

RATAS DE LIMA

A story of corruption, power, and a city's fight back



Brookfield's Rutas de Lima toll plaza, Chillón, appears to swallow the Quechua-speaking shantytown trapped behind it.

Summary

Canada's new Prime Minister, Mark Carney, is behind a corruption-plagued South American toll road scheme, swamped in litigation over bribes paid to the mayor who issued the contract.

The Rutas de Lima toll road project, meant to ease the paralyzing traffic in the Peruvian capital, collapsed into scandal with revelations that the Brazilian firm Odebrecht had bribed the mayor with \$3 million in 2013 for a 30-year contract to run the highway system.

Instead of relief, Rutas brought predatory toll hikes that crushed the working poor, while Odebrecht pocketed the money. Brazilian authorities, in their expansive Operation Car Wash investigation of international corruption networks, led to Odebrecht pleading guilty in 2016 to what the U.S. Department of Justice called “the largest foreign bribery case in history.”

Yet, the elaborate plea bargain arrangement with DOJ in New York oddly omitted any reference to Rutas de Lima. Just before the scandal broke wide open, Odebrecht offloaded most of its stake to Brookfield, a Toronto-based investment and asset management giant, for about \$500 million. Brookfield knew South American public works business like few others. But it claimed its due diligence had found nothing wrong with its new Odebrecht asset.

New leadership emerged in 2022. On one side stood Brookfield chairman Mark Carney, a powerful ESG or Environment, Social, and Governance advocate - and now Canada's prime minister - who sidestepped the mess while his company kept turning the screws on the city of Lima. On the other side emerged Lima's freshly elected Mayor Rafael López Aliaga, a populist fighting to dismantle the corrupt contract.

Brookfield defended its soiled Rutas asset through costly United Nations arbitration, profiting from Rutas escaping itemization in the 2016 plea bargain. The tolls remain, doubts swirl about the DOJ prosecutors' impartiality during the plea bargain - particularly Andrew Weissman, the ex-DOJ Fraud Section chief - that let Odebrecht pay at the lowest end of the sentencing guideline range and kept Rutas' name out of the arrangement.

Brookfield then went on the offensive against Lima, portraying itself as the victim and suing the city for \$2.7 billion in lost revenue. “Rutas” or “Routes” had become toxic in the eyes of many locals who now call the highway project “Ratas de Lima,” or Rats of Lima.

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3. "Anexo D," including "Sworn statement: Proposal for legal assistance services for the Republic of Peru, September 25, 2013," original in Spanish (11 pages)

Panoramic overview

A city of ten million people, its arteries choked with diesel buses and countless cars, presents a contrast of modern glass towers and crowded concrete houses on a sprawlscape between the Andes and the Pacific. This is Lima, the thriving, congested capital of Peru.

In 2013, a promise glimmered relief through the smog: New toll roads to tame the chaos, overpasses to lift the gridlock, a modern lifeline for an energetic metropolis stalling from congestion. The deal came wrapped in the polished name of Rutas de Lima, a consortium led by Brazil's multinational construction titan, Odebrecht. But beneath the surface of this grand bargain lay a festering scandal - a story of secret meetings, stuffed envelopes, and a crooked mayor's desperate gamble to cling to power.

This is the Rutas de Lima toll road saga, a modern Peruvian tragedy where ambition clashed with betrayal. Super-wealthy foreign social justice warrior investors bought the corrupt contract and made war with the city.

Lima residents lose more than a billion hours a year stuck in the clogged, polluted streets. The collective time lost to road congestion in Lima each year is equal to more than 2,000 people living their entire lives, from birth to death, stuck in traffic.

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The deal that started it all

Nobody could solve the worsening problem. Lima Mayor Susana Villarán was desperate for anything. It was 2012, and the progressive politician faced political destruction from an upcoming referendum to demand her recall.

