |
| Cosan S/A | 300.000,00 | 3.800.000,00 | Detém 60% do capital da Comgás |
| Serveng Civilsan S/A Empresas Associadas de Engenharia | 1.100.000,00 | 3.250.000,00 | Controladora da CCR (AutoBan, Nova Dutra, RodoNorte e RodoAnel) |
| UTC Engenharia S/A | 700.000,00 | 2.900.000,00 | CPTM, DAEE, DER, Metrô |
| Construcap Cops Engenharia e Comercio S/A | 825.000,05 | 2.750.000,00 | CDHU, CPTM, DAEE, DAESP, DER, Dersa, Fund. Casa, Metrô, Sabesp |
| C R Almeida S/A Engenharia DE Obras | 1.000.000,00 | 2.670.000,00 | Metrô |
| Queiroz Galvão Alimentos S/A |  | 2.165.000,00 | Metrô |
| Construtora OAS Ltda. | 2.200.000,00 | 1.750.000,00 | CDHU, DAESP, DER, Dersa, Metrô, Rodoanel, Sabesp, Secr. Saúde, Secr. Pessoal com Deficiência |
| Tiisa Infraestrutura e Investimentos S/A |  | 1.030.000,00 | CPTM, DAEE, Depto. Hidroviário, EMTU, Metrô, Sabesp |
| Carioca Christian Nielsen Engenharia S/A | 846.700,00 | 800.000,00 | CPTM, DAEE, DER, Fund. Casa, Metrô, Sabesp |
| Construtora e Comercio Camargo Correa S/A | 3.150.000,00 |  | CDHU, Cesp, CPTM, DAEE, DER, Dersa, Eletropaulo, Metrô, Recursos Hídricos, Rodoanel, Sabesp |
| Galvão Engenharia S/A | 3.135.000,00 |  | Adm. Penitenciária, CPTM, DAESP, DER, Dersa, EMTU, Metrô, Sabesp. Administration Department |
| Mendes Junior Trading e Engenharia S/A | 1.610.000,00 |  | CESP, CPTM, DER, Dersa, Eletropaulo, Fepasa, Metrô, Sabesp, Administration Department |
| Fidens Engenharia S/A | 1.500.000,00 |  | DER |
| Construtora Queiroz Galvão S/A | 1.350.000,00 |  | Metrô |
| Constran S/A - Construções e Comercio | 700.000,00 |  | CPTM, DAEE, DER, Metrô |
| Construtora Andrade Gutierrez S/A | 500.000,00 |  | Cesp, CPTM, DAEE, DER, Dersa, Eletropaulo, Metrô, Sabesp |
| **TOTAL** | **18.916.700,05** | **21.115.000,00** |  |

**PART II**

FIGHTING CORRUPTION: **13 anti-corruption actions taken by the PT that are bringing an end to impunity**

Corruption is fought with concrete actions, rather than demagoguery. And no other administration took so many measures to increase transparency, curb corruption, and punish both corrupters and those corrupted, regardless of their political or social position, as the PT did. We have passed new legislation and set up new auditing bodies; we have strengthened the Police and the autonomy of the Office of the Public Prosecution. We took corruption from out of the drawers where it was concealed during the days the PSDB ruled the country. That is why corruption is coming to an end in Brazil.

**1) UNION’S OFFICE OF THE COMPTROLLER GENERAL (CGU)**

The CGU was created in January 2003, on the first day of the Lula administration, to oversee the use of federal resources, but has matured into a true Ministry of Transparency and Fight against Corruption. Since 2003, the CGU audited (by the drawing of lots, thus precluding political favoritism or persecution) the use of federal funds in over 2,200 municipalities. In partnership with the Federal Police and the Office of the Public Prosecution, the CGU organized 182 special operations in states and municipalities, not only investigating and punishing, but also preventing public funds from misappropriation. These operations resulted in 72 corrupt public employees being held accountable.

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**2) TRANSPARENCY** **PORTAL**

One of the most important actions by the CGU was the creation of the Transparency Portal of the Federal Government in 2004. Through the Portal, anyone can see, almost in real time, all the expenditures and payments made by the federal government by simply entering the name of the beneficiary of the payment. The tool also makes it possible to have access to outlays to states and municipalities, in addition to public employee salaries, on an individual basis, and to transfers to each beneficiary of a given public program, such as cash-transfer program Bolsa Família. The Portal has over 1.2 million hits a month, and was ranked by the UN as one of the world’s top five best practices against corruption.

**3) PUNISHMENT OF BAD PUBLIC EMPLOYEES**

In 2005 the CGU set in place a system of corrective and disciplinary measures, the [*Sistema de Correição*](http://www.cgu.gov.br/Correicao/), of the Federal Executive Branch, which tracks processes initiated (and to be initiated) in each ministry, thus ensuring actual investigation of wrongdoings carried out by civil servants. Thus, from 2003 to 2013, 4,577 federal public workers were exonerated, including high-ranking officials, for involvement in several cases of irregularities, and 3,078 (67%) for any corruption-related activity. The [Registry of Federal Government´s Dismissed Staff (CEAF)](http://www.portaldatransparencia.gov.br/expulsoes/entrada) provides the names of all public agents who have been dismissed from civil service since 2005.

