



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

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FOR IMMEDIATE RELEASE

**SDE CARRIES DAWN RAID TO COLLECT EVIDENCE ABOUT
ALLEGED INFORMATION TECHNOLOGY SERVICES CARTEL**

BRASILIA — Four companies and one trade association were simultaneously dawn raided yesterday in Brasilia (DF), for their alleged role in a conspiracy to rig bids in procurement procedures to contract information technology services such as network maintenance, software development and helpdesk. The operation, named “Mainframe”, was jointly organized by the Secretariat of Economic Law (SDE) and the Federal Police. Around 60 officers took part in the dawn raid exercises, among SDE staff and members of the Federal Police. The Federal Attorney’s Office (AGU) also assisted SDE to obtain the necessary judicial order.

The investigation started in 2005, when the Secretariat was contacted by the Ministry of Education about a bid which presented features that it was being rigged by the participants. With the creation of the Public Procurement Unit in September 2007, the investigation received a new impulse with the specialized analysis of a large number of bids involving these services, which indicated a pattern in the bidders’ behaviour not consistent with effective competition. In the meantime, the Secretariat received many other tips about the same practice.

The Director of the Competition Department of SDE, Ana Paula Martinez, says: “Yesterday’s action shows the increased ability of SDE to tackle bid rigging, and is the first one in this area which was jointly carried out with the Federal Police. Cracking cartel remains the top priority of SDE in 2009.”

Paulo Casagrande, head of the Public Procurement Unit, complements: “the operation demonstrates the ability of the Secretariat to identify suspicious behaviour in public bids, which is the result of an intensive work in the development of appropriate investigative techniques.”

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 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.