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Embattled Brazilian Sen. Renan Calheiros stepped down from the presidency of the upper house of Brazil's Congress for a period of 45 days to defend himself against corruption allegations. On Oct. 11, Calheiros formally announced that he would take a leave of absence from the Senate presidency after battling charges since May (NotiSur, Sept. 14, 2007). The administration of President Luiz Inacio Lula da Silva, closely allied with Calheiros, has expressed hope that removing him from the center of congressional power will allow legislative projects to move forward. Senate vice president Tiao Viana of Lula's Partido dos Trabalhadores (PT) took over Calheiros' office.

Key allies stop supporting Calheiros

Calheiros, a 52-year-old member of the Partido do Movimento Democratico Brasileiro (PMDB) from the northeastern state of Alagoas, is part of the governing coalition Lula has sewn together in the two houses of Brazil's Congress. He faces accusations that he allowed lobbyists to funnel money to different interests of his. His leave-of-absence request came after opposition lawmakers started a probe of his alleged abuses of power and key allies withdrew their support.

Calheiros said Oct. 11 that he was stepping down out of respect for "the country's interests and to preserve the harmony of the chamber's activities." The new probe of Calheiros is the fifth ethics investigation he has faced and comes a month after the Senate rejected a committee recommendation that he be expelled.

The ethics committee had concluded that he failed to show enough legitimate income to cover his expenses. The committee probe began after the Brazilian magazine Veja reported in May that a lobbyist made child-support payments on Calheiros' behalf to a former mistress, journalist Monica Veloso.

The Sept. 12 vote that ostensibly absolved him occurred in secret, with 40 senators voting against a political trial, 35 voting for it, and six abstaining. Opposition lawmakers and editorialists excoriated the vote, and leaders from the Partido Democratico Trabalhista (PDT), the Partido Socialismo e Liberdade (PSOL), and the Partido da Social Democracia Brasileira (PSDB) continued to press for hearings to be held examining Calheiros.

National newspapers like O Globo and Folha de Sao Paulo denounced the decision in Calheiros' favor. In the capital city's most influential paper, Brasilia's Correio Braziliense, a four-column headline reading "National Shame" and a photo of a smiling Calheiros accompanied a denunciation of the vote.

Rio de Janeiro's O Globo opined, "The persistence of manipulation, of cronyism, and of games on behalf of minor political interests won out, instead of strict ethical and republican principles." The week of his leave request, Calheiros lost the support of key allies in his battle to stay in power as members of the government coalition asked him to step aside until graft allegations against him
were resolved. "It would be better for this body, for democracy, and for your own defense, if you took a leave," Sen. Aloizio Mercadante, a member of the PT, said in speech in the Senate on Oct. 9.

Opposition lawmakers started an investigation to follow up on Veja's report that an aide to Calheiros, while on the congressional payroll, sought to gather damaging information on two senators. On Oct. 8, Calheiros denied using the aide for any illegitimate purpose. "I reject vehemently and with indignation the false accusations," Calheiros said in the statement. "I wouldn't resort to indignities such as the ones falsely attributed to me."

Veja, in its Oct. 10 edition, said Calheiros' aide directed probes into the lives of Sens. Demostenes Torres and Marconi Perillo during the past three months, searching for information that could be used to discredit them. Torres was among the first senators to call for an ethics committee look at Calheiros in May.

Perillo tried to get the Senate to vote openly on whether to expel him. PDT Sen. Torres claimed that Calheiros had placed hidden cameras and listening devices to spy on other legislators with the "goal of blackmail." Adding to the salaciousness and media frenzy around the scandal were nude photos of Calheiros' former mistress Veloso adorning the centerfold and cover of the Oct. 9 Brazilian edition of Playboy under the headline, "The Woman Who Shook Up the Republic."

Whenever possible, the Brazilian edition of Playboy features women who are newsmakers rather than models or actresses, said Edson Aran, the magazine's managing editor in Brazil, a country where skimpy bikinis and near-naked carnival revelers make bare flesh commonplace. "Our best covers are those that have exciting news behind them," said Aran. "It's a trademark of the Brazilian Playboy and makes the magazine much more appealing."

Brazil's Congress began investigating Calheiros after Veja reported in May that a lobbyist had made child-support payments to Veloso, who has a daughter by Calheiros. The following month, Veloso's lawyer told a congressional hearing she had received bags of cash from the lobbyist. Calheiros, who is married, has acknowledged paternity of Veloso's child.