**4) NATIONAL DEBARMENT LIST**

The CGU is not only concerned with wrongdoings committed by public employees. If corruption involves a corrupt person and a corrupter, we must act on both sides. Accordingly, in 2007 the CGU also started to apply sanctions against companies charged with unlawful actions against the State and created the [National Registry of Ineligible and Suspended Companies (CEIS)](http://www.portaltransparencia.gov.br/ceis/Consulta.seam), which lists companies sanctioned and that are, thereby, forbidden to execute contracts with the Federal Administration.

**5) ELECTRONIC BIDDING PROCESS**

The purchase of ordinary goods, products, and services was one of the most frequent practices of favoritism and corruption in the federal government. The PT administration closed that loophole for embezzlement in 2005, when a presidential order made it compulsory to hold electronic biddings for all such contracts. The order sets forth that every procurement notice be published on the Internet, where it is made available to previously registered suppliers who can make remote bids electronically. Electronic bidding ensures acquisition by the minimum price criterion, drastically reducing the likelihood of frauds in bidding processes.

**6) AGU AGAINST CORRUPTION**

The Office of the Attorney General of the Union (AGU) started to play a key role in facing corruption, taking up the role of legal arm of the Federal Government’s audit/control bodies in the struggle against corruption. By filing petitions, the AGU has been successful in recovering embezzled funds, thus ensuring effective recomposition of public assets. In 2011 alone, for example, 2,343 petitions were filed seeking to recover over R$ 2 billion in misappropriated funds for the public coffers. In 2012, the AGU succeeded in accomplishing the largest recovery of credits stemming from corruption with the return of nearly R$ 468 million embezzled from the construction of a Regional Labor Court in the state of São Paulo, plus managing to repatriate US$ 6.8 million from the bank account in Switzerland of former Judge Nicolau dos Santos Neto. And in 2013, 2,109 petitions were adjudicated seeking the recovery of R$ 1.05 billion.

1. **STRONGER COAF AND CADE**

The Financial Activities Control Board (COAF) started to monitor unusual financial transfers that may characterize money laundering or corruption and illicit enrichment practices, focusing specifically on public employees. This is yet another way of detecting signs of embezzlement and corruption with regard to federal public money. And the Administrative Council for Economic Defense (CADE) was restructured so as to strengthen its role in fighting cartels.

**8) FREEDOM OF INFORMATION LAW**

The Freedom of Information bill was submitted to Congress in 2009 by the then President Lula, and signed by President Dilma in November 2011. The Freedom of Information Law broke with the culture of secrecy that had governed the State for centuries, establishing that all information is, as a rule, public. The Law also established short deadlines for answers to requests for information made by the citizens, holding accountable civil servants who fail to meet them and fostering the release of data in open formats. Since May 2012, nearly 165,000 requests to access Federal Government information have already been submitted, with [98% of them answered](file:///C:\Users\Robert%20Stuart\Soraya\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\R5MV28LG\..-Library-Containers-com.apple.mail-Data-Library-Downloads-%22http:\--), on average, in 13 days (which corresponds to less than half the time required by law, which is 30 days).

**9) AGAINST THE CAPTURE OF THE STATE APPARATUS**

One of the most hypocritical accusations that those who oppose the PT is that in our administration the State machine was “captured”, that is, began to be occupied by people affiliated with our party. This is far from true, since the PT administration did exactly the opposite. In 2005, Order 5,497/2005 was enacted for the purpose of reserving 50% of DAS-4 positions and 75% of DAS-1, DAS-2, and DAS-3 positions to, formerly freely appointed, civil servants admitted by the examination system. This measure, unrivalled in the PSDB administrations, significantly reduced the room for appointments by exclusively political criteria. The PT hallmark in this regard is the strengthening of civil service staff by means of public examinations and the setting up of career plans and pay scales. Some 200,000 civil servants were selected and admitted through entrance exams.

**10) STRENGTHENING OF THE FEDERAL POLICE**

The PT administrations have strived to transform the Federal Police into a new institution, more republican and much more efficient. The Federal Police budget grew from R$ 1.8 billion in 2002 to R$ 4.7 billion in 2013. More than 3,000 agents have been admitted by public entrance exam. Between 2011 and 2013, the Dilma administration allocated R$ 400 million for the acquisition of motor vehicles, boats, helicopters, weapons, vests, and other items, which have further boosted the body’s efficacy. In 2012, 17 specialized precincts were created to fight against corruption and misappropriation of public funds.

From 2003 through 2014, the Federal Police conducted 2,195 operations, including long-term investigations and the mobilization of agents to conduct simultaneous multiple arrests, with a balance of 22,000 people arrested, more than 2,000 of them being civil servants. Contracts under investigation by the Federal Police amount to the record figure of [R$ 15.59 billion in public funds](http://blogs.estadao.com.br/fausto-macedo/desvios-de-recursos-publicos-repre). In the eight years of the PSDB federal administration, only 40 operations were carried out by the Federal Police, many of them frustrated by government measures designed to protect friends.