In front of her dangled a lifeline: the Rutas de Lima project. It had been in the development stages for six years. On September 18, Villarán handed a huge Brazilian construction colossus, Odebrecht, a golden ticket: A 30-year lease to run Rutas de Lima. It was a big deal: About 71 miles or 115 kilometers of three toll roads snaking across the city through its

¹ We arrive at the "billion hours a year" estimate by taking the population of Lima (about 10 million), estimating a commuting work force of about 30 percent (3 million), estimating traffic delays of 60 minutes each way (120 minutes/day), and multiplying the 120 minutes by 250 work days a year. Man-hours lost are 6 million per day, times 250 workdays, for a total of 1.5 billion lost hours per year. The average life expectancy in Peru is an average of 78 years. With 8,760 hours in a year, and 682,680 hours in a lifetime of 78 years, we find that 1.5 billion hours a year divided by 682,680 hours per lifetime = 2,197 lifetimes.

expanding outskirts to the north, south, and west.² Rutas de Lima would collect tolls from a quarter million vehicles a day.

At the rate when the tolls would go into effect, that was roughly \$418,000 a workday, or just over \$104,000,000 million a year, not counting weekend and holiday traffic. In constant dollars, that was more than \$3.13 billion in tolls over 30 years.³

That was just the start. In exchange for building overpasses and maintaining the system, Rutas could impose tolls on drivers and ratchet up the price as it wished. Villarán's terms for Odebrecht were suspiciously sweet - guaranteed daily cash flow, random rate hikes, little oversight, and contracts designed to be amended to keep the concession going - like a gift too good to question. But questions came soon enough, as loud whispers of corruption spread like diesel smoke through the talkative city.

Mayor Villarán's arrangement in advance of the recall referendum was one of those coincidences too convenient to ignore. Defeating that vote would cement her control - and the Rutas deal. Odebrecht had a successful working formula across Latin America: when in doubt, pay to play.

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The pay came quickly, with \$3 million funneled to Villarán's anti-recall campaign. Villarán's campaign manager, José Miguel Castro, was the alleged middleman, a shadowy figure greasing the wheels with Brazilian cash. Another Brazilian firm chipped in another million dollars, though the details blur in the haze of accusations.

By January 2013, with the contract locked in, Villarán defeated the referendum and clung to her seat. Arbitrators and an American federal court would later say that insufficient evidence existed to prove that bribes directly swung the award. Such arrangements were common custom in Peru. Almost a decade later, Lima would elect a new mayor to bulldoze the city's smothering corruption.

Operation Car Wash uncovers the bribery

Operation Car Wash would spray away the dirt to uncover the evidence to end Odebrecht's international campaign of bribery. Launched by Brazilian prosecutors against a state oil company, Car Wash exposed Odebrecht's public corruption strategy.

² Witness Declaration of Benjamin Vaughan, Case 1:23-cv-00680-AXR, Document 28-3, filed August 11, 2023. <https://jsumundi.com/en/document/pdf/other/en-rutas-de-lima-s-a-c-v-municipalidad-metropolitana-de-lima-ii-witness-declaration-of-benjamin-vaughan-wednesday-30th-june-2021>

³ Based on the 2016 toll price of 4.5 soles per vehicle per day (average of US\$1.67 per day) x 250,000 vehicles/day x 250 work days/year. Calculation here is 5 workdays/week, as opposed to 6 days/week calculated elsewhere in this paper.

International investigators brought the evidence to a federal court in New York, where the company confessed to a staggering \$788 million bribery spree across a dozen countries - \$29 million of it in Peru alone.⁴ It agreed to pay \$3.5 billion in penalties and fines, what the U.S. Department of Justice called the “largest foreign bribery case in history.”⁵

In Lima, the spotlight would turn back to Mayor Villarán. Odebrecht had bought her lifeline to keep her mayoralty, and the Rutas contract, alive. For her efforts, she would end up in jail, then house arrest, where, more than a decade later, she awaits the end of her trial for the Rutas de Lima bribes.

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Who was bribing and who was being bribed

The scandal hinges on allegations that Odebrecht paid bribes to secure and protect the Rutas de Lima contract. Evidence from Peruvian probes and Odebrecht's 2016 plea deal in the United States, where it admitted to the \$29 million in bribes across Peru, points to a scheme targeting Lima's municipal leadership.

Clouding an understanding of the situation is a pattern of anomalies among U.S. Department of Justice investigators and prosecutors that give the appearance of conflicts of interests or other improprieties. An independent DOJ review of those anomalies would clear the issue.

