



**MINISTRY OF JUSTICE
SECRETARIAT OF ECONOMIC LAW
COMPETITION DIVISION**

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FOR IMMEDIATE RELEASE

**CARTELS: SDE CARRIES DAWN RAID IN FORTY-TWO LOCATIONS
AND TWENTY THREE EXECUTIVES WERE ARRESTED WITHOUT
CHARGES**

BRASILIA — Forty-two companies were simultaneously dawn raided and twenty three executives were arrested today in Belo Horizonte, Brazilian State of Minas Gerais, for their alleged role in a conspiracy to fix prices in the local retail fuel market, the Secretariat of Economic Law (SDE) announced today. The operation was named “Invisible Hand”.

More than 250 officers took part in the dawn raid exercises, and over the past five months there was an intense cooperation among the SDE, the Secretariat of Economic Monitoring (SEAE), the Federal Police, and the State Public Prosecutor. The executives were arrested without charges in order to prevent them from destroying evidence and may be in jail for a period of up to ten days.

“Cartel prosecution has become a top priority in Brazil and we are increasing cooperation with the police and public prosecutors in order to ensure that managers and directors of companies who engage in illegal cartels will face full criminal liability” said Ana Paula Martinez, Director of the Competition Division of the SDE. Price-fixing, besides being an administrative infringement punishable with fines of up to 30% of the company’s turnover, is also a crime under Brazilian law, punishable with maximum jail sentences of five years. Currently there are more than 100 executives facing criminal proceedings in Brazil for alleged cartel offenses and 10 executives were condemned in 2006 and 2007 to serve jail terms of two and a half to five years for cartel offenses.

The Antitrust law and practice in Brazil is governed primarily by Law No. 8.884, of 1994, as amended in 2000. The Brazilian antitrust system is composed of three agencies -- namely, the Secretariat for Economic Monitoring of the Ministry of Finance (SEAE), the Secretariat of Economic Law of the Ministry of Justice (SDE), and the Administrative Council for Economic Defense (CADE). SDE is the chief investigative body in matters related to anticompetitive practices and it also issues non-binding opinions in merger cases. SEAE issues non-binding opinion in merger review and it may also issue non-binding opinions related to anticompetitive practices. CADE is the administrative tribunal, composed of seven Commissioners, which makes the final rulings in connection with anticompetitive practices and merger review. Criminal provisions are governed primarily by Law No. 8.137/90.