**11) FULL AUTONOMY FOR PUBLIC PROSECUTION**

The PT administrations were the first to acknowledge, in practice, the principle of autonomy for the Public Prosecution, respecting the nominations for the Office of the Prosecutor General of the Republic emanating from elections held by the National Association of Public Prosecutors. Despite their constitutional prerogative to freely appoint the head of the Office of the Prosecutor General of the Republic (PGR), former President Lula and President Dilma systematically appointed the first name of a three-name list elected by the prosecutors. The attitude of the PT administrations has ensured full political autonomy to the command of the PGR, positively impacting the institution as a whole. This is quite different from what used to happen, for example, during the PSDB administration, when Fernando Henrique Cardoso appointed, and reappointed, during his two terms in office a Prosecutor General that was politically committed to his group. The Prosecutor General of the PSDB administration dismissed 217 criminal inquiries involving government officials and shelved another 242, of a total of 626 petitions filed. Thus, he provided impunity to a number of friends of the government, in scandals such as the Pink Book and Sivam, among many others. That is why Geraldo Brindeiro was called, quite rightly, the ‘shelver’ general of the Republic.

**12) NEW LAWS AGAINST CORRUPTION**

The PT administrations worked in cooperation with National Congress to pass new legislation designed to increase the efficacy of the fight against corruption and impunity in the country. Among them, we should highlight:

**Anti-Corruption Law (Law 12,846/2013**)

For the first time legislation was introduced holding companies criminally accountable, paving the way for sanctions against those charged with bribery.

**New Money-Laundering Law (Law 12,693/2012)**

This law toughened the fight against this form of crime, which no longer required a previous wrongdoing for the enforcement of the law. It multiplied by 100 the fines of those found guilty.

**The Fight against Criminal Organizations law (Law 12,850/2013)**

It introduced new and more efficient practices in investigating criminal organizations, regulating agreements with defendants who decide to cooperate with Justice (plea bargaining).

**Conflict of Interest Law (Law 12,813/2013)**

Penalizes, within the federal civil service, conducts like the use of insider information, the exercise of activities not fit for office, and the granting of undue benefits to individuals.

**13) NEW BILLS AGAINST CRIME**

In addition to the new laws already in effect, in March President Dilma Rousseff submitted to National Congress a package with five new fronts of fight against wrongdoings:

**Bill punishing illicit enrichment of civil servants;**

**Bill providing for the loss of assets obtained illegally;**

**Extending the Clean Slate Law to appointments to positions of trust in the three branches of government;** and the

**Bill criminalizing electoral unregistered funds.**

Without this set of measures – the new laws, the strengthening of the Federal Police, the Office of the Comptroller General’s actions, and the Transparency Portal – it would not have been possible to see many of the anti-corruption operations we see on TV and in newspaper headlines. It was not corruption that increased in the country. It is crime enforcement that has become more effective, and visible, thanks to the measures adopted by the PT administrations, the party that has fought the most against corruption in Brazil.

The Brazilian population can distinguish the party as a whole from the misconduct of some individuals. Every PT militant must spread, with head held high, all we have done to fulfill the commitment to fight corruption wherever it occurs. As President Dilma Rousseff said,

“*What embarrasses a country is not to investigate and disclose. What may embarrass a country is not fighting against corruption, it is sweeping things under the carpet. Brazil has already gone through this in the past, and Brazilians no longer accept hypocrisy, cowardice, or connivance”.*

**PART III**

OPERATION CAR WASH AND PETROBRAS

It is precisely because of the aforementioned anti-corruption measures implemented by the PT administrations that it has become possible to investigate, try, and sentence those responsible for corruption scandals in our country.

It seems proven that in Petrobras there was an outside scheme designed to systematically bribe staff members. A BBC news report released on November 29, 2014 recalled reports of corruption in Petrobras involving company executives made by journalist Paulo Francis **in October 1996**, who denounced, “*All of the Petrobras executives put their money there (Switzerland). There are accounts holding up to US$ 60 million...”* At the time, Fernando Henrique Cardoso, of the PSDB, was the President of the Republic. According to the report, FHC became aware of the denunciation. Even so, nothing was done to investigate the case. Neither the press, nor Geraldo Brindeiro, the Prosecutor General of the Republic (who became known as the ‘shelver’ general of the Republic), investigated the case. Journalist Paulo Francis, however, was sued. The Petrobras executives, among whom were the company’s CEO, Joel Rennó, asked for an indemnification worth US$ 100 million. Francis got very worried, and died of a heart attack four months after the denunciations. After his death, the petition filed against him in the United States judiciary was closed.

Since the inception of Operation Car Wash, the key operators of the scheme have testified that they had begun operating during the FHC administration. The notorious Pedro Barusco confessed he demanded million-dollar bribes back in 1997. During the same period, Alberto Youssef operated US$ 56 million in bank account “*Conta Tucano*”, the electoral campaign accounts of Fernando Henrique Cardoso and José Serra. But the Task Force and Judge Sérgio Moro refuse to investigate the PSDB’s *Petrolão* scandal. Globo TV channel reporters were expressly prohibited from mentioning the connections between FHC and Operation Car Wash. Denunciations, only against the PT.

1. **Criminals started acting during the FHC administration**

In a deposition to the Federal Police on November 21, 2014, former Petrobras Services executive manager Pedro Barusco said he had received bribes in exchange for contract approvals since 1997 or 1998. That is, still during the Fernando Henrique Cardoso administration.

The first bribery payment Pedro Barusco states to have participated in concerns two contracts signed with Dutch company SBM in 1997. According to him, the payment of bribes was "an initiative taken by both sides and became systematic after the signing of the second FPSO [oil vessel] contract, signed between SBM and Petrobras in 2000".