In an emotional speech to the Congress, he asked forgiveness from his wife and family for "betrayal" and rued having to "confess in public a sin that should only be talked about in a confessional."

**Playboy benefited from Calheiros' troubles.**

Outside the Congress building in Brasilia, the capital, newspaper vendor Jose Irinaldo sold 105 copies the first day the October issue appeared. "Lawmakers insisted on having it today," said Irinaldo, who had ordered 100 copies and borrowed five from another newsstand. "I'm ordering at least 50 more." Irinaldo said that he had never before sold more than 50 Playboys in a month. Her appearance in Playboy will help boost sales of a book Veloso has written on political life in Brasilia that is scheduled to be published in November, said Aran.

"It's not a book of scandals," Veloso said. "People are curious to know how things happen in Brasilia. I'm very qualified to tell those stories." Resignation may allow tax package to pass The investigations have created a crisis in the Senate, distracting the body from legislative business, such as dealing with Lula's push to extend a financial-transactions tax that accounts for about 10% of government revenue.
Opposition groups vowed to block legislation as long as Calheiros remained in charge of the Senate. Reports in the press predicted that Calheiros' leave of absence would allow lawmakers to resume legislative debate on the key tax bill, known as the Contribuição Provisória sobre Movimentação Financeira (CPMF). "Calheiros' leave is very good news for the government's attempt to approve the tax extension," said David Fleischer, a political science professor at the Universidade de Brasilia.

The tax, which accounts for 40 billion reais (US$22.1 billion) a year in government revenue, expires in December. Lula has made its renewal a legislative priority this year, saying it is needed to power economic growth and raise investments in roads, ports, and other infrastructure. "Debate will be faster, and the government will only have to worry about negotiating with the opposition now," Fleischer said.

On Oct. 22, Brazilian lawmakers were still debating whether to extend the tax, which charges 0.38% on bank deposits, withdrawals, and other transactions. The government may lower the tax or reduce other taxes to win approval for the CPMF levy, Brazil's Finance Minister Guido Mantega said in an interview at the headquarters of the International Monetary Fund (IMF) in Washington. "I'm willing to consider a cut in the rate of the CPMF to say 0.36% or 0.35%," Mantega said. "Or, we could reduce other taxes that might help stimulate the economy." Mantega said he would present several alternative plans to lawmakers as soon as he returns to Brazil to ensure that the tax is passed by the end of the year.

Business groups strongly oppose the tax and have conducted public-relations and petition campaigns to oppose it, delivering 1 million signatures disapproving of it to Brasilia. Public opinion increasingly negative on Congress The Calheiros affair puts further strain on Lula and the coalition he has cobbled together, with poll numbers slipping and Brazilians holding politicians in ever-lower esteem. One survey says corruption is the worst thing about the Lula government, as repeated scandals and allegations have brought down top members of the PT or its top legislative allies.

The O Estado de S. Paulo newspaper published a poll on Sept. 16 conducted by the firm Instituto Ipsos. Respondents said the three best things about the Lula government were the Bolsa Familia social-subsidy program, economic stability, and aid to the poor. On the other end, those polled condemned corruption, the collapse of the civil-aviation system (Notisur, Aug. 3, 2007), and the lack of attention to health issues. Of respondents, 43% found Bolsa Familia to be the most positive thing in the Lula government, 20% said economic stability, and 10% said aid to the poor; 10% said the best work of the government was "nothing." On the negative side, 23% chose corruption, 11% said aviation, and 10% said health; 27% responded "nothing" to the question regarding what Lula had done badly in office.

The article in O Estado de S. Paulo did not elaborate on the number of Brazilians polled. Other polls have shown approval for the Congress in the 10%-12% range, with the Supremo Tribunal Federal (STF), the nation's top court, being the federal institution with the most credibility in survey respondents' eyes.

Lula's government's approval rating was little changed in October, pollster Instituto Sensus said on Oct. 15. Lula's administration was viewed positively by 46.5% of those surveyed, compared with 47.5% in June, a change within the margin of error, the poll showed. Lula's government, in power since January 2003, received its best rating in April, 49.5%. Clesio Andrade, president of the Confederacao Nacional do Transporte, responsible for commissioning the poll, said the decline was too slight to be considered an erosion of support for the government.
Lula's personal rating also changed little in October. It fell to 61.2% from 64% in June, the last time Sensus conducted the approval poll. The poll's margin of error was plus or minus three percentage points. Sensus, a Belo Horizonte-based opinion-research company, surveyed 2,000 people in 136 municipalities between Oct. 8 and Oct. 12.

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