



## **BUSINESS REGISTRY FOR INTERNATIONAL BRIBERY AND EXTORTION (BRIBELINE) 2010 BRAZIL REPORT**

This report summarizes information about bribe demands made in Brazil and reported to BRIBELINE between July 11, 2007 and June 28, 2010. The objective of this report is to identify patterns in reported bribe demands in Brazil.

The 2010 BRIBELINE Brazil Report is the sixth BRIBELINE report published by TRACE. Please visit [www.BRIBELINE.org](http://www.BRIBELINE.org) to view the 2008 BRIBELINE China Report, the 2009 BRIBELINE India Report, the 2009 BRIBELINE Russia Report, the 2009 BRIBELINE Ukraine Report and the 2010 BRIBELINE Mexico Report.

### **Key Findings**

- Over 80% of all bribe demands reported to have occurred in Brazil were made by a government official. Specific government officials identified as being the source of these bribe demands include members of the police (representing the source of 36% of all reported bribe demands in Brazil), government officials at the national, state or provincial and city levels (26%), members of the military (7%), employees of state-owned entities (7%), judges and other representatives of the judiciary (3%), ruling party officials (2%) and representatives of The United Nations (1%). BRIBELINE received one report of a bribe demand originating with the Office of the Vice President of Brazil.
- Nearly half of all respondents reported being solicited for a bribe by the same source more than one time in a given year. Of these respondents, over 75% indicated that they were solicited for a bribe by the same source between two and twenty times in a given year and 15% reported being approached by the same source more than 100 times in a given year.
- Cash is the overwhelmingly preferred form of bribe payment in Brazil, representing 73% of all reported bribe demands. Conversely, demands for non-cash bribe payments, such as a promise of future business or providing meals or tickets to sporting events, were sought in nearly 28% of the reported bribe transactions in Brazil.
- Over 40% of all reported bribe demands in Brazil were extortionate; that is, payment was sought in order to avoid damage to either personal or commercial interests (21%), receive delivery of a product or service already paid for (15%) or be paid for services already rendered (5%). On the other hand, over 30% of all reported bribe demands in Brazil were premised on the exchange of an undue advantage such as winning new business or influencing a government official.

- Half of all reported bribe demands in Brazil were for amounts less than \$5,000, yet 8% were for amounts greater than \$50,000. In 20% of the reported bribe transactions in Brazil, the reporter indicated that it was too difficult to assign a monetary value to the bribe demand. This appears to track to the relatively high rate of non-cash bribe demands reported in Brazil.

### **Comparative Analysis**

An analysis of the BRIBELine data on Brazil reveals distinct bribery patterns in that country relative to the other countries studied by BRIBELine to date. The incidence of recurrence in Brazil – repeated requests for a bribe payment by the same source in a given year – is relatively low compared to the other countries studied to date. For example, 48% of BRIBELine Brazil respondents reported being solicited for a bribe multiple times in a given year, as compared to a 73% rate of recurrence in China. In Brazil, cash is the overwhelmingly preferred form of payment, as it is in all of the countries analyzed by BRIBELine. However, Brazil has the highest rate of demands for non-cash bribe payments (28% of all reported bribe demands in Brazil), as compared to China with the next highest rate of non-cash bribe demands at 23% of all reported bribes in that country, and India with the lowest rate, where such demands account for only 8% of reported bribe demands. The rate of extortionate demands in Brazil at 41% is relatively low compared to other countries studied to date (see, e.g., India, Russia and Ukraine where extortionate demands represent 77%, 63% and 58%, respectively, of all bribe demands reported in those countries). On the other hand, Brazil and China are tied for the highest rate of bribe demands made in exchange for the promise of an undue advantage, such as an improper payment made to secure a favorable court ruling, with each at 32% of all reported bribe demands in the respective country.

The following chart compares key findings from the Brazil BRIBELINE Report with relevant data in the Mexico, Ukraine, Russia, India and China BRIBELINE Reports.

