

Paulo Maluf / Brazil-Deutsche Bank settlement

Case ID:

ARW-216

Jurisdiction of Origin of Public Official or Entity Allegedly Involved:

Brazil

Position of Public Official(s) (yrs in office):

Governor and Mayor of Sao Paulo (Governor, 1979-1983; Mayor, 1993-1996); Legislator (as of 2007)

Jurisdiction of Asset Recovery:

Germany

Asset Recovery Start:

2014

Asset Recovery End:

2014

Legal Basis for Asset Recovery:

Settlement agreement

Contributing Factors in Asset Recovery:

Negotiated settlement

Status of Asset Recovery :

Completed

Stage in Asset Recovery Chain:

Assets Returned to Victim or Requesting Jurisdiction

Assets Returned (USD) - Description:

\$20,000,000

Case Summary:

According to press releases by the city of Sao Paulo, the Deutsche Bank AG agreed on February 24, 2014 to pay \$20 million to settle allegations that the bank helped manage funds embezzled by former city of São Paulo officials while Paulo Maluf was mayor of the city. On the total sum of the settlement, US \$18 million will be paid to the city of Sao Paulo (towards construction of kindergartens), the rest will go to the State of Sao Paulo (US \$1.5 million), a government fund dedicated to various interests (US\$ 300,000), and for the payment of the legal fees related to the investigation (US\$ 200,000). According to public prosecution, settlements for similar allegations with UBS AG of Zurich, Safra National Bank of New York and Citigroup Inc of Geneva could be expected for an amount of US\$ 60 million. (Source: City of Sao Paulo Press Release, "Prefeitura receberá US\$ 18 milhões de banco envolvido em desvios", February 24, 2014 and "Justiça homologa acordo para banco alemão indenizar Prefeitura em R\$ 44 milhões," October 20, 2014, at <http://www.capital.sp.gov.br/portal/noticia/4870>.) According to a Reuters article, Mr. Silvio Marques, a prosecutor in the case, reported that Deutsche Bank was expected to deposit the proceeds from the settlement within the next 60 days following the settlement. (Source: Reuters, "Deutsche Bank to pay \$20 mln to settle Brazil charges", February 24, 2014, available at: <http://www.reuters.com/article/2014/02/24/deutschebank-brazil-settlement...>).

Disposition of Criminal Case(s):

According to the March 8, 2007 press release by the New York County District Attorney's

Office, Mr. Maluf was indicted in New York for his alleged conspiracy in embezzlement of public funds and concealment of such funds, and that charges were also pending against him in Brazil. (Source: The People of the State of New York v. Paulo Maluf, Flavio Maluf, Simeao Damasceno de Oliveira, Joel Guedes Fernandes and Vivaldo Alves, Indictment filed on March 8, 2007 in New York state Supreme Court, County of New York and New York County District Attorney's Office, News Release on the Paulo Maluf case, March 8, 2007.) According to Agence France Presse, on November 4, 2013, Mr. Maluf's conviction on "administrative corruption" was upheld by a Brazilian court. (Source: Agence France Presse, "Graft sentence upheld for ex-Sao Paulo ex-mayor," November 4, 2013.)

Jurisdiction of Origin: Investigative Agency:

Brazilian Financial Intelligence Unit; Ministry of Justice; Federal Police



Jurisdiction of Origin: Prosecuting Authority/Civil Attorney(s):

Prosecutor General of the State of Sao Paulo, Prosecutor General of the Republic of Brazil

Jurisdiction of Origin: Courts Involved:

NA

Documents:

Attachment	Size
 Maluf_Deutschebank_Settlement_Sao_Paolo_State_PR_Feb_2014.pdf	256.07 KB
 Maluf_Brazil_Deutschebank_Settlement_Reuters_Feb_24_2014.pdf	105.94 KB
 Maluf_Brazil_Sao_Paulo_City_PR_Oct_20_2014.pdf	171.75 KB
 Maluf_Interpol_wanted_Feb_6_2015.pdf	579.51 KB

Other Sources:

City of Sao Paulo Press Releases, "Prefeitura receberá US\$ 18 milhões de banco envolvido em desvios", February 24, 2014, available at:

<http://www.capital.sp.gov.br/portal/noticia/1862#.UyneGNLXbWM> and "Justiça homologa acordo para banco alemão indenizar Prefeitura em R\$ 44 milhões," October 20, 2014, at <http://www.capital.sp.gov.br/portal/noticia/4870>

Reuters, "Deutsche Bank to pay \$20 mln to settle Brazil charges", February 24, 2014, available at: <http://www.reuters.com/article/2014/02/24/deutschebank-brazil-settlement...>
Interpol Wanted list, at <http://www.interpol.int/notice/search/wanted/2009-13608> (last accessed February 6, 2015.)