On the same November 21, in a deposition to the Federal Police, Fernando Antonio Falcão Soares, aka Fernando Baiano, pointed as the PMDB’s operator in the Petrobras bribery scheme, stated that he had started to make deals with the state-owned company still during the Fernando Henrique Cardoso administration, in 2000. “Around 2000, still during the Fernando Henrique Cardoso administration, I signed a contract with a Spanish company, Union Fenosa, for the maintenance of thermoelectric [plants]”, he stated.

Fernando Baiano said he had met Nestor Cerveró, former executive for the International Area, “still during the Fernando Henrique administration”. At the time, according to him, Cerveró was a Petrobras manager.

All the former Petrobras executives investigated in Operation Car Wash– Pedro Barusco, Nestor Cerveró, Paulo Roberto Costa, and Renato Duque – were top officials in the oil state-owned company during the FHC administration. Yet, as Judge Sérgio Moro states, “that doesn’t matter”.

[http://www.cartacapital.com.br/politica/ex-gerente-da-petrobras-afirma-receber-propina-desde-1997-7713.html](http://www.cartacapital.com.br/politica/ex-gerente-da-petrobras-afirma-receber-propina-desde-1997-7)

[http://politica.estadao.com.br/blogs/fausto-macedo/operador-do-pmdb-diz-a-the Federal Police-que-doleiro-pediu-doacoes-de-campanha/](http://politica.estadao.com.br/blogs/fausto-macedo/operador-do-pmdb-diz-a-pf-que-doleiro-pediu-doacoes-de-campanha/)

**2) Construction cartel was formed during the FHC administration**

Testifying before Justice on February 9, 2015, businessman Augusto Ribeiro de Mendonça Neto, owner of oil and gas company Setal Óleo e Gás, stated that a group of nine construction companies was formed to rig the results of bidding processes in Petrobras in the mid-1990s, again during the FHC administration.

According to Mendonça Neto, these companies and Petrobras set up a working group to discuss and improve contract conditions. In the leniency agreement signed with anti-trust agency CADE, Setal executives referred to cartel meetings in a hotel on Campinas Boulevard, in São Paulo, in 2001 and 2002.

*"The companies, for the sake of protecting themselves, made a deal not to compete against each other. On the same occasion there were nine companies and they agreed not to compete. Each one chose a given works contract on the basis of a future market vision and, when it was this company’s turn, the other companies agreed to submit higher tenders"*, stated Augusto Ribeiro Mendonça Neto in a plea bargaining deposition.

1. **During the PT administrations, there was no overpricing in contracts signed between Petrobras and the construction companies being investigated, nor was there fraud in bidding processes**

A very important piece of information, which was neglected by the big press and investigation agencies, is that the funds for the bribes paid to the admittedly guilty defendant-informers Paulo Roberto Costa and Pedro Barusco were taken from the profits of the companies under contract. No additional amounts came out of Petrobras coffers. On April 9, 2015, guilty-pleading defendant and plea bargainer Paulo Roberto Costa clarified some information he had previously provided, “*This is not a change in the plea bargain”.* *“This was not very well explained before”,* says Paulo Roberto Costa’s attorney, according to newspaper Folha de S. Paulo.

The version that the funds for the bribes paid to staff members and for the donations to the parties were taken from the earnings of the companies under contract is the same version present in the depositions by the businessmen. *“There was no way there could be overpricing”*, said executive Augusto Mendonça Neto, of Setal Óleo e Gás, one of the companies investigated by Operation Car Wash, testifying before the Petrobras congressional probe committee on April 23, 2015.

On April 9 and 23, 2015, two informers and guilty pleaders were adamant when stating there had not been overpricing in the contracts between the companies and Petrobras. The same remark was made by the Office of the Advocate General of the Union (AGU). To deputy advocate-general Fernando Luiz Albuquerque, *“in some cases, it becomes very difficult, especially in the Car Wash cases, to speak of overpricing. Petrobras own bodies understand that in determining prices international quotation tables were used, there was a thorough study, and there was no overpricing. The inexistence of overpricing is argued even before the Federal Court of Accounts”.*

Guilty-pleading defendant, informer, and former manager Pedro Barusco also stated that there was no overpricing. On March 10, 2015, testifying before the Petrobras congressional probe committee, when an attempt was made to lead him to talk about how overpriced the contracts were, he said, *“You see, that is a delicate issue because, in my assessment, there was no overpricing since the contracts were signed within regular limits, the company’s procedural limits”.*

Barusco explained that Petrobras has a department that makes budget forecasts as if the company itself were to carry out the works contracts. The prices set by companies winning the bidding processes can vary, upwards or downwards, between 15% and 20% from Petrobras’ own estimate. If the amount is much too lower than the estimated amount, Petrobras knows that the company will not be able to fulfill the contract. If much too higher, it knows there is overpricing. *“Imagining that there is overpricing inside Petrobras... There is no such situation”,* said informer and guilty-pleading defendant Augusto Mendonça testifying before the Petrobras congressional probe committee before he explained how the company’s price control mechanism works, *“It is very difficult for Petrobras to make a mistake in its price estimates that will make it possible for the company to allow for overpricing. So, when Paulo Roberto said that the payment of these commissions came for the company’s profit, that’s a fact, that’s what happened. No one had the opportunity to be able to increase their price to be able to pay the commission”.* [...] *“Because it (Petrobras) only opens the detailed proposal of the winning bidder. When it opens the detailed proposal, it compares it, item by item, with the Petrobras internal proposal. And when it finds discrepancies, it wants the company to reduce its price. So, in a situation like that, we cannot say that there is overpricing”.*

Both Pedro Barusco and Augusto Mendonça state that the same negotiation process was done when contract additions were needed. Each point was discussed to exhaustion with the Petrobras technical team. Mendonça even came to state that, oftentimes, the companies subcontracted by Petrobras ended up having to shoulder losses, as in the case of strikes and the fact that they led to deadlines being missed and generated pay raises.