In very brief form, the Rutas de Lima case looks like this:

- **Who Was Bribing:** Odebrecht, through its Peruvian operatives like Jorge Barata, its former country head who orchestrated the payments, did the bribing. Barata's testimony later became pivotal, detailing how the company funneled money to influence officials.
- **Who Was Being Bribed:** Former Mayor Susana Villarán (2011-2014) is the central figure accused of receiving bribes for the Rutas de Lima contract, though Odebrecht bribery reached much further to other politicians and projects. In its internal communications, Odebrecht had given the big-haired Villarán the code name

⁴ Fergus Shiel and Sasha Chavkin, “About the Bribery Division investigation,” International Consortium of Investigative Journalists, June 25, 2019. <https://www.icij.org/investigations/bribery-division/about-the-bribery-division-investigation/>

⁵ “Odebrecht and Braskem plead guilty and agree to pay at least \$3.5 billion in global penalties to resolve largest foreign bribery case in history,” United States Department of Justice news release, December 21, 2016. <https://www.justice.gov/archives/opa/pr/odebrecht-and-braskem-plead-guilty-and-agree-pay-least-35-billion-global-penalties-resolve>

Careca,” Portuguese for “Bald.”⁶ Prosecutors alleged Careca had accepted \$10 million from Odebrecht and another firm to fund her 2013 anti-recall campaign, ensuring she stayed in office to safeguard the contract. Villarán admitted to \$4 million in total.⁷ Odebrecht's own bribe ledgers made reference to the illicit payments for the Rutas de Lima project.⁸ Her campaign manager, José Miguel Castro, is also implicated as the coordinator with Odebrecht. Villarán was charged and temporarily jailed in 2019, spending 18 months in jail.⁹ Prosecutors sought a 29-year prison sentence in 2022, and her case reached trial by September 2023, though as of early 2025, no verdict had been reached.

Odebrecht's bribery extended far beyond the Rutas contract award. Post-2012 payments allegedly smoothed its execution, as Villarán lacked the unilateral power to reverse it once awarded, yet her administration's cooperation was vital. Odebrecht's broader Peruvian bribery - \$29 million across three presidencies - entangled figures like ex-President Pedro

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Those corruption details will follow below. They form the root of the controversial Rutas de Lima toll system itself.

Mayor Villarán's powerlessness to undo the signed deal was gold for Rutas. With her in office, toll hikes rolled out unchallenged.

Drivers seethed but had no choice but to pay. Their money kept flowing to Odebrecht. Soon, as international investigators from Brazil, Switzerland, and the United States closed in, Odebrecht cashed out buy leniency. It sold most of Rutas to Canada's Brookfield for an

⁶ Sasha Chavkin, “Moustache, 'Little Pillow' among Odebrecht code names revealed in new testimony,” International Consortium of Investigative Journalists, August 7, 2019. <https://www.icij.org/investigations/bribery-division/moustache-little-pillow-among-odebrecht-code-names-revealed-in-new-testimony/>

⁷ Diego Lopez Marina, “Peru's Public Ministry requests 29-year prison sentence for former Lima mayor involved in Odebrecht scandal,” Perú Reports, September 8, 2022. <https://www.perureports.com/perus-public-ministry-requests-29-year-prison-sentence-for-former-lima-mayor-involved-in-odebrecht-scandal/9696/>

⁸ The Odebrecht international bribery payment system is detailed, with original documents, in Exhibit P, “IV. Analysis, 4.1 Money delivered by the Odebrecht company,” Document 74-13, Case 1:20-cv-02155-ACR, Filed March 31, 2023.