<b>BRIBELINE Dimension</b>	<b>Brazil</b>	<b>Mexico</b>	<b>Ukraine</b>	<b>Russia</b>	<b>India</b>	<b>China</b>
Bribe demands made by individuals associated with the government as a group	<b>81%</b>	85%	92%	91%	91%	85%
Bribes originating with a member of the police	<b>36%</b>	45%	18%	41%	30%	11%
Bribe demands from a single source made more than one time in a given year (recurrence)	<b>48%</b>	57%	66%	56%	47%	73%
Of recurring bribe demands, percent of bribes made more than 100 times in a given year	<b>15%</b>	15%	7%	4%	9%	19%
Of recurring bribe demands, percent of bribes made between two and five times in a given year	<b>61%</b>	56%	54%	56%	60%	44%
Bribe demands for cash	<b>73%</b>	81%	87%	88%	92%	77%
Bribe demands for non-cash payments	<b>28%</b>	19%	14%	12%	8%	23%
Extortionate demands	<b>41%</b>	44%	58%	63%	77%	54%
Bribe demands made to gain an undue advantage	<b>32%</b>	28%	16%	16%	12%	32%
Bribe demands for amounts less than \$5,000	<b>58%</b>	65%	82%	87%	79%	51%
Bribe demands for amounts more than \$50,000	<b>8%</b>	6%	4%	5%	5%	10%

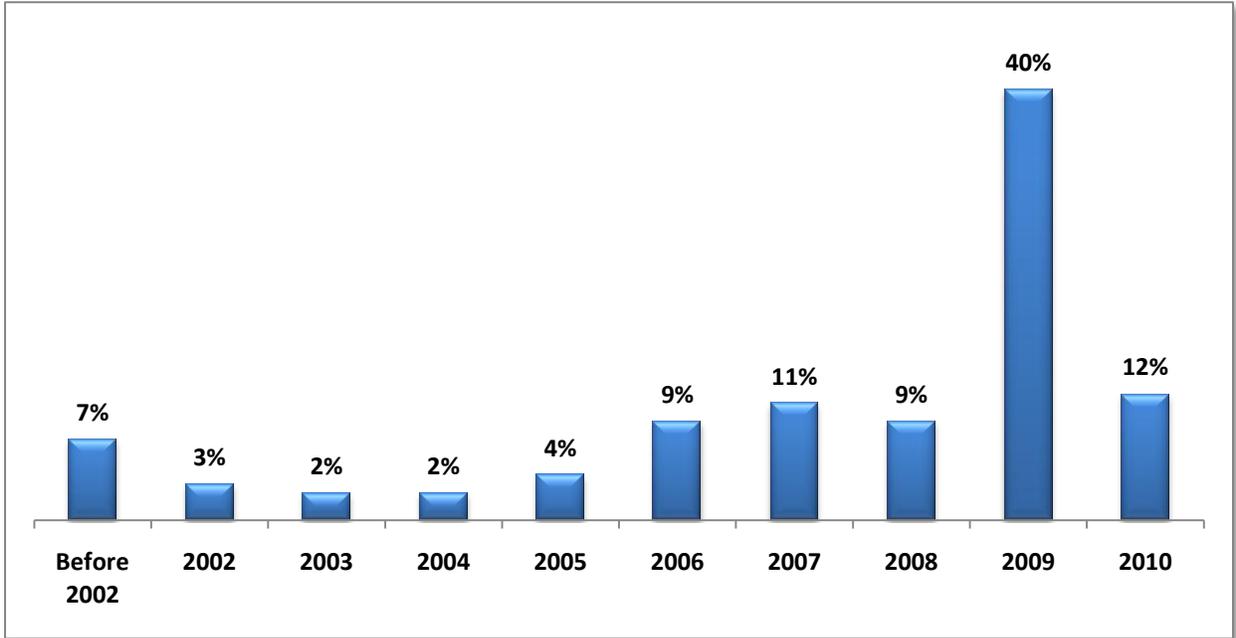
## **Methodology**

BRIBELINE, a project managed by TRACE, is an anonymous, online reporting tool that collects data about bribe solicitations made by official, quasi-official and private sector individuals and entities. BRIBELINE is a secure, multilingual website available in 21 languages. BRIBELINE focuses on demand-side bribery only; no information is requested or collected about those who pay, or offer to pay, bribes.