**4) To Judge Sergio Moro, proving is irrelevant**

If there was no overpricing, one cannot speak of a Petrobras loss. But to Judge Sergio Moro it is “irrelevant” to prove if there was overpricing or not of the prices set in contract and paid by Petrobras. Moro dismissed the petition filed by construction company OAS requesting that forensic accounting be used to determine whether there had been overpricing in oil refineries Abreu e Lima, in Pernambuco, and Presidente Getúlio Vargas, in Paraná. According to a report released by the Uol Portal, with information from news agency Agência Estado, the judge said that *“whether prices were or not in line with the market this would not wipe away the wrongdoings, as there would have been cartel formation and bid rigging...”*

Yet, neither was there any bid rigging, as stated by informers Paulo Roberto Costa, Pedro Barusco, and Augusto Mendonça, among others. According to them, Petrobras provided no incentive, or easier terms, for procuring services or products. Testifying before the Petrobras congressional probe committee, Barusco said, “I find Petrobras’ governance good [...] governance of the bidding processes is very strict, no bid is leaked [...] I don’t think the problems lie in the tender committees. ”

The fact is that Petrobras contracts are carried out in compliance with Order 2745/98, as Petrobras explains, *“Companies taking part in our bidding processes must provide evidence of their legal qualification, technical skills, economic and financial qualification, and tax compliance. The Decree establishes, as bidding modalities the competition, price inquiring, call for tender, contest, and auction, and all these modalities ensure competitiveness. The winning bid is always the one that offers us more advantageous conditions in the procurement of services, supplies, and works contracts.*

*Tender exemptions and waivers can only take place in and may occur in situations provided for by the law, such as emergency cases, exclusiveness, recognized expertise, technology transfer, and other items.*

*Therefore, it is incorrect to state that we enter into contracts without a bidding process, when we lawfully comply with what is provided for in the legislation in effect regulating our contracting activities. Or, moreover, it is misguided to establish any kind of illation between utilization of Decree Law 2745 and the final costs of our works contracts.”*

**5) Wrongdoings AT Petrobras, not BY Petrobras**

Some people may ask themselves, “Why were funds returned in such unprecedented amounts?”

Because Petrobras staff members admitted to having received bribes from contract companies and, even though the bribes were paid with the profits of the contract companies, the practice is forbidden by the Civil Service Rules and Regulations. Employees who receive ‘incentives’ of any kind from companies delivering services or supplying products to state-owned companies are committing a crime. And also because, today, the law provides for the repatriation of the proceeds of corruption held in bank accounts abroad.

Staff members committed crimes. But, during the PT administration a bill was passed providing for the punishment of not only corrupt employees, but also of those who corrupt these employees, the corruptors, whether they are companies or individuals. Thus, businesses and businesspeople who gave the ‘incentives’ to Petrobras staff must also be punished. They have also committed a crime. But, it must be clarified that the crimes were committed AT Petrobras and NOT BY Petrobras.

The employees and businesspeople who were indicted for these crimes seek, in every way possible, to reduce their sentences. Thanks to Judge Sergio Moro, some of these criminals have already been benefitted, and have either been released or, at most, are serving home sentences after their plea bargaining agreements. That is so because Judge Sergio Moro and his “team” of Federal Police chiefs and Paraná-based Federal Public Prosecutors do all they can (even providing amnesty to guilty-pleading criminals) to hit the PT. They do not want to detect crimes and end with corruption. The aim is to harm the image of the PT and of its administration.

PART IV

**Public Prosecution and Federal Police actions: State Institutions, not an Administration’s Institutions**

The Workers Party believes that the autonomy of the Federal Public Prosecutors and of the Federal Police is beneficial to ensure the democratic system. What’s more, it invested in infrastructure, both material and physical, and human, to enable the actions of these bodies. Throughout their existence, they were not always treated the same way.

**1) Tucano Account: Youssef was the PSDB’s black market currency dealer since 1996**

A report by Federal Police tax evasion experts on Paraná state-owned bank Banestado showed that, in 1996 and 1997, black market currency dealer Alberto Youssef transferred US$ 56 million to an account in the former Chase Manhattan Bank, of New York. The camouflaged account, by the number of 310035, was identified in the bank as the Tucano Account. No wonder: its Brazilian operators were intermediaries for Ricardo Sérgio de Oliveira, pointed as the actual treasurer of the FHC and José Serra electoral campaigns.

Before arriving at the Tucano Account, the dollars passed by a number of Youssef’s Uruguayan and Paraguayan patsies on their way to the Banestado branch in New York City. The report of the experts, drafted in 2002, the last year of the FHC administration, was shelved by the then Federal Police general director, Agílio Monteiro, an affiliated PSDB member.

