



**Statement of Ranking Member Rooney (R-FL)  
Subcommittee on Western Hemisphere, Civilian Security, and Trade  
House Committee on Foreign Affairs**

*“Understanding Odebrecht: Lessons for Combating Corruption in the Americas”*  
March 26, 2019

Remarks as Prepared

Thank you, Mr. Chairman. The Odebrecht bribery scandal is unprecedented in our hemisphere. It uncovered systemic corruption that has reached every corner of Latin America and led to the arrests and investigations of hundreds of public officials and businessmen in nearly a dozen countries. The scandal highlights the region’s ongoing struggle to combat corruption, but also presents an opportunity for the United States and our regional partners to discuss meaningful public- and private-sector reforms to improve anti-corruption mechanisms and strengthen democratic institutions.

The Odebrecht scandal was discovered through the investigation known as Operation Lava Jato, or “Car Wash,” which was initially launched by Brazilian authorities in March 2014 to uncover corruption within Brazil’s state-controlled Petrobras oil company. Odebrecht, a Brazilian construction giant was also discovered to be providing bribes for preferential treatment in awarded contracts. However, Odebrecht’s corruption knew no boundaries and extended far beyond Brazil, from Argentina to Mexico, and as far as Angola in Africa.

To date, we know that nearly \$800 million in Odebrecht bribes have been accepted by government officials and candidates in 10 Latin American nations. Through its in-house “Division of Structured Operations,” Odebrecht used bribes to secure construction contracts worth over \$3 billion. High level officials have been linked to the Odebrecht scandal in



Colombia, Mexico, and the Dominican Republic, including links to former Presidents and Vice Presidents in Brazil, Peru, Argentina and Ecuador.

While no country or region of the globe is completely immune to corruption, the Odebrecht scandal highlights the pervasive corruption throughout Latin America that holds the region's civil society, governments, and economies hostage. Corruption within the government and public sector of Latin America impedes regional growth, creates artificial economic barriers, and erodes public confidence in democratic institutions. Further, this corruption and its ruinous consequences are a main driver of regional migration and narcotics trafficking that directly affect us here in the United States.

While Latin America faces many challenges in rooting out corruption, many countries in the region have provided a framework for solutions in solving regional corruption issues. In Brazil, Transparency International, in consultation with public and private partners, has developed a package of reforms to include constitutional amendments, government institution reforms, and new rules related to corruption. Brazil's Minister of Justice has thus far incorporated a number of these reforms into draft laws for 2019. Similarly, Ecuador, Colombia and Peru all considered anti-corruption measures in 2018.

The United States is also providing assistance to strengthen the institutional and technical capacities of our regional partners to combat corruption. The State Department is working with the Department of Justice to implement programs such as the Criminal Investigative Training Assistance Program and the Office of Overseas Prosecutorial Assistance and Training.

I encourage our Executive agencies to continue working together, and with our partners in Latin America, to offer training and assistance to enable better practices in good-governance and rule of law. I further encourage the exchange and posting of American officials throughout the



region to assist in anti-corruption, and to serve as a resource for the region's governments, private sector, and financial institutions. Civil Society also plays a critical role in demanding transparency and accountability in government, and I encourage continued support for strengthening civil society's role in the fight against corruption. I commend our friends in the region who are taking meaningful steps in rooting out corruption and upholding the rule of law. I am especially encouraged by Brazil's response to the Odebrecht scandal, and support continued efforts to build off the lessons learned in Brazil and throughout the region. I look forward to hearing the testimonies and opinions of all witnesses today.

Thank you, Mr. Chairman. I yield back the balance of my time.

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