Written by **<u>Bob Adelmann</u>** on May 31, 2016



Corruption Already Undermining Administration of Brazil's New President

In less than three weeks, the new administration of Brazil's interim president, Michel Temer (shown), is already coming unraveled. On Sunday a secretly recorded audio tape was played by a local popular TV station of a conversation between the head of Temer's newly created Ministry of Transparency, Supervision and Control, Fabiano Silveira, and Senate President Renan Calheiros. On the tape Silveira was giving Calheiros legal advice on how to avoid prosecution in the Petrobras scandal investigation called Operation Car Wash.



On Monday Silveira resigned his position following public protests that included soaping the windows of his office to indicate that Temer's appointee needed a good cleansing.

Calheiros' record of corruption goes back at least to 2007 when *Veja* magazine accused the senate president of accepting funds from a lobbyist to pay the child support for a child he sired out of wedlock. Further investigations led to charges of income tax fraud. Later that year the senate considered impeaching him over the lobby funds, but he managed to survive. He is still facing three other charges of ethics violations.

Prosecutors are currently charging Calheiros of receiving massive kickbacks during the Petrobras scandal, the largest in Brazil's checkered history.

The resignation of Silveira came hard on the heels of the resignation of another of Temer's appointees the week before. Romero Juca succeeded Temer as head of his political party PMDB, while being named Temer's right-hand man as his planning minister. Another secret tape surfaced that captured him talking about the need to slow down Operation Car Wash.

When Temer took over from Dilma Rousseff on May 12, seven members of his newly created administration were already under investigation in the Petrobras scandal, but that didn't faze Temer. Now there are five.

A political analyst in Brasilia, Brazil's capitol city, summed up the problem in Brazil: "The recordings are grave, and they muddle even more the government. There is an environment where the people don't trust anyone and think everybody is a thief."

This includes Temer himself, who is barred from running for political office for eight years for violating campaign finance rules. He also is under investigation for bribery and fraud in connection with Operation Car Wash, specifically of taking \$1.5 million in bribes from a company that received construction contracts from Petrobras.

What ensnared Temer's two ministers, and likely will remove the others, is a tactic widely used by Brazilian investigators: plea bargaining in exchange for a reduction in sentence. The former head of the

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transportation department of Petrobras, Sergio Machado, turned state's evidence in the corruption investigation and agreed to be wired while attending the meeting between Silveira and Calheiros.

In April such a recording tripped up Temer, who was caught on tape speaking of Rousseff's impeachment trial as if it had already been confirmed, and saying that he was now making plans to become the country's interim president. On that tape Temer said:

I don't want to generate false expectations. Let's not think a possible change in government will solve everything in three or four months.

After having lost two of his ministers inside of three weeks, Temer's new government might not even last that long.

A graduate of an Ivy League school and a former investment advisor, Bob is a regular contributor to The New American magazine and blogs frequently at LightFromTheRight.com, primarily on economics and politics. He can be reached at badelmann@thenewamerican.com.

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