The PSDB’s secret account, supplied with Alberto Youssef’s dollars, was only revealed by a news report by magazine IstoÉ in 2003. The whole plot, however, was known by the Task Force prosecutors and by the federal judge who investigated the Banestado case: the same working today in Operation Car Wash. Why don’t they want to investigate the relationship between illegal currency dealer Youssef and the PSDB’s campaign fund? It doesn’t matter?

<http://www.istoe.com.br/reportagens/detalhePrint.htm?idReportagem=17020&txPrint=completo>  
  
 **2) Youssef and Sérgio Moro: together again in 2014**

It is worth noting that, in the Banestado case, Alberto Youssef entered into a plea bargaining agreement, while the judge in charge of the case was Sergio Moro. Alberto Youssef broke the plea bargaining agreement he had entered into in the Banestado case by once again laundering money as a currency dealer. He relapsed, something forbidden by the plea bargaining agreement. However, a new plea bargaining deal was accepted by the same Judge Sergio Moro, now in Operation Car Wash. It is worth underscoring that several jurists question the legality of a new plea bargain of a “collaborator” who failed to keep a previous agreement.

Another point in the relations between Youssef and Sergio Moro was the judge’s decision in 2010, in an inquiry started by the Federal Police, to declare himself not fit to investigate the assets illegally acquired by Youssef with the Banestado money-laundering transactions, as informed by newspaper O Estado de S. Paulo. *“The Federal Police filed a petition for the purpose of starting investigations into the currency dealer’s hidden assets ‘based on an alleged statement by Alberto Youssef that he had earned twenty five million reals in his illicit activities’”*. That is, Judge Sergio Moro refused to investigate the assets illegally acquired by Youssef.

Time went by, but the Banestado case was poorly explained, so much so that the case’s Joint Congressional Probe Committee failed to produce a conclusive report.

**3) The “investigators”, the PSDB and the PT**

A word of warning is needed here: Judge Sergio Moro did not proceed with inquest 3404, filed with the Supreme Federal Court (STF) to investigate reported electoral crimes committed by PSDB lawmaker Cássio Cunha Lima (PSDB-PB). According to a source, the inquest was assigned to Moro in 2012 by STF Justice Rosa Weber. Moro was Rosa Weber’s assistant in Penal Action 470 (“Mensalão”).

Today we have Operation Car Wash, conducted in the same jurisdiction of the Banestado case, where the following civil servants are members of the Task Force:

* 1. Federal Prosecutor Carlos Fernando dos Santos Lima: when serving in Curitiba, he received and kept shelved, since 1998, the highly detailed dossier on the Banestado case, and a list with 107 people involved in the criminal complaint on the remittance of US dollars via the New York branch. In the episode there was what in legal terms is called the abstention doctrine, since the prosecutor is a party to the case. His wife, Vera Lúcia dos Santos Lima, worked at the Account Opening Department of the Foz do Iguaçu Banestado branch.
  2. Federal Prosecutor Deltan Dallagnol: At a “preaching” in an evangelical church, introduced as “servant” and “brother”, he said he believed that God cooperates with Operation car Wash. He said that, in his “Christian worldview”, God is providing a “window of opportunity for changes” and asked for support to and signatures for a bill initiated by the Public Prosecution authorizing the use of “special methods of investigation”, while also calling those present to a rally due on August 16 seeking the impeachment of President Dilma Rousseff, a clear political statement. Yet, in a story published by magazine Época, Dallagnol tries to hide that facet of his by stating that *“our action is not political. We will not associate with that, lest our action be misinterpreted”*.
  3. Federal Police chief Igor Romário de Paula used social networks during the 2014 electoral campaign to praise Senator Aécio Neves, the PSDB candidate, and attack former President Lula and his successor, Dilma Rousseff, who was running for reelection. He even shared electoral advertising of the then PSDB candidate, which reproduced leaks of the plea bargaining agreement that were under justice secrecy. *“He’s the man!!!!”,* he commented about a montage with several photos of Aécio in which he appears next to different women. Igor Romário de Paula is part of a Facebook group called Anti-Corruption Organization, *Organização de Combate à Corrupção* in Portuguese, whose symbol is a caricature of Dilma, with two big incisor teeth protruding from her mouth and covered in a red banner on which it is written “PT out!” This group proclaims itself an institute that aims to show to people that “communism and socialism are a great evil that threatens society”. On the eve of the 2014 presidential election, he also shared a link of British magazine *The Economist* defending a vote in Aécio. The news story read, “Voters should ditch Dilma Rousseff and elect Aécio Neves”.
  4. Federal Police Chief Márcio Anselmo: He declared, *“Can someone stop this idiot, please”*, about a news story whose title was “Lula compares the PT with Jesus Christ”. He also spoke on the writs of habeas corpus filed in court in favor of those investigated. *“Let’s now see if the STF will stand firm or if it is going to danieldantar (give up)”*, in a reference to banker Daniel Dantas, who had his arrest revoked by the STF in 2008.

In this setting, Operation Car Wash is being conducted by civil servants who have publicly expressed their political positions. These are State public institutions, not an administration’s public institutions. With these “investigators”, this distinction is blurred.