⁹ “Susana Villarán jailed for 18 months,” Peru Support Group, May, 2019. <https://perusupportgroup.org.uk/2019/05/susana-villaran-jailed-for-18-months/>

¹⁰ Municipality of Lima, “Memorandum of Law in Support of Application Under 28 U.S.C. § 1782 authorizing applicant to conduct discovery in this district for use in foreign proceedings,” “In Re: Application under 28 U.S.C. § 1782 to take discovery from Brookfield Infrastructure Partners L.P., Brookfield Asset Management Ltd., Brookfield Corporation,” et al., Case No. 1:24-mc-00533, Exhibit P, filed November 18, 2024, pp. 1-11. Accessed at: <https://jsumundi.com/en/document/pdf/other/en-rutas-de-lima-s-a-c-v-municipalidad-metropolitana-de-lima-ii-memorandum-of-law-in-support-of-application-under-28-u-s-c-ss-1782-authorizing-applicant-to-conduct-discovery-in-this-district-for-use-in-foreign-proceedings-monday-18th-november-2024>

estimated \$500 million in 2016 - Brookfield did not reveal the exact amount - just before the scandal broke wide open. Brookfield, while not accused of paying bribes, faces scrutiny for buying a “tainted” deal and is currently the subject of a Rutas de Lima money-laundering probe in Peru. The credibility of the trillion-dollar asset management company diminishes, in critics’ eyes, when claiming that it had done proper due diligence. Brookfield denies wrongdoing and points to its arbitration victories.

The company’s denials are challenging to believe. No forensic accounting was needed to see the smoke. In the months leading to the June, 2016 acquisition, reports of Odebrecht’s worldwide corruption, including in Peru, were widely reported in the press.¹¹

Painful movement at the toll roads

For a country with a long tradition of official graft, it surprised few Peruvians to learn that someone behind Rutas de Lima was somehow on the take. By paying the tolls, motorists knew that they were pulling cash from their pockets to fund the corruption with no middle-man. And in a poor country where most find it a struggle to eke out an existence, the tolls can be devastating. Especially, as many locals allege, the Rutas de Lima roads in certain areas were monopolies that made alternative routes to and from home impossible.¹²

Let’s briefly break down the costs to anyone driving through the toll booths. In 2013, Rutas de Lima charged a toll of 4.5 *soles*, which ballooned to 7.9 *soles* by 2024, and whispers of 17 or 18 *soles* floated on the horizon in 2024 and 2025.

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The *sol*, or *soles* in plural, is Peru’s traditional unit of currency. Peru’s present currency was a creation to escape the 7,000 percent-a-year hyperinflation under the presidency of Alan García (1985-1990), when successor Alberto Fujimori knocked six zeroes off the existing currency and renamed it *nuevo sol*, with the international standard designation “PEN.”

In American dollars, 4.5 soles in 2013 equaled about \$1.67. That’s a reasonable toll in North America or Europe. But that small amount is a large chunk of pay from Peru’s working poor, whose minimum income was about 29 soles – just under \$11.00 – per day. A single

¹¹ Metropolitan Municipality of Lima v Brookfield Infrastructure Partners LP, United States Supreme Court of Southern District of New York Case No. 1-24-mc-033, Memorandum of Law, November 18, 2024, as carried by Transitional Dispute Management. <https://www.transnational-dispute-management.com/legal-and-regulatory-detail.asp?key=35819>

¹² Author’s site visit to Rutas de Lima’s Chillón toll station on Pan-American Highway North, Puente Piedra, January, 2025.

passage through the toll cost a minimum wage worker more than 15 percent of his daily income.¹³

Rutas hiked the toll in 2024 to 7.9 soles, or about \$2.11. Calculating for changes in the minimum wage and inflation, the 2024 toll consumed 20 percent of the working poor's daily minimum income.

Things became more painful when Rutas hiked the toll in 2024 to 7.9 soles, or about \$2.11. Calculating for changes in the minimum wage and inflation, the 2024 toll consumed 20 percent of the working poor's daily minimum income.¹⁴

Should Rutas raise the toll fee in 2025 to 17 or 18 soles as is popularly believed, it would cost the minimum wage worker 39 percent or more of his earnings.¹⁵ This is unsustainable.

An early rate hike coincided with revelations during the Operation Car Wash investigations, following Odebrecht's 2016 plea that confirmed the scope of its corruption.

The tolls were becoming so controversial that the Lima city government announced a temporary suspension of fees and the search for alternatives. Other officials called for the Rutas contract to be renegotiated.

None of that appeased the residents of Puente Piedra along the northern trunk of the Pan American Highway.

