

Name: Alert ID: TMML2024035650567 Two months before one of the world's largest data leaks, dubbed the Panama Papers, was made public on Sunday, Brazilian prosecutors accused the Panama law firm Mossack Fonseca at the center of the leak, of corruption. (The firm, whose leaked records span 40 years and make up the Panama Papers, according to the International Consortium of Investigative Journalists (ICIJ), issued a statement to the ICIJ denying any unlawful activities. In addition, it stated that ties to offshore companies is not an implication of wrongdoing.) On January 27 Brazil's Federal Police, as part of Brazil's far-reaching corruption probe known as Operation Car Wash ("Operação Lava Jato"), accused the firm of helping clients create offshore entities to hide corrupt money. Prosecutors alleged that the firm was using real estate company OAS Empreendimentos Imobiliários S/A to help cover up money made in the criminal scheme involving state-owned oil giant Petrobras. Six temporary arrests were made and 16 search warrants were issued. Lawyers representing those arrested denied any wrongdoing or irregularities. FORBES has been unable to reach the firm for comment. Aside from its office in Brazil, the firm also has branches in 40 other cities. According to the ICIJ, which on Sunday began sharing information on the Panama Papers, Mossack Fonseca's cofounder Ramón Fonseca, an adviser to Panama's president, "took a leave of absence as presidential adviser in March after his firm was implicated in the Brazil scandal and ICIJ and its partners began to ask questions about the law firm's practices." At least 29 billionaires and former billionaires have been outed for allegedly having ties to offshore wealth (see story here). No Brazilian billionaires have been named so far. According to Brazilian newspaper O Estado de São Paulo, several current and former Brazilian government officials belonging to almost every political party are allegedly implicated. Among them, João Lyra, a former deputy and once Brazil's richest parliament member according to the ICIJ, was named for not disclosing an offshore holding or Swiss bank account. According to Brazilian law, individuals are allowed to have offshore accounts as long as they are registered in the country for tax purposes. Lyra has not commented on the leak. Idalécio de Castro Rodrigues de Oliveira, a Portuguese business executive accused of allegedly supplying cash used to bribe Eduardo Cunha, the president of Brazil's Chamber of Deputies, was also named for creating offshore companies right before the alleged bribe took place. De Oliveira didn't comment on the allegations and Cunha denied allegations. In addition, according to Brazilian news website UOL, the Queiroz Galvão family, the Odebrecht company and Grupo Petrópolis, all under investigation for corruption as part of Operation Car Wash, were also named among those allegedly hiding offshore wealth. Odebrecht has not commented on the release; Queiroz Galvão released a statement denying wrongdoing; and Grupo Petrópolis released a statement saying it has no connections to Mossack Fonseca and any transactions it has made have been within the law. Operation Car Wash, the largest corruption sweep in modern Brazilian history, led to the arrest of billionaire banker Andre Esteves (who has since been released and is under house arrest; through a lawyer he has denied any wrongdoing) and charges leveled against former Brazilian president Luiz Inacio Lula da Silva, known as "Lula" (who has vehemently denied wrongdoing). It now threatens to help unseat President Dilma Rousseff, who is undergoing impeachment proceedings as Brazilians take to the streets to protest what they say is a corrupt government. Rousseff denies any wrongdoing and refuses to step down, claiming that she is the victim of a coup attempt by rivals.