The BRIBELINE 2010 Brazil Report summarizes information about 121 incidents of bribe demands made in Brazil and reported to BRIBELINE in the period from July 11, 2007 to June 28, 2010. All dollar amounts in this report are shown as U.S. dollars. A currency converter is provided on the BRIBELINE website.

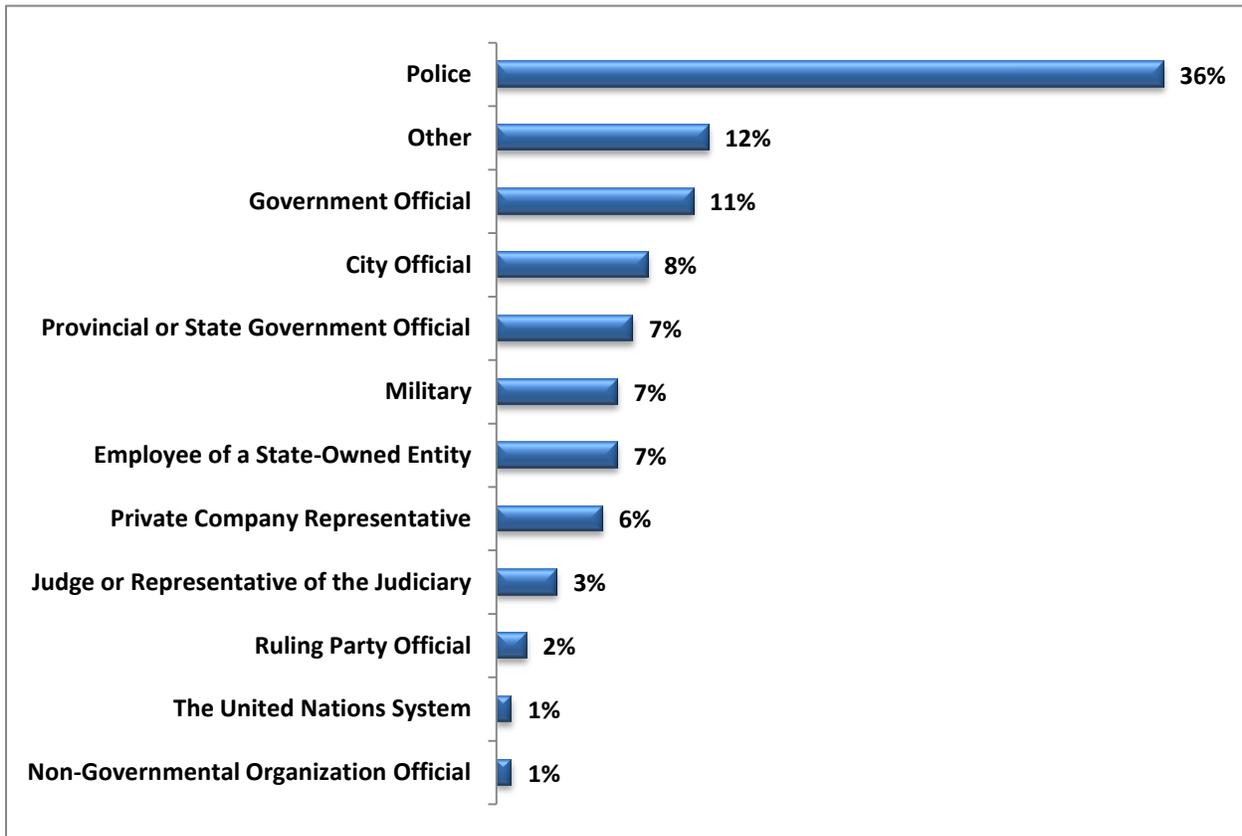
Full survey results from the 2010 Brazil BRIBELINE Report follow.