Rutas had excavated and paved the highway through the cross streets, cutting access from the predominantly indigenous Quechua-speaking shanty community of Shangrila to the stores and places of work on the other side. Although Rutas had built two footbridges over that section of highway, only one is usable for bicycles, carts, or handicapped access. To cross by automobile, the people in that neighborhood were forced to use the highway and pay the toll just to drive a few hundred yards.

Making matters worse for them, Rutas had dug out and plowed over the existing parallel service road, making the southern end impassable by tapering it so only pedestrians could slip through. For good measure, Rutas dumped a mound of concrete and gravel, and topped it with a great earthmoving shovel filled with concrete, as if to drive the point that nobody in the neighborhood could avoid paying. Going north by foot, the sidewalk in front of the

¹³ The 2013 daily wage is calculated by dividing Peru's 2013 minimum monthly wage of 750 soles by the number of working days in a month. Peru has a 48-hour work week, calculated as 6 days per week, or an average of 26 days per month. The remainder is then calculated in US dollars by the average exchange rate in 2013.

¹⁴ The 2024 daily wage is calculated by dividing Peru's 2024 minimum monthly wage of 1,025 soles by 26 working days per month. The remainder is then calculated in US dollars by the average exchange rate in 2024, which was 1 PEN = \$0.2669 USD.

¹⁵ The 2025 daily wage is calculated by dividing Peru's 2025 minimum monthly wage of 1,130 soles by 26 working days per month. The remainder is then calculated in US dollars by the average exchange rate in February, 2025, which was 1 PEN = \$0.27 USD.

neighborhood suddenly ends at the side of a massive rock formation, making it impossible for residents to walk to the store, church, or work.¹⁶

Locals from surrounding neighborhoods had protested peacefully for months against the Chillón toll plaza in their town, through which they had to pay just to drive a single kilometer to the exit.

In January, 2017, with Brookfield allowing Rutas de Lima to run itself as it had under Odebrecht, exasperated locals of Puente Piedra had had enough. They destroyed the toll plaza, blocked the highway, burned tires, and battled police. Over the course of a week, the protests grew to hundreds. As many as 5,000 protesters blocked the highway, confronted by 2,000 police with armored vehicles who fired tear gas and rubber bullets to disperse them. A passing vehicle accidentally struck a five year-old boy who had stopped his bike to watch, killing him.¹⁷

Odebrecht's empire of concrete and ashes

Odebrecht was founded in 1944 as a humble cement mixing company in the steamy port of Salvador, Brazil. By the 21st century it had become South America's most formidable construction titan.

As it passed from the founder's generation to the next, Odebrecht constructed more than bridges, dams, and infrastructure. It built a transnational political empire on a foundation of bribes, a shadow network that crisscrossed continents like rebar through concrete. From Venezuela's unfinished railways to hydropower projects in Africa, Odebrecht didn't simply win contracts through competition. It bought them and the officials who signed them.

Its secret business model included slush fund so vast it could buy regional and national leaders with cash, \$788 million, at least, funneled through offshore accounts and shell companies between 2001 and 2016.

Next-generation Odebrecht's rise was engineered with cold precision. By the 2000s, under Marcelo Odebrecht, grandson of the founder, the company had swelled into Latin America's construction kingpin, stretching across 12 countries and beyond.

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¹⁶ Author's site visit to Puente Piedra, January, 2025. By the time of the site visit, a Peruvian court had ordered the Chillón toll plaza temporarily closed.

¹⁷ Cesar Uco, "Privatized highway toll sparks mass protest in Peru," World Socialist Web Site, January 17, 2017. <https://www.wsws.org/en/articles/2017/01/17/peru-j17.html>. This article says the rate hike went up to 10 soles, or \$3.03 USD.

companies between 2001 and 2016. What Odebrecht called its “Structured Operations Department” churned out payments of dirty money with ledgers recording every payout.¹⁸

In the Dominican Republic, \$92 million in bribes secured highway and aqueduct contracts, leaving taxpayers with inflated costs and half-finished public works.

Venezuelan officials took \$98 million in bribes for metro lines and bridges that rusted before they opened, some of many monuments to dictator Hugo Chávez’s squandering of the country’s oil wealth.