**PART V**

**THE COUP-PLOTTING MEDIA: PROTECTION FOR THE PSDB, LIES AGAINST THE PT**

**1) Globo TV channel forbids mentioning FHC in Car Wash news stories**

The scandalous wall of silence on the PSDB’s *Petrolão* graft is not limited to the Task Force and to Judge Sergio Moro. On February 7, 2015, when the first stories about the cartel and bribes in the FHC administration had already become public, Globo TV network prohibited any mention to the former PSDB president on its news programs covering Operation car Wash. The order was sent by email by the director of journalism division Central Globo de Jornalismo, Silvia Faria, and addressed to the heads of the network’s news reporting area. Here’s the text,

*“Subject: Remove excerpt that mentions FHC from the VTs (video tapes) on Car Wash.*

*Mind the orientation.*

*Sergio and Mazza: check the VTs attentively! We must not allow any to be aired mentioning Fernando Henrique. ”*

Journalist Luis Nassif obtained a copy of the email message and disclosed the Globo order on news site GGN. The news was never challenged; nor was the email’s authenticity. Why does Globo protect FHC and only divulge “denunciations” that may implicate the PT? The people are not fools...

[**http://observatoriodaimprensa.com.br/jornal-de debates/\_ed838\_os\_escrupulos\_jogados\_as\_favas/**](http://observatoriodaimprensa.com.br/jornal-de%20debates/_ed838_os_escrupulos_jogados_as_favas/)

**2) How FHC tried to destroy Petrobras: THIS YOU DON’T SEE ON GLOBO!**

No other administration caused so much damage to Petrobras as that of PSDB’s Fernando Henrique Cardoso. In 1993, when he was still Itamar Franco’s Minister of Finance, FHC slashed 54% of the company’s investment budget for the following year. The cuts affected mainly the R&D areas. This was the first step toward a dismantling that aimed at privatizing Brazil’s largest company.

In his first year in office, FHC led the process to end the State’s monopoly on oil, which had been in effect since 1953, and the distribution of piped gas. Pursuant to the concession model set in place, Petrobras was forced to compete at a disadvantage with foreign companies to explore the oil the company had discovered over four decades of research and investment.

Also in 1995, FHC obliged Petrobras to concentrate its efforts on the construction of the Brazil-Bolivia gas pipeline, as he sought to meet the interests of foreign companies Repsol and Enron, which controlled the production of gas in the neighboring country (later nationalized in the Evo Morales administration). Besides preventing Petrobras from expanding, FHC delayed the construction of hydroelectric power plants, which would cause the 1999/2000 blackouts.

In an escalation of disastrous business deals, in December 2001 the PSDB’s Petrobras handed over a gas station chain, part of an exploratory field, and 30% of a refinery in the state of Rio Grande do Sul –Refaz– to Spanish group Repsol, in exchange for assets in Argentina. Petrobras gave up US$ 3 billion in Brazil in exchange for US$ 750 million in Argentina, days before the big crisis that halved the value of everything in that neighboring country.

In light of these figures, what does the alleged, yet never proven, loss stemming from the purchase of the Pasadena refinery mean?

The dismantling of the company during the FHC administration is at the root of the two greatest disasters in the history of Petrobras: the sinking of Platform P-36 in March 2011, which cost the lives of 11 oil workers and caused a loss of US$ 350 million at the time; and the oil spill of 1.3 million liters in the Guanabara Bay in January 2000, the biggest environmental tragedy in the country’s history.

Even without succeeding in privatizing Petrobras, which had always been his goal, FHC sold for a trifle more than half of the company’s shares in possession of the Union, that is, sold shares that belonged to the Brazilian people. The handing over of these assets took place at an auction at NYSE in August 2000: 108 million shares of the Brazilian state-owned company were now stakes in the hands of foreigners, without any benefit for the company or the country.

None of this was ever investigated. No one was punished. And even so the PT administration managed to recover the company, regain share control for the Union, make the biggest discovery of oil of all times, the pre-salt deepwater oil reserve, double Petrobras’ production, and transform it into the world’s top publicly-held oil producing company.

Who was it really who tried to destroy Petrobras?

Learn more about this here:

<http://cartamaior.com.br/?/Editoria/Politica/Os-dez-estragos-de-FHC-na-Petrobras/4/15088> and here:

[**http://www.brasil247.com/pt/247/rs247/133838/Neg%C3%B3cio-mais-pol%C3%AAmico-da-Petrobras-vem-da-era-FHC.htm**](http://www.b)

**3) The first shams against the PT: shots in Leme and Abilio’s kidnapping**

The PT was born against the will of the powerful and, because of that, it was always persecuted and calumniated by the big media at the service of the most backward sectors. Lies, factoids, frauds, shams, and a systematically negative bias mark the way the media treated the PT. Persecution increased as our government showed it had come to change, and that we could, yes, build a better and fairer country. See below the history of lies against the PT.

**3.1)** In Leme, in upstate São Paulo, in July 1986, a bus with 43 sugar cane workers tried to break through a picket line and was fired upon from a car. Two workers died and many were injured. Two police reports were attached to the suit, one of them accusing the PT. At the time, the president of the Republic, José Sarney, the Chief of Staff, Marco Maciel, the Minister of Justice, Paulo Brossard, and the head of the Federal Police, Romeu Tuma, held the PT publicly accountable for what had happened. The investigations failed to produce anything that might link the PT to the attack. Check it out on page 4 of