**Year in which the reported bribe solicitation occurred:**



BRIBELine received 121 reports of bribe demands made in Brazil. Over 80% of the reports indicated that the bribe request was made between 2006 and June 2010.

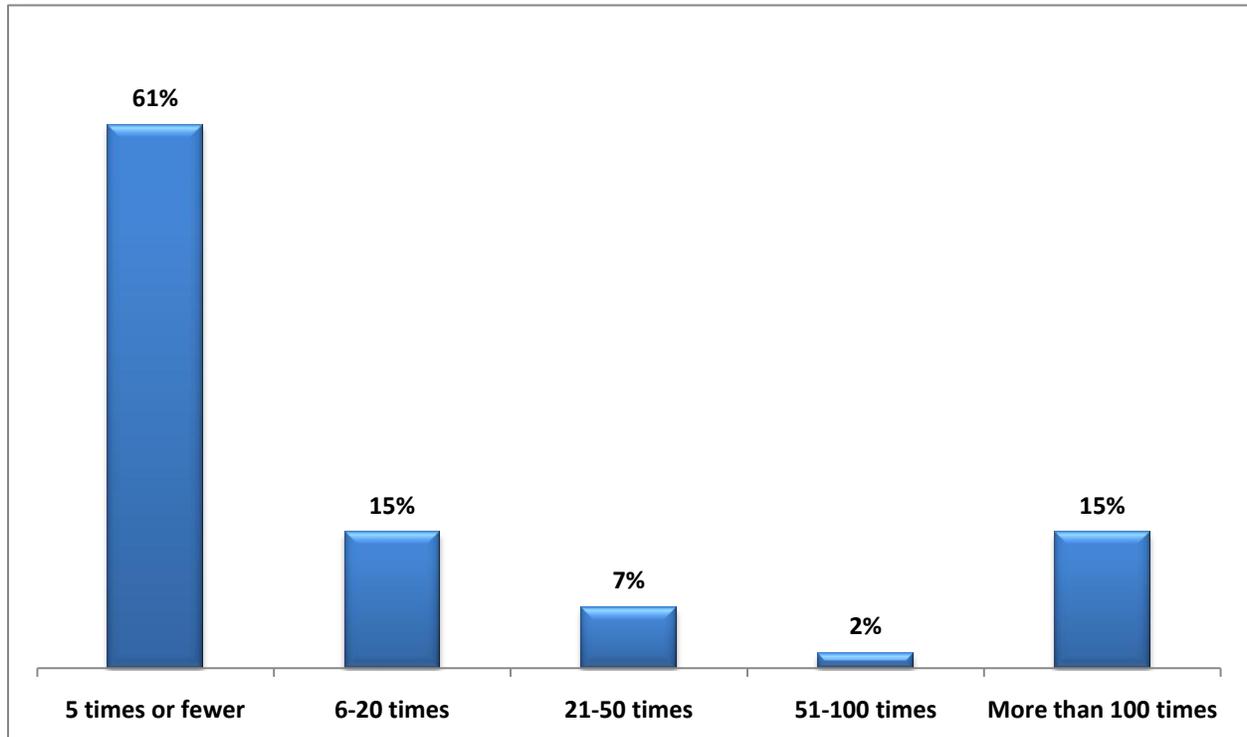
## Who requested the bribe?



Over 80% of all bribe demands reported to have been made in Brazil originated with representatives of the Brazilian government, including members of the police (representing 36% of all reported bribe demands in Brazil), government officials, including national, state/provincial and city officials (26%), members of the military (7%), employees of state-owned entities (7%), judges and other representatives of the judiciary (3%), ruling party officials (2%) and representatives of The United Nations (1%).