Colombia’s Ruta del Sol highway brought another \$50 million in kickbacks.

Across the Atlantic in Africa, in Portuguese-speaking Angola and Mozambique, presidents and ministers pocketed millions while dams rose and debts soared. The script was simple: charm the powerful, grease the palms, lock in the deal, then continue bribing to juice the benefits under the contract.¹⁹

Peru was ripe for the picking - a scenic, fertile country of mineral wealth and political fragility, crooked mayors and presidents, and an ever-sprawling capital city in desperate need of new critical infrastructure. Despite their long common border, Brazil and Peru had shared little trade, thanks to rugged Andean topography and the wilds of the Amazon basin.

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Odebrecht stormed in during the 1990s, eyeing megaprojects under Alberto Fujimori’s strong rule. By the 2000s, it had its hooks deep, confessing later to \$29 million in bribes across three presidencies: Alejandro Toledo, Alan García, and Pedro Pablo Kuczynski.

Toledo, they claimed, took \$20 million for a coastal highway - a charge he denies while awaiting trial in Peru.

García, defiant to the end, shot himself in 2019 as police closed in over gas pipeline payoffs.

Kuczynski, linked to a relatively paltry amount through alleged consultancy arrangements, resigned in 2018 and also awaits trial.

¹⁸ Fergus Shiel and Sasha Chavkin, “Bribery Division: What is Odebrecht? Who is involved?” International Consortium of Investigative Journalists, June 25, 2019. <https://www.icij.org/investigations/bribery-division/bribery-division-what-is-odebrecht-who-is-involved/>

¹⁹ “Odebrecht case: Politicians worldwide implicated in bribery scandal,” BBC, April 17, 2019. <https://www.bbc.com/news/world-latin-america-41109132>

The company's man in Peru, Jorge Barata, was the maestro of this orchestra of graft. With a smile and a ledger, he doled out payments - some in suitcases, some wired through Panama and a network of front companies - to secure dams, metros, and roads.

Peruvians called these payoffs "keiko bucks" or "fujimoney," with a nod to former president Fujimori's daughter and political heiress. Keiko Fujimori's political machine collapsed in disgrace amid official allegations that she operated an Odebrecht contract-buying operation.²⁰ The alleged bribery was unrelated to Rutas de Lima, and the prosecution of her is ongoing.

Crooked government failed to shock the public, but the sheer scope of Odebrecht's corruption tore down Peru's top political names and parties.

DOJ: 'Largest foreign bribery case in history'

By 2016, after U.S. investigators and prosecutors built the case in New York thanks to Brazil's Car Wash probe, Odebrecht pleaded guilty in federal court to conspiracy to pay bribes in violation of the Foreign Corrupt Practices Act, or FCPA. As part of a settlement

That specific, curious omission later allowed Brookfield, which bought the majority stake in Rutas from Odebrecht, to argue successfully in arbitration that no evidence existed to prove it had bought a corrupt contract. This omission is extraordinary.

among American, Brazilian, and Swiss authorities, Odebrecht admitted to paying hundreds of millions of dollars in bribes to government officials in many countries since 2001. The Justice Department and Odebrecht agreed that the company would pay a penalty of \$2.6 billion, at the lowest end of an advisory guideline range that went up to \$4.5 billion.²¹

The team of federal prosecutors did not press Odebrecht to acknowledge that it had gained the Rutas concession through bribery. Nothing about Rutas appears in the New York plea agreement. On reading the document, one would never know that Odebrecht had had anything to do with Rutas.

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²⁰ Simeon Tegel, "Fujimorismo's sudden collapse shakes Peru's politics," *Americas Quarterly*, November 13, 2018. <https://www.americasquarterly.org/article/fujimorismos-sudden-collapse-shakes-perus-politics/>

²¹ "DOJ casts the FCPA spotlight on Brazil-related enforcement," Cadwalader, June 11, 2021. <https://www.cadwalader.com/resources/clients-friends-memos/doj-casts-the-fcpa-spotlight-on-brazil-related-enforcement> See the original plea agreement on the US Department of Justice site at https://www.justice.gov/d9/press-releases/attachments/2016/12/21/odebrecht_plea_agreement.pdf.

