



Европейски парламент Parlamento Europeo Evropský parlament Europa-Parlamentet Europäisches Parlament  
Euroopa Parlament Ευρωπαϊκό Κοινοβούλιο European Parliament Parlement européen Parlaimint na hEorpa  
Europski parlament Parlamento europeo Eitropas Parlaments Europos Parlamentas Európai Parlament  
Parlament Ewropew Europees Parlement Parliament Europejski Parlamento Europeu Parlamentul European  
Európsky parlament Evropski parlament Euroopan parlamentti Europaparlamentet

Mr. Pierre Moscovici,

Commissioner for Economic and Monetary Affairs

Professor Dr. Mário Centeno,

President of the Eurogroup and Minister of Finance of Portugal

ref: European Semester/Portugal: The discredit of the State Finance Auditor (IGF)

*Dear Commissioner, cher Pierre*

*Dear Minister, caro Professor Mário Centeno*

Brussels, 1st October 2018

I am bringing to your attention - see attachments - several media reports describing the discredit and disarray that is currently going on in the “Inspecção Geral das Finanças” (IGF) in Portugal.

According to article 11 of the Law Decree no. 117/2011, from 17 December, and its subsequent alterations, the IGF is the entity responsible for the external auditing and strategic control of the finances of the Portuguese State, including all the services and organisms at the central and local levels of government.

Discredit of the IGF started with a major public scandal, the one known as “apagão fiscal” (tax blackout): in 2016, thanks to an investigation by newspaper Público, it was established that no aggregated data had been officially published between 2011 and 2014 regarding bank transfers into offshores amounting to a sum of at least 10 billion euros. Also glaring discrepancies in tax declarations from several banks showed that these transfers were never subject to any tax, nor anti-money laundering controls by the competent national authorities. 80 % of that astronomic amount corresponded to money transfers sent to offshore accounts by BES, Bank Espírito Santo, at a time when the Bank was already under investigation but nobody but Banco de



Европейски парламент Parlamento Europeo Evropský parlament Europa-Parlamentet Europäisches Parlament  
Euroopa Parlament Ευρωπαϊκό Κοινοβούλιο European Parliament Parlement européen Parlaimint na hEorpa  
Europski parlament Parlamento europeo Eiropas Parlaments Europos Parlamentas Európai Parlament  
Parlament Ewropew Europees Parlement Parlament Europejski Parlamento Europeu Parlamentul European  
Európsky parlament Evropski parlament Euroopan parlamentti Europaparlamentet

Portugal and the Government knew. The public scandal on the “tax blackout” led the Government to order an internal audit by IGF. But the report produced by IGF in September 2016 was so suspiciously evasive and incomplete, that the Secretary of State for Tax Affairs, Mr. Fernando Rocha Andrade, refused to homologate it and sent it to the Attorney General for criminal investigation. Till this day, nothing more is known, including about the responsibilities IGF, and namely of its Director-General Mr. Vitor Braz.

In the meantime, the media have been exposing the leadership disarray and the conflicts of interest under which the IGF has been operating. See attached links for TV reports and press articles.

On 30 May 2018, I have sent a letter to the Minister of Finance, noting that Mr. Vitor Braz, while exercising the functions of Inspector-General of IGF was also inappropriately member of the auditing board of Santa Casa da Misericórdia de Lisboa, an entity under the supervision of IGF. Currently, Mr. Vitor Braz also accumulates the role of member of the advisory body of the “Conselho Consultivo das Fundações” - another entity under IGF’s supervision.

Earlier on, on the 4th October 2017, I had already sent another letter to the Minister of Finance, exposing the extremely questionable behaviour of the deputy of Mr. Vitor Braz at IGF, Inspector Filomena Martinho Bacelar, who was referred in the “SwissLeaks” list and for her role as president of the jury who sold the ship “Atlantida” in extremely negative conditions for the State interests.

To these two letters, I have never received any reply.

The negative examples at the top of the IGF not only replicate downwards with other inspectors exercising simultaneous functions in external auditing and internal auditing (in different entities, from hospitals to public institutes), but also contribute to the public discredit of IGF and the low morale of its staff, with some cases of harassment of internal critics being reported. Immediate action is needed.

I therefore urge you:

1. To take up this matter with the Portuguese Government and urge it to act, reform IGF and ensure that its leadership and staff complies with the law concerning incompatibilities on the exercise of public offices and ensures integrity and competence.





Европейски парламент Parlamento Europeo Evropský parlament Europa-Parlamentet Europäisches Parlament  
Euroopa Parlament Ευρωπαϊκό Κοινοβούλιο European Parliament Parlement européen Parlaimint na hEorpa  
Europski parlament Parlamento europeo Eitropas Parlaments Europos Parlamentas Európai Parlament  
Parlament Ewropew Europees Parlement Parlament Europejski Parlamento Europeu Parlamentul European  
Európsky parlament Evropski parlament Euroopan parlamentti Europaparlamentet

2. To open an investigation on the “tax blackout” of the years 2011 to 2014, and establish what is happening with the criminal inquiry, who was responsible and how will the State recover from the income losses caused by the transfers to offshores which occurred without tax or anti-money-laundering controls.

*Best regards,*

*Ana Gomes*

Ana Gomes,  
Member of the European Parliament

Annex:

<https://expresso.sapo.pt/revista-de-imprensa/2018-07-12-Paraisos-fiscais.-Apagao-na-investigacao-ao-apagao-dos-10.000-milhoes#gs.oesT69w>

<https://www.publico.pt/2018/09/06/economia/noticia/depois-da-santa-casa-inspector-de-financas-entra-para-conselho-das-fundacoes-1843155>

<https://www.publico.pt/2018/03/12/economia/noticia/centeno-escolhe-inspectorgeral-de-financas-para-a-santa-casa-1805923>

<https://www.publico.pt/2017/07/08/economia/noticia/apagao-ocultou-98-dos-fluxos-do-bes-para-offshores-em-2014-1778384>

<https://www.publico.pt/2017/02/20/economia/editorial/the-lisbon-papers-1762698>