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## Brazilian Olympic Committee Suspended Following Arrest of Top Official

by Gregory Scruggs

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The president of the Brazilian Olympic Committee, the driving force behind the Rio 2016 Summer Olympic Games, has been arrested on corruption charges. Carlos Arthur Nuzman, who chaired the national committee that secured the first Olympics in South America, is accused of bribing a Senegalese member of the International Olympic Committee (IOC) with US\$2 million and paying out another US\$500,000 in other bribes. According to Brazilian prosecutors, he also deposited 16 1-kilogram gold bars in Switzerland. They say the graft served to buy votes in the bidding process for the 2016 games ([NotiSur, Sept. 11, 2015](#), and [Aug. 5, 2016](#)).

“While Olympic medalists chased their dreams of gold medals, leaders of the Brazilian Olympic Committee stashed their gold in Switzerland,” said federal prosecutor Fabiana Schneider.

In response to the announcement, the IOC suspended Brazil’s membership. Nuzman resigned from his post shortly after his arrest and the vice president of the Brazilian committee, Paulo Wanderley Teixeira, assumed the top spot, vowing to clean house on corruption. The allegations have drawn extra scrutiny from federal officials about the Brazilian committee’s use of funds. With the committee’s reputation tarnished, sporting officials are concerned about the nation’s ability to field competitive athletes in the Tokyo Olympics in 2020.

### *Unfair Play*

Nuzman’s arrest caps off over a year of investigation into bribery and malfeasance surrounding the 2016 games. Red flags had been raised in the run-up to the games, but other than some illegal ticket resales during the Rio Olympics, no serious allegations could be proven.

However, Brazil’s wide-ranging corruption investigation, Operação Lava Jato ([NotiSur, Aug. 14, 2015](#), [May 12, 2017](#), [July 28, 2017](#)), had implicated a number of contractors who worked on Olympic venues, including construction companies who inflated prices to work on marquee projects like the Maracã Stadium in Rio de Janeiro. Those probes led to the arrest last year of former State of Rio de Janeiro Governor Sérgio Cabral, who was convicted in June and sentenced to 14 years in prison on bribery and money laundering charges.

Eventually, the federal probe found evidence of misconduct in the handling off the Olympic bidding process in a related investigation, Operation Unfair Play. In September, authorities raided Nuzman’s Rio home, seizing assets and documents ([NotiSur, Sept 11, 2015](#)).

“He was the bridge that linked the criminal scheme together,” Schneider told the media at the time of the raid. A month later, she filed charges with help from French investigators.

In addition to the allegations of money laundering and direct bribery to secure votes for the Rio games, which were trailing Madrid in the bidding process before a surge in the final round of voting, Nuzman is accused of tax evasion. According to investigators, Nuzman’s net worth increased 457%

in his last 10 years as president of the Brazilian Olympic Committee, but he doctored his tax return document trail last month as investigators closed in on him.

On Oct. 19, an appeals court decided that Nuzman could be released before standing trial. The 75-year-old, who headed the Brazilian Olympic Committee for 22 years, is reportedly in poor health. He surrendered his three passports to Brazilian authorities and will be forbidden from conducting any Olympic business.

While his lawyers professed his innocence in September after his house was raided, they have been more muted since the charges were filed, and have made no public declarations to that effect since the arrest.

### *Tarnished Olympic gold*

In an era of near-constant high-profile arrests of major Brazilian political and business figures, Nuzman's takedown was hardly a shocker. Nevertheless, it put the Brazilian Olympic movement on edge with three years to go before athletes compete in the next Summer Olympics in Tokyo. The IOC temporarily suspended Brazil, a move that will freeze all funding. Olympic officials say this will not affect scholarships or eligibility for Brazilian athletes.

Brazilian Olympic officials are pledging to pick up the pieces after the Nuzman arrest. Teixeira, who assumed the presidency upon Nuzman's resignation, said, there would be "no blank check for anyone" when it comes to unraveling corruption in the organization.

Meanwhile, the Brazilian Olympic Committee still owes creditors millions of dollars following last year's Rio games. Estimates of the total cost in public and private money range as high as US\$20 billion. The Committee recently signed an agreement with the Ministry of Sport (Ministério do Esporte) pledging to account for its spending of the roughly R\$200 million it receives annually from the public coffers.

"The corruption in Brazilian politics has permeated sport," said IOC member Richard Peterkin of Saint Lucia. The country's image in the international sporting community is "very bad," he said in an interview with the Brazilian newspaper A Tribuna.

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