

# **Brazilian prosecutors charge ex-president Lula as “commander” of Petrobras bribery racket**

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Federal prosecutors in Brazil have accused former Brazilian president Luiz Inacio Lula da Silva of having presided as the “maximum commander” of the massive corruption scheme that was responsible for siphoning an estimated \$12.6 billion out of the state-run oil conglomerate Petrobras.

A judge is expected to decide within the next few days whether the case against Lula, a former metalworkers union leader who became Brazil’s first Workers Party (PT) president in 2003, will go to trial. If it proceeds, the prosecution threatens to further deepen the crisis of the PT in the wake of the August 31 ouster of President Dilma Rousseff, Lula’s handpicked successor, who was impeached on trumped-up charges of manipulating the federal budget.

Lula himself is considered the party’s best hope for a return to power as its presidential candidate in 2018, after the remainder of Rousseff’s term is completed by her former vice president, Michel Temer of the PMDB (Brazilian Democratic Movement Party).

The charges of corruption and money laundering against the ex-PT president stem from the Operation Car Wash (*Operação Lava Jato*) investigation that began as a probe of money laundering and uncovered a massive scandal involving the awarding of inflated Petrobras contracts to construction firms and other private contractors, who in turn funneled kickbacks to company officials, politicians and political party coffers.

In addition to Lula, those charged by the prosecutors include his wife Marisa Letícia (money laundering), Léo Pinheiro, the ex-president of the OAS construction giant (corruption and money laundering), four other OAS executives facing similar charges and Paulo Okamotto, the former metalworkers union official who heads the Instituto Lula, who is also charged with money

laundering.

The case against Lula began with a criminal investigation into claims that OAS, which benefited from lucrative Petrobras contracts, had financed the purchase and renovation of a luxury seaside apartment for the ex-president and his wife. Presenting the case at a press conference in Curitiba on Wednesday, prosecutor Deltan Dalagnol went much further, however, charging that Lula had “appointed several senior executives at Petrobras so that they could raise money for political parties in the governing coalition.” He added that “without Lula’s decision power, there would not be a criminal scheme.”

The prosecutors indicated that their case has been built in large part on the basis of testimony by former Petrobras officials, politicians and businessmen who have been charged in the scandal.

Lula responded to the charges Thursday at a PT rally in São Paulo, delivering a rambling and demagogic speech defending his entire record, from his days as a union leader through his eight years as president. He described the prosecution’s case as “pure fiction” designed to prevent him from running for president again. “Only Jesus Christ can beat me here in Brazil,” he boasted. He went on to compare his prosecution to the hanging and quartering of the 18th century advocate of an independent Brazilian republic, Tiradentes.

Supporters greeted the ex-president with chants declaring him a “warrior for the Brazilian people” and asserting that “the fascists will not pass.”

PT functionaries and the party’s pseudo-left apologists have increasingly denounced the federal prosecutors, the congressional politicians who impeached Rousseff and her successor Michel Temer, along with his cabinet, as “fascists.”

However, the prosecutors were appointed under the PT

government; Lula was himself engaging in political horse trading with the congressional politicians, the PT's erstwhile partners, in an attempt to forestall the impeachment; and Temer was Rousseff's vice president, 2010 running mate and political ally until late last year.

There is no question that every one of Brazil's bourgeois parties—and, according to one recent survey, 60 percent of the congress members who voted on impeachment—are up to their necks in corruption.

It is also the case that the corruption scandal has been manipulated to bring down the PT government, even though the charges against Rousseff were totally unrelated to the bribery scheme at Petrobras, whose board she chaired from 2003 to 2010.

The ouster of Rousseff and the PT was brought about to placate Brazilian and international finance capital under conditions of the country's worst capitalist crisis in 100 years. It served as a demonstrative signal that all measures would be taken to place the full burden of this crisis on the backs of a working class already suffering from an unemployment rate of over 11 percent, falling real wages, rising poverty and deepening social inequality.

Nonetheless, virtually all of the reactionary policies now being pursued by Temer (and denounced as "fascist" by the PT and its apologists), from labor and social security retirement "reform" to privatizations and caps on spending, had been proposed by Rousseff and the PT and would have been implemented had she remained in power.

In his speech Thursday, Lula declared, "I take deep pride in having created the most important party of the left in Latin America."

Having governed Latin America's largest country and biggest economy for the last 13 years, there is no arguing with the PT's importance. And its shipwreck is a central component of the crisis of all of the so-called "left turn" bourgeois governments, from *chavismo* in Venezuela to "left" Peronism in Argentina and the presidency of Evo Morales in Bolivia. Like the PT, all of them diverted a small share of the revenues generated by the commodities boom to fund social assistance programs aimed at dampening class tensions, while adopting a limited left nationalist posture. With the end of the commodities and emerging markets booms, all of these governments have been either ousted or severely undermined.

From its founding in 1980, in the midst of militant strikes and student unrest that led to the fall of Brazil's 20-year US-backed military dictatorship, the PT and the trade union federation with which it is affiliated, the CUT,

have served as instruments for diverting the revolutionary strivings of the Brazilian working class back under the domination of the bourgeois state.

As it gained local and state offices and proved its ability to administer bourgeois state structures, it emerged by 2003 as the favored party of Brazilian capitalism and a darling of the International Monetary Fund and Wall Street, whose interests it zealously protected.

Alongside union functionaries like Lula, Catholic activists and academics, the pivotal role in creating the PT fell to a collection of pseudo-left groups which promoted it as an alternative to the construction of a mass revolutionary party and the struggle for the development of socialist consciousness in the Brazilian working class.

The most important of these consisted of organizations affiliated with international tendencies led by figures like Ernest Mandel, Nahuel Moreno and Pierre Lambert, who had broken in an earlier period from Trotskyism and the International Committee of the Fourth International to adapt themselves to Castroism and other forms of bourgeois nationalism, along with Stalinism and social democracy.

All of these tendencies, and their present incarnations in the form of the Morenoite PSTU and MRT, the Pabloite Insurgencia group and similar tendencies orbiting the PT, its parliamentary split-off, the PSOL, the CUT trade union apparatus and the PT-affiliated "social movements" bear responsibility for the grave crisis now confronting the Brazilian working class.

All of them are tainted by the political corruption that lay at the heart of the PT, whose leading figures from Lula on down are now being dragged into the multibillion-dollar bribery and political kickback scandal surrounding Petrobras.



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