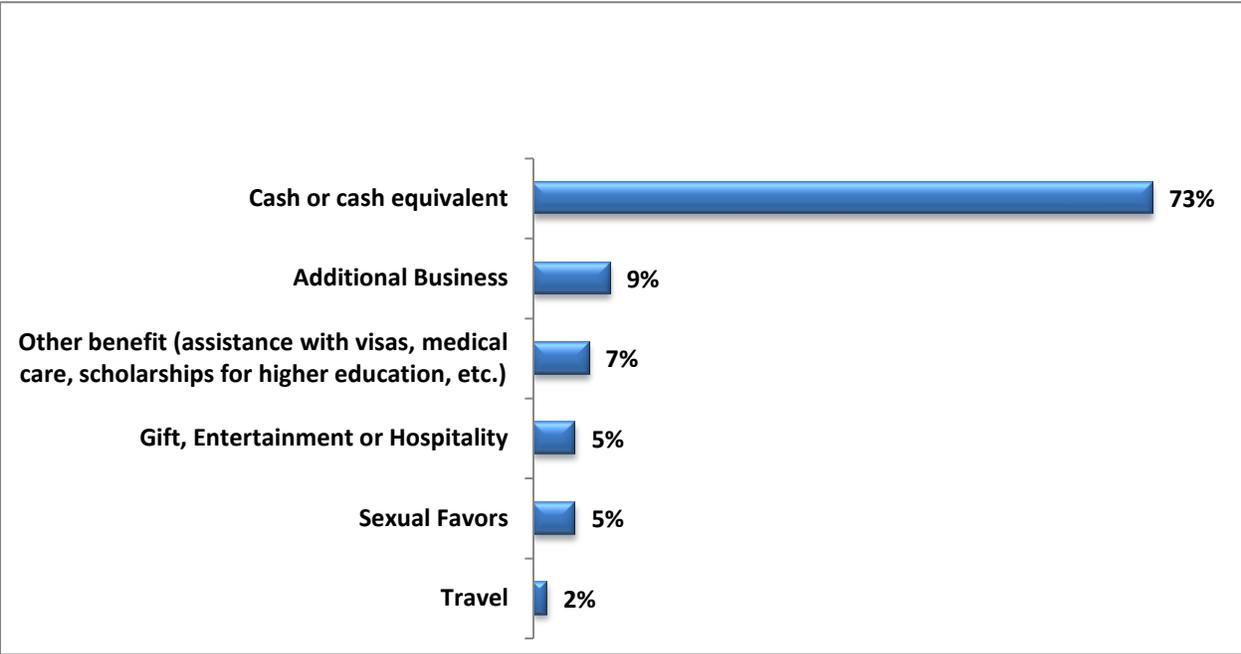
Respondents who identified a national-level government official as the source of a bribe demand were then asked to identify the specific government entity involved in the reported bribe demand. In these cases, the main source of the reported bribe solicitations was the Ministry of Customs, representing 23% of all national-level bribe demands, followed by the Ministries of Health Services, Agriculture, Housing and Labor (each representing over 7% of bribe demands reportedly being made by national-level government officials). BRIBELine also received information regarding a bribe demand reportedly made by the Office of the Vice President in Brazil.

If the request for the bribe was recurring (i.e., a bribe was to be provided more than once), approximately how frequently did the request recur in a given year?



