

Overview of Data

Brazil poses a moderate to high levels of third-party corruption risk. Brazil scores below the global averages on all key measures of governance and control of corruption. Despite relatively accessible public records and an active press, desktop research may not be sufficient for due diligence investigations due to a history of endemic corruption. Public procurement, consulting, energy, and pharmaceuticals and medical industries pose clearly elevated risks that will typically require more advanced investigations. 22 FCPA cases indicates elevated but not extreme levels of enforcement.

Corruption and Governance Indicators	Brazil	G7 Average
Transparency International Corruption Perceptions Index	37	73
World Bank Control of Corruption Score	38	87
World Justice Project Rule of Law Score	53	76
Major Correlates of Corruption		
Nominal GDP Per Capita Percentile Rank	62	89
World Bank Government Effectiveness Score	48	89

**All indicators are scores/100 or are percentile ranks, 100=best. Some scores have been adjusted accordingly. 1-33 34-66 67-100*

Transparency International Corruption Barometer (2019)	Brazil
Think Corruption has increased in previous 12 months	54%
Paid a bribe for public services in the previous 12 months	12%
Thinks corruption levels have increased in the last 12 months	54%
Thinks the government is doing a good job of fighting corruption	48%

Illustrative FCPA Cases (as reported)

Total FCPA Enforcement: 22 Cases

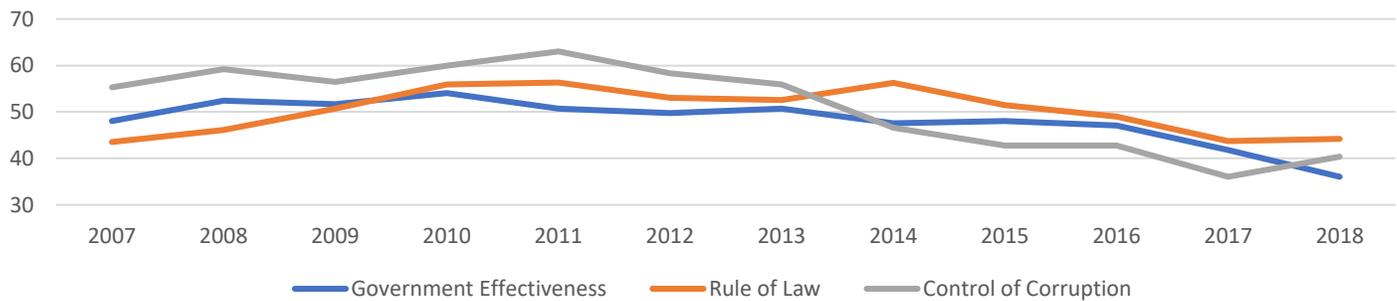
- **Odebrecht**— Brazilian infrastructure firm Odebrecht was thought to have established an entire division for distributing USD 788 million in bribes to secure contracts throughout Latin America for reported profits of over 3 billion. The scheme has contributed to major political disruptions in Brazil, Peru, and other countries.
- **Keppel Offshore and Marine**— Allegedly bribed Petrobras officials and made payments to a political party to secure offshore contracts.
- **Tyco**— Acquired a water/wastewater services firm reportedly despite due diligence revealing the likelihood of bribery in its operations.
- **Nature's Sunshine Products**— A manufacturer of nutritional supplements allegedly bribed customs officials to circumvent regulations.

Information Accessibility and Transparency

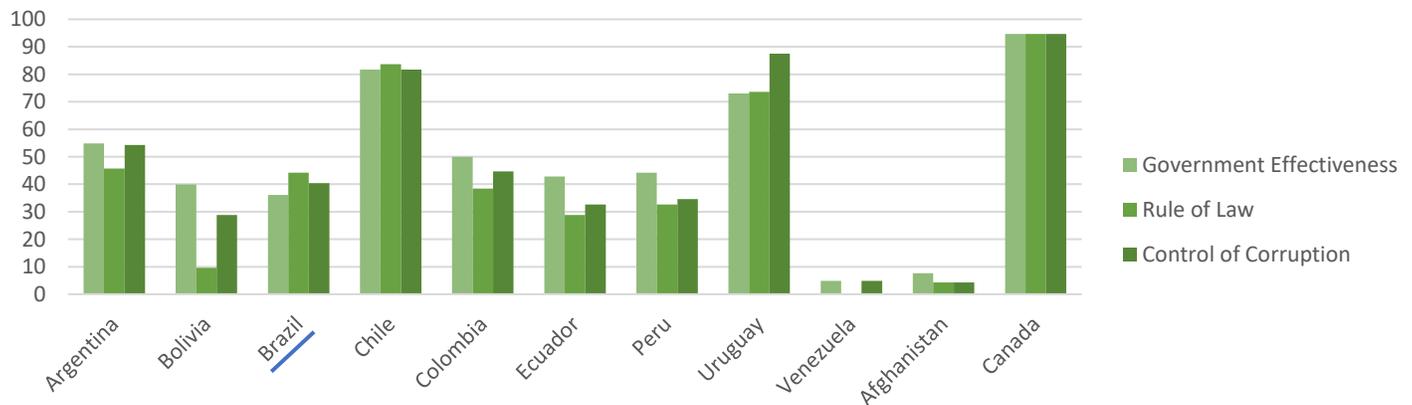
Availability of Records	●	Corporate registries are updated and easily accessible electronically. Litigation searches can be conducted electronically in most cases. However, case details are typically not disclosed to outside parties.
Freedom of Press	●	Reporters without Borders rank 105/180 (180=worst) Freedom House score 47/100 (100=least free)
Language Accessibility	●	Portuguese is machine translatable with reasonable accuracy. All records are in Portuguese. Other languages are unlikely to be a factor in research or investigations.
Financial Disclosure	●	Tax Justice Network Financial Secrecy Score 49/100 (100=most secret).

● Poor ● Moderate ● Accessible

Trendlines—World Bank Worldwide Governance Indicators (100=best)



Country Comparison—World Bank Worldwide Governance Indicators (100=best)



Context: Corruption in Brazil

(global median ~ 50)

Corruption in Brazil is a pervasive and widely recognized problem. Corruption affects all sectors of industry and all areas of public administration in Brazil. Pricing collusion with government complicity is a common issue in public contracts. The country has reasonable anticorruption laws on the books but features a high rate of FCPA enforcement and numerous major scandals. These include the Odebrecht case, one of the biggest corruption cases in history, and the corruption probe dubbed “Operation Car Wash” that revealed pervasive high-level corruption in public procurement. These scandals have resulted in the impeachment of President Dilma Rousseff and the imprisonment of former President Lula da Silva. While these developments demonstrate the recent strength of enforcement activities in Brazil, there are some indications that the anticorruption push is losing intensity. Areas of concern for bribery outside of public procurement include marketing and consulting, meat and poultry production, construction, and customs clearance.