<http://acervoprojetos.cloudapp.net/arquivobr/acervo/brtdocs/IVO-00365/163.pdf>

**3.2)** Another sham was set up in December 1989, when a group kidnapped and held businessman Abílio Diniz captive for one week. In the photographs released the kidnappers are seen in PT T-shirts, while the police said that PT campaign materials had been found in their possession. The photos were released on the eve of the 1989 second round run-off presidential elections. Later, the defendants said that they had had their clothes torn at the moment of their arrest, and that they were forced to wear the PT T-shirts. See at: [http://www.redebrasilatual.com.br/blogs/blog-na-rede/2010/09/em-1989-sequestro-de-abilio-diniz-foi-relacionado-ao-pt-e-desmentido-logo-apos-eleicoes-mostra-pesquisa](http://www.redebrasilatual.com.br/blogs/blog-na-rede/2010/09/em-1989-sequestro-de-abilio-diniz-foi-relacionado-ao-pt-e-desmentido-logo-apos-el)

**4) Globo: for dictatorship, against the PT and the people**

The largest broadcasting group in the country grew in the shade of the military dictatorship, undermined the Direct Elections Now campaign, and manipulated the last presidential debate in 1989 to stop Lula from being elected. In every electoral campaign since then, Globo TV network scandalously favored PSDB candidates.

In 2002, Globo fueled an economic and political atmosphere of terror in face of Lula’s likely win. In 2006, on the eve of the first round, it hid the biggest air crash in the country’s history to highlight on news program Jornal Nacional the factoid surrounding the ambulance dossier (a denunciation against former minister José Serra changed into a PT scandal). In 2010, it created the paper ball sham, the ridiculous “attempted attack” against a desperate Serra. And in 2014, on the eve of the second round, it reproduced magazine Veja’s lie-ridden story based on a false testimony by black market currency dealer Alberto Youssef against Lula and Dilma.

The safe haven the PSDB finds in Globo Network can be accounted for by at least two measures taken by the FHC administration in favor of the broadcasting group. In 1997, when Congress passed the reform that enabled Fernando Henrique’s reelection, the TVs and radio stations, despite their being government concessions, won the “right” to charge the government for the time allocated for the political parties’ advertising and electoral campaigns. By 2012 this legal aberration had caused a bleeding of R$ 4.2 billion to the public coffers, mostly channeled to Globo.

In another scandal favoring the Globo Organizations, in 2002, the FHC administration asked national development bank BNDES to invest R$ 361 million (in 2002 values) to Globo subsidiary NET Serviços, through BNDESPar. The operation was designed to save Globo from bankruptcy, since the company was in default with its international creditors as a result of unsound investments. The Federal Court of Accounts (TCU) challenged all the procedures adopted, but it was too late, as the deal had already been struck.

Presently, Globo is on the frontline of the lies and attacks against our brother Lula, and aligned all of its outlets (newspaper O Globo, TV Globo, magazine Época, radio station CBN, the G-1 Portal, and others) to amplify factoids and false accusations, in complicity with bad Federal Police agents and notoriously biased Federal Prosecutors.

**5) Veja against the PT: a pathological case**

No other media produced so many lies against the PT like magazine Veja, published by Abril, which was also favored by government contracts during the FHC administration. The sequence of shams reached its climax during the Lula administration, when the magazine splashed delirious and irresponsible accusations on its covers of the likes of imaginary liaisons between the PT and the Colombian FARC; fake bank statements of nonexistent bank accounts abroad that allegedly belonged to Lula and his ministers; a rocambolesque and nonexistent dollar-smuggling scheme from Cuba to the party, among other criminal covers. Of the 30 covers focusing on the PT published in the three first years of the Lula administration, 26 were negatively biased or were simply deserving of criminal charges.

Since the beginning of Operation Car Wash, Veja published six misleading cover stories in which it tried to associate Lula’s name with the graft in Petrobras. All of them false and all of them repeating the same method: attributing to plea bargaining criminals the authorship of classified testimonies involving the former president. One of these covers was widely publicized on the eve of the presidential run-off election and was only acknowledged as false after the election. The lie was always the same; they only changed the name and the photograph of the alleged “informer”.

Veja’s pathology in relation to the PT has become the subject of academic papers in Political Science and Social Communication. See here: [http://www.viomundo.com.br/denuncias/o-maior-fenomeno-de-anti-jornalismo-Brazil.html](http://www.viomundo.com.br/denuncias/o-maior-fenomeno-de-anti-jornalismo-brasil.html) and here: [http://jornalggn.com.br/sites/default/files/documentos/fabio\_jammal\_makhoul\_1.pdf](http://jornalggn.com.br/sites/default/)

**6) Persecution without moral limits: yellow fever and Gol airliner crash**

The persecution by the Brazilian press against Lula and the PT is limitless, and includes lies about the private lives of our leaders, as well as spreading panic among the population with false news stories, such as that of a nonexistent yellow fever epidemic, a criminal act carried out by newspaper Folha de S. Paulo in 2002. Check it out here: [http://jornalggn.com.br/blog/luisnassif/surto-que-nao-houve-e-mortes-por-vacinacao-desnecessaria](http://jor)

Yet, few episodes in world press history can match the front-page article published by newspaper Folha de S. Paulo on July 19, 2007 calling Lula a murderer for a plane crash that, as would be proven during the investigations, was caused by a string of flaws that had no connection whatsoever with the government. Check it out here:

<http://acervo.folha.com.br/fsp/2007/07/19/2>

In what is likely to go down in history as its worst phase, Brazilian journalism cares not for facts. It only wants to attack the PT and our leaders – all at the service of the powerful and the most backward sectors of society.