The Brazilian Experience in Fighting Corruption

JORGE HAGE
Minister of State
Head of the Office of the Comptroller General of Brazil

Beirut, Lebanon, April 2013
Main Challenges in the Fight against Corruption

1. Lack of an **anticorruption tradition**

2. Almost **no relevant** initiative in terms of **transparency**

3. High **resistance to openness** in the Public Administration

4. Absence of a **specific agency** dedicated to anticorruption

5. **Continental dimensions** of the country

6. **Federative system** of government

7. Highly problematic **political system**
Main Challenges in the Fight against Corruption

8. Need to forge political coalitions to ensure governance

9. Bureaucratic and slow judicial system, resulting in a sense of impunity

10. Isolationism of domestic institutions

11. Low degree of citizen participation in monitoring public expenditure

12. Widespread idea in the private sector that fair play was a competitive disadvantage

13. Private financing of political parties and campaigns

14. Difficulty to reach subnational governments
The Office of the Comptroller General - CGU

- CGU established in 2003

- Established and structured as an agency specifically tasked with preventing and fighting corruption – working in coordination with other partner institutions
The Office of the Comptroller General

CGU:

Anti-Corruption Agency of the Brazilian Federal Government

+ Internal Control Unit

• Internal Audit
• Disciplinary Actions
• Ombudsman
• Corruption Prevention
Brazil: A Country of Continental Proportions

Office of the Comptroller General of Brazil
CGU

Land: 8.5 million km²
Population: 190 million
President in all States
$268.9 billion in public servants
Municipalities: 5,570
Budget: $35.3 billion

DF: 1.246
Partnerships with other Institutions with Anticorruption Mandates

1. Federal Police
2. Federal Public Prosecution
3. Financial Activities Control Council (Financial Intelligence Unit)
4. Office of the Attorney General
5. Federal Court of Accounts
6. Public Ethics Commission
7. Internal Control Bodies of states
Main audit actions (internal control)

– Control of the Federal Government's direct spending

– Control of Transfers to States and Municipalities

– Control of Transfers to Private Entities

– Guidance to public managers
Types of Audits Performed by CGU

- Ordinary Annual Audits
- Investigative and Special Audits
- Program Evaluation Audits:
  - By priorities
  - By drawing of lots
- Audits in Joint Operations with the Federal Police
Follow up of the results of the Audits

Control

- CGU
- Disciplinary Board

Agencies

- Ministries Managers
- Federal Court of Accounts
- Senate Chamber of Deputies
- Office of the Public Prosecutor
- Federal Police
- Office of the Attorney General

Outcomes

- Managerial Improvements
- Political Control
- Administrative Sanctions
- Criminal Convictions
- Civil Convictions
- Judicial Branch
- Administrative Sanctions
Disciplinary Actions

How CGU learns about Irregularities:

• Control Actions (audits)

• COAF - Council for Financial Activities Control

• Press

• Representations
  ✓ Federal Prosecutor Office
  ✓ Executive Branch Authorities
  ✓ Members of Parliament

• Citizen reports
From 2004 to September 2012

3,367 expulsion penalties were applied to 2,860 federal officials.
National Debarment List - CEIS

Companies: 4,770 sanctions applied to 3,395 empresas
Individuals: 3,647 sanctions applied to 2,864 people

<table>
<thead>
<tr>
<th>CNPJ/CPF</th>
<th>Nome/Razão Social/Nome Fantasia</th>
<th>Tipo</th>
<th>Data Inicial</th>
<th>Data Final</th>
<th>Nome do Órgão/Entidade UF</th>
<th>Fonte</th>
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<td>11.118.497/0001-63</td>
<td>1001 Coisas Comércio De Variedades Ltda</td>
<td>Suspensa</td>
<td>02/06/11</td>
<td>01/12/11</td>
<td>Receita Federal do Brasil</td>
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<td>Suspensa</td>
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<td>14/06/12</td>
<td>Quinto Comando Aéreo Regional</td>
<td>**</td>
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Sanctions applied through April 2013.
### Not-for-Profit Entities Debarment List

**Office of the Comptroller General of Brazil (CGU)**

#### Portal da Transparência do Governo Federal

**Not-for-Profit Entities Debarment List**

<table>
<thead>
<tr>
<th>CNPJ</th>
<th>Nome/Razão Social/Nome Fantasia</th>
<th>Número</th>
<th>Órgão Concedente</th>
<th>Motivo</th>
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<td>06.888.897/0001-18</td>
<td>11INSTITUTO SORRINDO PARA A VIDAél</td>
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<td>SICONV (MOTIVO NÃO ESPECIFICADO)</td>
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<td>05.432.867/0001-30</td>
<td>4 CANTOS DO MUNDO</td>
<td>562569</td>
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<td>SICONV (MOTIVO NÃO ESPECIFICADO)</td>
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<td>339581</td>
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<td>MOTIVO NÃO ESPECIFICADO</td>
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**Identification of the Public Body responsible for the sanction**

**Reason for the sanction**

**3,953 debarred entities**

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**Note:** Informationen não disponível, favor verificar junto ao órgão competente.
Main Preventive Actions

1. Increased Transparency
2. Incentive to Social Participation
3. Management Strengthening
4. Education for Ethics and Citizenship
5. Public Spending Observatory
6. Public-private cooperation
7. Verification of Political Appointees
8. Improved Legal Framework
9. Implementation of International Conventions
Transparency Portal in Numbers:

**Amount displayed***: R$ 10,978 trillion

**Information***: 1,467 billion data

**Average Monthly Visits**: 688,221

*Through March 2013*
Functions of the Portal

- Audit Tool
- Incentive to Social Control
- Citizen Empowerment Instrument
- Public Management Strengthening Tool
- Corruption Prevention and Fighting
Incentive to Social Participation

The Office of the Comptroller General (CGU) designed the program "Olho Vivo no Dinheiro Público" (Keeping an Eye on Public Money), aimed at involving society in a change through education, access to information, and social mobilization. The goal is to foster social participation and build capacity for improved management of public resources.

