



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

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FOR IMMEDIATE RELEASE

**CARTELS: SDE CARRIES OUT THE LARGEST DAWN RAID IN
LATIN AMERICA AND FOURTEEN EXECUTIVES WERE ARRESTED
ON CHARGES OF CONSPIRING TO FIX PRICES**

BRASILIA — Forty-four companies were simultaneously dawn raided and fourteen executives were arrested today in Londrina, South Region of Brazil, for their role in a conspiracy to fix prices in the local fuel market, the Secretariat of Economic Law (SDE) announced today.

The action was the largest dawn raid in Latin America carried out to obtain evidences of cartel. More than 180 officers took part in the dawn raid exercises, and there was an intense cooperation between the competition and police authorities. Price-fixing, besides being an administrative infringement punishable with fines of up to 30% of the company's turnover, it is also a crime under Brazilian law, punishable with maximum jail sentences of five years. In order to obtain direct evidence of cartels, the SDE is serving, in cooperation with local authorities, an increasing number of search and seizure warrants: 11 from 2003 to 2005, 19 in 2006 and 84 in 2007.

"Today's dawn raids and arrests demonstrate our ability to effectively crack cartels with effects in Brazil", said Ana Paula Martinez, Deputy Secretary of Economic Law and Director of the Competition Division of SDE. " 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 criminal liability and pay record fines".

The fact that the Secretariat of Economic Law conducted dawn raids does not mean that all the companies and individuals under investigation are guilty of anticompetitive behavior. The SDE respects the rights of defense, in particular the right of companies to be heard during the antitrust proceedings.

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.