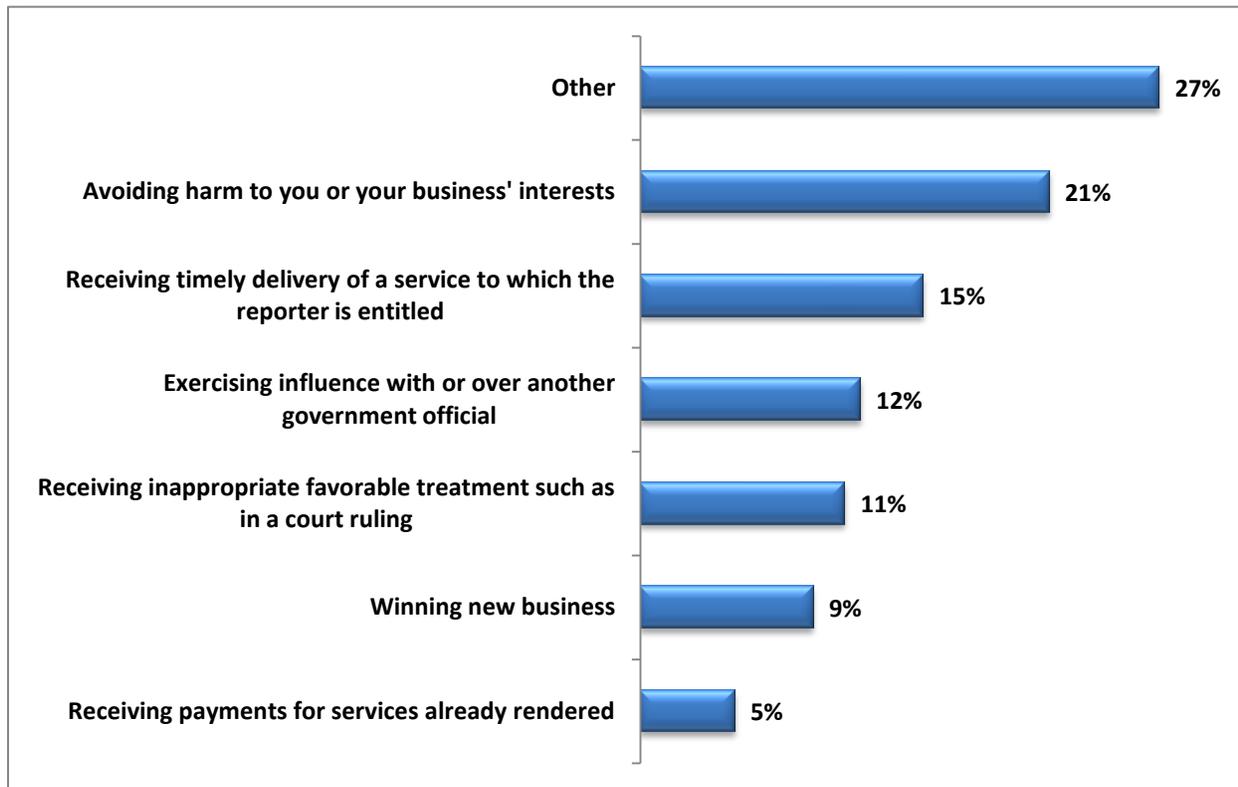
Forty-eight percent of respondents indicated that a bribe was to be provided more than one time in a given year. Of these respondents, over 75% reported that a bribe was to be paid between two and twenty times in a given year. On the other end of the spectrum, 15% of these respondents indicated that a bribe was to be paid more than 100 times in a given year.

