

**REPORT FRAUD-U.S. Whistleblower Rewards Against Brazilian Companies
and Others in the U.S.**

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For over the past 10 years, our law firm has been working with the U.S. federal government and states on behalf of whistleblowers in investigating and prosecuting over a billion dollars of bribery and kickbacks and bid rigging cases securities fraud, healthcare, military procurement, bribery against US and foreign companies.

Corruption is also a big ill in Brazil and to no surprise that even prior to the disclosure of Operation Car Wash, Brazil was ranked in the 69th in the corruption-perceptions index (tied with Bulgaria, Italy, Senegal and Greece) of over 175 countries compiled by Transparency International, a Berlin-based NGO founded by a retired World Bank Official. Thus, it is of the utmost importance that Brazilians work together with the U.S. authorities against corruption acts in order to reduce such crimes. Brazilian citizens can do so by disclosing any information they may be aware of that might lead to the discovery of any violations of the U.S. Foreign Corrupt Practices Act (“FCPA”) and certain other laws made by certain foreign companies or Brazilian companies in Brazil. Under current international laws, not only can Brazilian citizens help reduce corruption by acting as whistleblowers, but they can in certain cases benefit monetarily for confidentially reporting the fraud while at the same time protecting their identity.

The FCPA is a U.S. law that applies to a U.S. company or foreign companies listed on stock exchanges in the United States or which are required to file periodic reports with the U.S. Securities and Exchange Commission (“SEC”). The FCPA prohibits such companies from making corrupt payments to foreign officials to obtain or retain business. Also, it requires such companies to make and keep accurate books and records and to devise and maintain an adequate system of internal accounting controls.

The Department of Justice (DOJ) and the SEC share joint FCPA enforcement authority and are committed to fighting foreign bribery through robust enforcement. As a result of these laws and efforts made by the Brazilian Federal Police numerous corruption scandals in Brazil are coming to light now. Recently, Petrobras, Brazil’s largest oil company, is under ongoing investigation by the DOJ and SEC for an alleged bribery scheme involving its officers and high-ranked politicians that resulted in losses for the company of approximately U.S.\$2 billion. Furthermore, in an ongoing four-year FCPA investigation, Brazilian prosecutors filed criminal action against eight Embraer employees for an alleged U.S. \$3.5 million bribe to an official in the Dominican Republic in return for a \$92 million contract for attack planes. Both of these cases required Brazilian and U.S. authorities to work together to effectively fight against corruption.

In July 2010, President Obama showed additional support for whistleblower cases by signing into law the Dodd-Frank Wall Street Reform and Consumer Protection Act, allowing whistleblowers, who provide “original” information to the SEC relating to the violation of the U.S. securities laws, to potentially receive between 10 to 30 percent of the collected monetary sanctions imposed in the action or related actions. This creates effectively a public-private partnership to report fraud. Also, certain of these U.S. government laws protect whistleblowers from retaliation while maintaining their anonymity. To date, the SEC has awarded 17 whistleblowers since its whistleblower program began more than three years ago. Payouts now total over \$50 million to whistleblowers.

According to the 2014 Dodd-Frank Whistleblower Program Annual Report, the SEC has received whistleblower tips from individuals in 83 countries outside the United States since the start of the program. In 2014 alone, the Commission received whistleblower submissions from individuals in 60 foreign countries. After the United States, the highest number of whistleblower tips in 2014 came from individuals in the United Kingdom, India, Canada, the People’s Republic of China, and Australia.

Currently, more than 85 Brazilian companies are subject to the FCPA and the Dodd-Frank Whistleblower Program. As an example, PETROBRAS (PBR), BRASKEM (BAK), ULTRAPAR (UGP), AMBEV (ABEV), EMBRAER (ERJ), GERDAU (GGB), VALE (VALE) and JBS (JBSAY) are subjected to the FCPA and the Dodd-Frank Whistleblower Program. You can access the full list of the Brazilian companies that are subject to the FCPA and the Dodd-Frank Whistleblower Program on the following link: <http://topforeignstocks.com/foreign-adrs-list/the-full-list-of-brazilian-adrs>.

In addition, all the U.S. companies and certain foreign companies acting in Brazil, such as Siemens and Alstrom, who were involved in recent corruption cases in Brazil, are also subject to the FCPA. These companies might be in violation of FCPA, but through the SEC Whistleblower Program individuals have the opportunity to report wrongdoing acts in exchange for monetary compensation.

The responsibilities and opportunities to stop corruption are not limited to only law enforcement, but extend to individual Brazilian citizens. Brazilians can combat these issues by working with law enforcement and disclosing any information they may be aware of that might lead to additional discoveries.

In addition, powered by whistleblowers from all over the world, the U.S. False Claims Act (FCA) has become the US government's most powerful weapon to fight fraud against the government. More than 9,200 qui tam cases have been filed since 1986. The federal government and state governments have recovered more than US \$55 billion in civil settlements and related criminal fines as a result of qui tam lawsuits brought by whistleblowers. In addition, a number of highly publicized parallel criminal cases have been brought against various defense contractors, healthcare providers and banks. In 2014 alone, the US recovered approximately 18 billion reais

under the FCA, or approximately 75% of the total amount that Brazil authorized to pay families under its Bolsa Familia program in 2014.

In case you have sensitive information that might help the U.S. authorities to investigate a Brazilian, U.S. or foreign company acting in Brazil subjected to the FCPA or FCA, you should seek advice from a U.S. lawyer as to how to best report a claim and potentially obtain a reward. Brazilian enforcement authorities are strongly combating corruption and Brazilian citizens of goodwill can be helpful in this scenario, working together with the U.S. government and being rewarded for fighting for a good cause for Brazil and for its taxpayers and citizens.