Petrobras scandal: USD 120 million released to Brazil

Bern, 18.03.2015 - The Office of the Attorney General of Switzerland (OAG) is currently conducting nine investigations in the Petrobras case and has now released a portion of the assets frozen in Switzerland for the purpose of repatriation. The release of over USD 120 million reflects Switzerland’s clear intention to take a stand against the misuse of its financial centre for criminal purposes and to return funds of criminal origin to their rightful owners. On a two-day working visit to Brasilia, Switzerland’s Attorney General Michael Lauber held talks with Brazil’s General Prosecutor Rodrigo Janot on the prospects of working together on the Petrobras corruption scandal.

To date, the OAG has received around 60 reports of suspicious transactions from the Money Laundering Reporting Office (MROS) connected with acts of corruption in Brazil involving the part-state-owned Petrobras. Since April 2014, the OAG has opened nine investigations based on allegations of money laundering related to corruption activities. The proceedings relate to eight Brazilian citizens as well as persons as yet unidentified.

In the investigations so far, the OAG has uncovered over 300 accounts at over 30 banking institutions in Switzerland that were apparently used to process the bribery payments under investigation in Brazil. The beneficial owners of these business accounts, most of which are in the name of domiciliary companies, are senior executives at Petrobras and at suppliers (kickbacks), financial intermediaries and, directly or indirectly, Brazilian or other foreign companies that have paid bribes. The OAG has ordered the freezing of assets deposited in Switzerland amounting in total to around USD 400 million.

The Brazilian bribery scandal affects Switzerland’s financial centre and its anti-money-laundering strategy, and as result that the OAG has a close interest in contributing fully to the resolution of the scandal through its own investigations. Attorney General Lauber therefore discussed opportunities for mutual support in the ongoing criminal proceedings with his counterpart, Mr Janot. In a first step, the OAG - with the agreement of two account holders - has arranged for the release of over USD 120 million in frozen assets and for the assets to be returned to their rightful owners.

The Swiss criminal proceedings will continue with the aim of holding the perpetrators accountable and establishing the origin of the remaining frozen assets. To this end, the OAG has requested Brazil and the Netherlands for mutual legal assistance. These countries have likewise filed requests for mutual legal assistance in Switzerland, which the OAG is currently processing.

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