

Under-the-Table Money Moves 90% of Political Campaigns in Brazil

Contributed by Michèle Canes
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For University of Brasília political scientist, David Fleischer, irregular campaign financing in Brazil is a widely known fact and accounts for a substantial portion of candidates' war chests.

"Everybody knows that all candidates, from all parties, use clandestine contributions, and that clandestine contributions represent roughly 90% of what they spend," Fleischer commented today in an interview with the Agência Brasil.

On Saturday, July 16, Delúbio Soares, who is on leave from his post as secretary of Finance of the PT (Workers' Party), confessed in a Globo TV interview that the party makes use of "unreported" funds in its electoral campaigns.

Fleischer's assessment proceeds along the same lines. "This (clandestine contributions) is a fact, it prevails, and everybody accepts it, only there is no way to prove it, because it is very well concealed."

The political scientist says that charges involving such irregularities generally only induce the party to make a "correction" in its financial accounts.

"Once in a while the newspapers discover that a candidate incurred an expense that was not reported, in which case the candidate or the party has the right to make a correction in the reports it filed with the Elections Court."

According to the professor, the crime of using "unreported" funds has two facets, involving a double violation of both fiscal and electoral law.

One aspect is made up of companies that don't declare their real profits, avoid paying taxes, and invest the diverted sums in the form of political contributions.

On the other side, there is the party, which accepts and uses this money without reporting it. The association between the two, he recalls, is frequently linked to the approval of bills and other government actions that benefit the contributors.

As for the penalties for this irregular use of funds, Fleischer explains that they can be imposed in various manners. The Federal Elections Court (TSE) decides which one would be most appropriate in each case.

"There can be a fine, a suspension of the party for a certain period, and, in the gravest instances, even the expulsion of the party or the abolition of the party per se."

He also points out that, in cases in which it is proved that a politician was elected through the use of these irregular funds, the politician's mandate can also be revoked.

Regarding Soares' declaration, the professor believes that the fact he personally assumed responsibility for the use of irregular contributions will not free the PT from being held accountable by the courts.

"In any case, it's the PT that would suffer, because, regardless of how much Delúbio Soares insists he acted alone, he acted in the name of the party, which is a legal entity."

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