



INTER-AMERICAN DEVELOPMENT BANK



OECD LATIN AMERICAN BID RIGGING PROGRAM WITH BRAZIL

Note by Brazil

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OECD Latin American Bid Rigging Program with Brazil

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1. Cartel Prosecution in Brazil

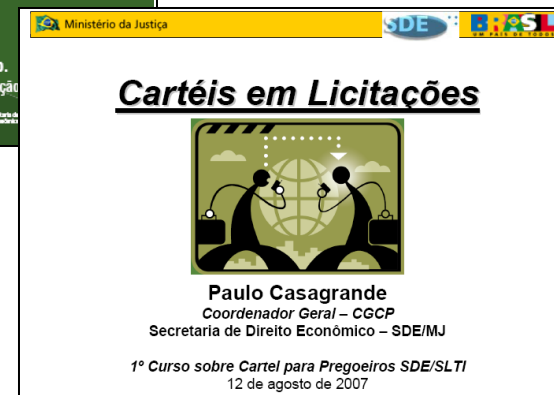
- **Since 2003, Brazil promoted a hierarchy of antitrust enforcement that places cartel prosecution as a top priority**
 - **300 cartel investigations being handled by SDE**
 - **75% of the SDE's resources are currently devoted to cartel investigations**

2. SDE efforts to fight Bid Rigging (1)

- **Bid rigging is a major priority in SDE's enforcement efforts**
 - **Creation of new special Public Procurement Unit as determined by the Minister of Justice**
 - **Contacts with other enforcement bodies to collect information about public procurement (Federal Court of Auditors; Office of the Controller General; Ministry of Planning; State and Municipal authorities)**
 - **Interaction with the Federal Police for joint investigation on bid rigging and other public procurement frauds**

2. SDE efforts to fight Bid Rigging (2)

- Preparation of manuals, charts and other materials for procurement officials about bid rigging *(all available online)*
- Massive distribution of these materials throughout the country by mail
- Outreach events, both general and customized for important public purchasers



2. SDE efforts to fight Bid Rigging (3)

- **Creation of mechanism for online reporting of suspicious behavior by procurement agents who use ComprasNet, the federal government's electronic procurement platform**
- **Initial understandings with state authorities for similar initiatives using their platforms**



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3. OECD Bid Rigging Program

- **Objective: to provide technical assistance to SDE and other Brazilian authorities concerning the persecution of bid rigging**
- **Major support for SDE's efforts in tackling bid rigging in Brazil**

4. Main actions

- **Still planning some actions; however, some work already done:**
 - **Contacts with other public bodies in the beginning of the new Unit**
 - **Assistance to the Public Procurement Unit with the competitive analysis of a bill for the reform of the current Procurement Law, mainly with international experience concerning:**
 - **Collaterals as potential barriers to entry**
 - **Other participation requirement**

4. Main actions

➤ Executions phase:

- Analysis of certain aspects of the bill for the reform of the Brazilian Competition Law**

➤ Planning phase:

- Assistance with case prioritization methods**
- Assistance with the initiative to require an Independent Bid Certification from suppliers**
- Other**

5. Benefits for the SDE

- **Capacity building**
- **Receive authoritative guidance based on international experience for its efforts to fight bid rigging in Brazil**
- **Count on the credibility of OECD in presenting its case concerning competition aspects of new legislation to congressmen**



Thank you

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