

Brazil's Minister Falls Under Cloud of Bribery Scandal

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Brazil's Mines and Energy Minister Silas Rondeau resigned amid accusations he was bribed by a construction company that obtained contracts to provide electricity to poor rural areas in a program championed by Luiz Inácio Lula da Silva, the nation's first working class president

Silas Rondeau, who headed Lula's Light for Everyone program, denied wrongdoing but said in a statement he was stepping down to prevent the controversy from hurting the government's push to bring energy to the poor.

Rondeau insisted on his "absolute innocence in relation to the accusations levied against me," but Brazilian media have reported that Rondeau accepted US\$ 50,000 to steer a contract to the Gautama construction company as part of a much larger scheme involving government money being siphoned off through fraudulent bidding on public projects that were overcharged or never built.

His resignation marked the fourth time in recent years that members of Lula da Silva's Cabinet have been forced to out because of corruption allegations, but the president has remained untouched by the scandals.

Previous scandals prompted the departures of presidential Chief of Staff José Dirceu, Finance Minister Antonio Palocci and Communications Minister Luiz Gushiken, all close allies of Lula who helped engineer his election in 2002.

Police allege the bid-rigging and corruption involved hundreds of millions of dollars, with much of the money funneled for infrastructure improvements from Brazil's ministries of planning, transportation and energy and mines. Many of the projects under scrutiny were overcharged or never carried out.

Authorities said government officials who helped steer the contracts to the gang were paid off in cash and gifts such as luxury cars. Dozens of suspects were arrested last week, including a congressman and a former governor.

Rondeau will be replaced by a high-ranking Mines and Energy ministry official, Nelson Hubner. Rondeau is a member of the Brazilian Democratic Movement Party, the most important political party allied with Lula's ruling Workers Party.

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