## Which best describes the primary form of the bribe requested?



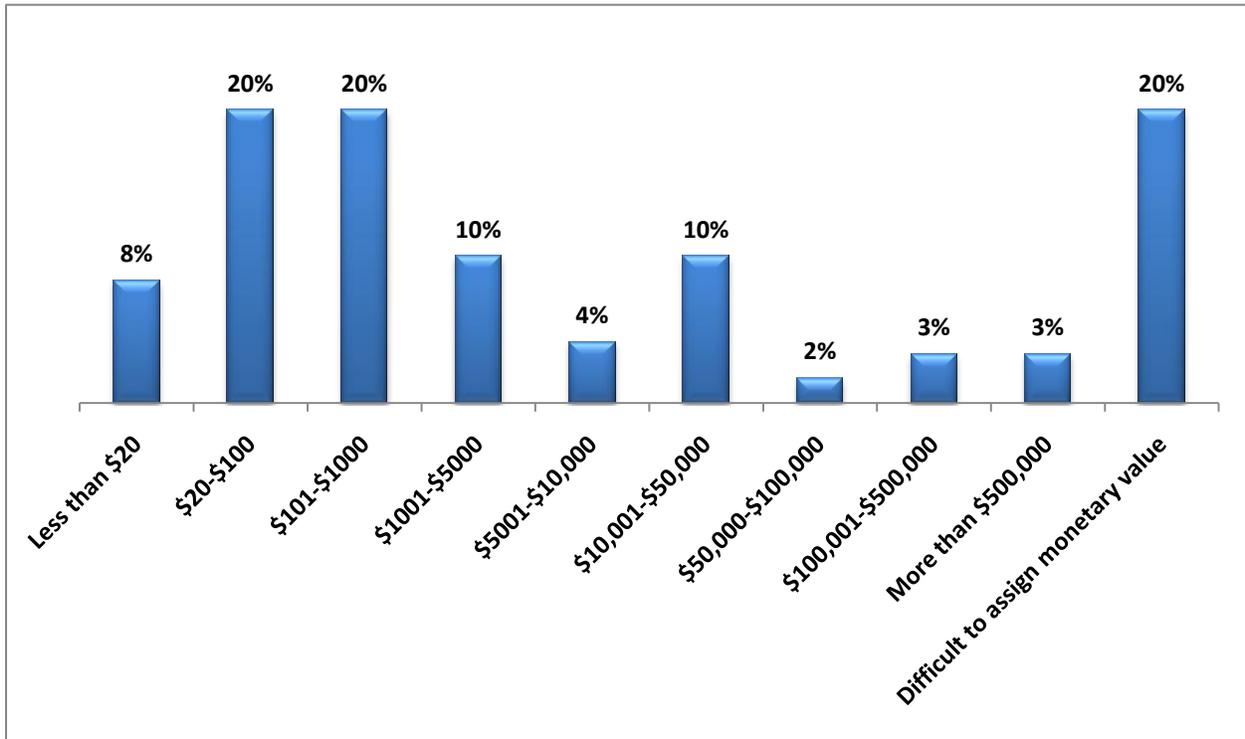
Similar to all other countries studied by BRIBELine to date, cash is the overwhelmingly preferred form of bribe payment in Brazil. However, nearly 28% of all demands made in Brazil were for non-cash payments such as agreeing to provide additional business, including, for example, committing to hire a particular subcontractor you would not otherwise hire (9%), providing some other intangible benefit such as helping to expedite visas (7%), providing items of gifts, entertainment and hospitality such as jewelry or tickets to sporting events (5%), granting sexual favors (5%) or underwriting personal travel expenses (2%).

## Please indicate the primary nature of the requested bribe:



Over 40% of reported bribe demands in Brazil were extortionate demands; that is, demands for some form of payment in order to (i) avoid harm to commercial or personal interests (21%), (ii) receive something the reporter was already entitled to receive (15%) or (iii) be paid for services already rendered (5%). Over 30% of reported bribe demands in Brazil were based on the promise of some undue advantage such as demanding something of value in exchange for agreeing to influence a government official (12%), bestowing preferential treatment such as a favorable court ruling (11%) or securing additional business (9%).

## What was the value of the requested bribe?



Bribe demands made in Brazil were for fairly modest sums. Fifty-eight percent of reported bribe demands were for amounts less than \$5,000. However, 8% of all reported bribe transactions in Brazil involved demands for more than \$50,000. Twenty percent of reported bribe demands in Brazil were difficult to quantify, perhaps reflecting the relatively high percentage – 28% – of demands for items that are harder to assign a concrete monetary value to such as underwriting personal vacations, helping obtain medical care or work visas, or providing sexual favors (see the chart entitled “Which best describes the primary form of the bribe requested?”).