



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

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**FOR IMMEDIATE RELEASE**

**STATE OF SÃO PAULO CREATES ANTI-CARTEL CRIMINAL UNIT**

BRASILIA — The State Prosecution Office of the State of São Paulo created a unit specialized in cartel crimes, the Secretariat of Economic Law (SDE) announced today. This is the first criminal unit created by a State Prosecution with the specific purpose of fighting cartels.

Apart from being an administrative infringement, cartel is also a crime in Brazil, punishable by a criminal fine or imprisonment from two to five years. Brazilian Federal and State Public Prosecutors are in charge of criminal enforcement in Brazil. Since 2003, the SDE, as the chief investigative antitrust authority is increasing cooperation with the Federal Police and Public Prosecutors to ensure that managers and directors of companies that do not come forward and take part in the Leniency Program will face full criminal liability.

In this context, the Special Anti-Cartel Criminal Unit was established to advance cooperative efforts between the SDE and the State of São Paulo prosecutors in joint criminal and civil investigations of cartels. There are already a number of joint cartel investigations that resulted in criminal proceedings against key executives of companies involved in cartel conduct. 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 creation of the Special Anti-Cartel Criminal Unit is a milestone in the fight against cartels in Brazil. It will increase our cooperation with the criminal prosecutors and ensure more transparency and predictability to our Leniency Program”* said Ana Paula Martinez, Director of the Competition Division of the SDE.

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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.