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MEMORANDUM OF CONVERSATION

April 17, 1969

PARTICIPANTS: Victorio Ferraz, Director-Superintendent, Cia.
Sorocabana de Material Ferroviario

William L. Wight, Jr., Deputy Principal Officer,
American Consulate General, São Paulo, Brazil

Copies to: Amembassy, Brasilia
Amembassy, Rio de Janeiro
Department of State - ARA/LA/BR
ARA/INR/RAR
INR/CS/BR

Mr. Ferraz is a "hardliner" who has worked closely with the military since the 1964 Revolution, and is an important businessman in Sao Paulo. He is a member of the three-man Sao Paulo sub-commission of the General Investigative Commission which is looking into cases of illicit gains, in accordance with decrees under IA-5. He had the following to say about the work of his group:

They are working very silently but assiduously, and intended to investigate every politician in the State of São Paulo. He said the next list of "cassados" would include state and local politicians whose names would evidently be recommended by his group. He noted, "cassation is the first step."

Mr. Ferraz said his group had been delegated authority by all three military services to investigate Communism, subversion, and corruption as well as the question of illicit gains. In Mr. Ferraz's mind, at least, these are all intertwined; he said the Communists were working with corrupt politicians; this in turn led to all kinds of illicit gains and other abuses.

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EXEC:
W.L. Wight, Jr. :js
April 18, 1969

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Mr. Ferraz said they were seeking declarations of property from politicians, as well as copies of all tax returns. At the same time, they were investigating the "net worth" of the individuals, using all possible sources of information. All these data were then being fed into a computer. I remarked that such a vast job would probably take the commission several months or years to complete. He denied this, saying that the first results of the work would be made public in about one month.

COMMENT

Mr. Ferraz's remarks do not bode well for São Paulo politicians since he made it clear that punitive action was contemplated against all levels from the highest to the lowest, including Mayors of small towns in the interior. It also appears that while many small fry may be gathered in his net, the big fish will get away.

Mr. Ferraz is a "Specialist" who has worked closely with the military since the 1964 Revolution, and has been a key informant in São Paulo. He is a member of the "net worth" team of the Federal Investigative Department, which is looking for assets of flight risks. In accordance with security procedures, he was the following to my notes for value of the report.

They were working very closely and accidentally, and intended to investigate companies in the state of São Paulo. He said the next list of "suspects" would include all the names of politicians whose names would probably be investigated by the state. He stated, "Information is the first step."

Mr. Ferraz said he had no delegated authority by all three authorities, the military, the Commission, surveillance, and extraction as well as the collection of information. In Mr. Ferraz's mind, at least, the military and the Commission were working with the state government, but he was not sure of flight risks and other matters.

NAME: W. L. W. J. Jr.
April 11, 1968

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