More than 2.3 million copies distributed
E-Course on Social Participation in Monitoring Public Expenditure

Este é um curso que trata de controle social, e apresenta exemplos vivos de cidadania participativa. O curso tem a ver com o melhor uso do dinheiro público. Do nosso dinheiro, pois somos o público.
Data-matching and Tracking System
Audit Tracks and Working Themes

- Federal Government Corporate Card.
- Government Purchases.
- Per Diems and Travel Allowances.
- Outsourcing
- Family Stipend Program (Bolsa Família).
Pro-Ethics Company List

Objective: to give visibility to companies engaged in the establishment of a culture of ethics, integrity and confidence in business relations, including those involving the public sector.

Thematic Areas subject to assessment:
- Ethics and conduct measures
- Internal control
- Relationship with the public sector
- Capacity building and training
- Transparency
- Collective Actions

Steering Committee of the Initiative – comprised of federal bodies, civil society and private sector entities
Pro-Ethics Companies List

Pro-ethics List

Partnership with Ethos

Talk to Enterprises workshops

Links to related initiatives

Integrity in the private sector

Documents and Publications

International Conventions

Registration procedures

O Cadastro Empresa Pró-Etica

O Cadastro Nacional de Empresas Comprometidas com a Ética e a Integridade - Cadastro Empresa Pró-Etica, é uma iniciativa da Controladoria-Geral da União e do Instituto Ethos que avalia e divulga as empresas voluntariamente engajadas na construção de um ambiente de integridade e confiança nas relações comerciais, inclusive naquelas que envolvem o setor público.

O Cadastro Empresa Pró-Etica dará visibilidade às empresas que compartilham a ideia de que a corrupção é um problema que deve ser prevenido e combatido não só pelo governo, mas também pelo setor privado e pela sociedade. Ao aderir ao Cadastro Empresa Pró-Etica, a organização assume o compromisso público e voluntário, perante o governo e a sociedade, de que adota medidas para prevenir e combater a corrupção dentro de sua instituição, em favor da ética nos negócios.

Saiba mais
Verification of Political Appointees

Candidates for high-level positions are verified before being appointed to work in the Federal Executive branch.

Verifications include:

- Audits reports
- Participation in companies (stakeholder/shareholder)
- Conflicts of interests situations
- Administrative disciplinary procedures
- Legal actions and law suits
- Reports from citizens or the media
It is an obligation of the State to guarantee the right of access to information.

Publicity is the general rule and secrecy is the exception.

Information shall be franchised in an agile, transparent, clear and understandable way.

Proactivity in providing information of public interest.

The agency or public entity shall authorize or give immediate access to information available.

Information management should be transparent and provide broad access.
Implementation of the Access to Information Law
Law n.º 12.527/2011

Active Transparency – proactive disclosure on the internet of:

- **Mandate**, functions and structure of each federal agency;
- **Salaries and paychecks** of all public officials;
- Data on **budget execution** and transfers of resources;
- Data on **procurement** procedures and **contracts**;
- General data enabling citizens to **monitor** agencies’ **programs**, actions, projects and construction works;
- Responses to **frequent asked questions** in information requests;
Implementation of the Access to Information Law
Law n.º 12.527/2011

Passive Transparency - responding to information requests:

• Online system to request information – monitored by CGU, free of charges.
• Up to 30 days to respond to a request
• Possibility of appeals in each agency and to CGU
• Joint Commission for Revaluation of Information
• Disciplinary sanctions to public officials if requests are not responded
Implementation of the Access to Information Law

Numbers through March 2013 - Federal Executive Branch

- Total of requests: 77,396;

- Out of this total, 73,732 (95.27%) have already received responses;

- 81.90% of the responses were positive;

- Only 6,941 (9.41%) requests were denied;

- The remaining 6,105 (8.28%) did not get responses either because the request did not address matters of the requested agency’s competence, or the information did not exist or the request was duplicated;

- Average response time: 11 days.
“Brasil Transparente” Project

To support states and municipalities implement the new Access to Information Law, increase public transparency and adopt open government initiatives

Package of activities include:

- Training of state and local public officials (incl. e-courses)
- Source code to implement the online system for information requests
- Assistance in implementing state and local transparency portals
- Guidance material on transparency and access to information
Main Ombudsman Activities

1. Guidance to citizens on access to public services, policies and rights

2. Identification of problems and proposals to improve efficiency in the Public Administration.

3. Mediation of conflicts – individual or collectively

4. Promotion of civic participation and monitoring

5. Training of public managers

6. 3rd appeal body for the Access to Information Law (275 appeals received until 10/11/2012)
Implementation of International Conventions against Corruption

CGU distributed handbooks and folders aimed at disseminating the terms of the Conventions (UNCAC, OAS and OECD). In addition, it developed websites with information on the subject.
CONTROLADORIA-GERAL DA UNIÃO

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Visit the Transparency Portal:
www.portaldatransparencia.gov.br