This omission is extraordinary. Documents in an unrelated case show that Odebrecht was careful to indemnify Brookfield when selling tainted assets at bargain prices, and that Brookfield was strict about demanding indemnification before completing the sale.

This came to light after the architect of this multinational corruption scheme, Marcelo Odebrecht, was arrested in 2015, imprisoned in a Curitiba cell in southern Brazil, under a 19-year sentence.²² Odebrecht's global empire crumbled to rubble, saved only by Marcelo's deal with prosecutors. Breaking up the criminal networks and exposing the corrupt officials required his cooperation. As part of plea bargain arrangements in Brazil and New York, Marcelo received leniency and transition to house arrest in 2017 for a 10-year sentence. In return he would admit guilt, describe his company's bribery system, and burn all the officials and politicians he paid off.²³ In 2023, the controversial Brazilian Supreme Court Justice Dias Toffoli voided evidence from the leniency agreement. The following year, Toffoli annulled all judicial actions against Marcelo Odebrecht from the Operation Car Wash case.²⁴

However, Marcelo had exposed all that he was required to expose. Somehow, Rutas de Lima officially fell between the cracks.

Brookfield gets indemnified as it buys up Odebrecht's corrupt contracts

Brookfield's purchase of 57 percent of Rutas de Lima appears to fit a pattern.

The Toronto-based company was founded in 1899 as the São Paulo Tramway, Light and Power Company. Known as Brascan, to merge its Brazilian and Canadian roots, the company changed its name to Brookfield in 2005.

Brookfield is described as “one of the world's largest and most complex financial conglomerates.” Its mysterious and opaque methods caused the *Financial Times* in 2025 to “raise the question of whether Brookfield and

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²² Jonathan Watts, “Brazil corruption scandal claims scalp as top industrialist jailed for 19 years,” The Guardian, March 8, 2016. <https://amp.theguardian.com/world/2016/mar/08/brazil-corruption-scandal-marcelo-odebrecht-jailed>

²³ “Odebrecht and Braskem plead guilty and agree to pay at least \$3.5 billion in global penalties to resolve largest foreign bribery case in history,” United States Department of Justice news release, December 21, 2016. <https://www.justice.gov/archives/opa/pr/odebrecht-and-braskem-plead-guilty-and-agree-pay-least-35-billion-global-penalties-resolve>

²⁴ Monica Bergamo, “Toffoli anula atos da Lava Jato contra Marcelo Odebrecht,” Folha de São Paulo, May 21, 2024. https://www1.folha.uol.com.br/colunas/monicabergamo/2024/05/toffoli-anula-todos-os-atos-da-lava-jato-contra-marcelo-odebrecht.shtml?utm_source=twitter&utm_medium=social&utm_campaign=twfolha

chief executive Bruce Flatt are presenting a sufficiently transparent picture of the organization – a labyrinth containing thousands of entities, the interconnected funds, partnerships, and trusts that control \$1tn [trillion] of assets.” *FT* quoted analysts who described Brookfield as “deceptive.” Brookfield countered that “There is nothing ‘deceptive’ whatsoever,” and that “these claims willfully mischaracterize our business and stand completely at odds with the facts.” It did not provide the *Financial Times* with the facts.²⁵

Brookfield was known for buying large assets, cheaply, from companies in legal trouble or financial distress.²⁶ It didn't shy away from the fallout from corruption. It saw Operation Car Wash as a money machine for itself. First came the Brazilian investigators' primary target, the state-owned Petroleo Brasileiro SA, or Petrobras. Brookfield Infrastructure Partners led the acquisition of a Petrobras pipeline operator for \$5.2 billion, far cheaper than the \$8 billion others paid for another Petrobras pipeline network with half the capacity.²⁷

Brookfield anticipated profiting from the Odebrecht corruption rocking Brazil as other investors turned away. As Reuters reported, “Rampant corruption scandals and a deep recession soured many foreign investors on Brazil in recent years, but one Canadian group saw opportunity.”²⁸

What Brookfield might not have done in its own due diligence in buying Operation Car Wash-tainted Odebrecht, it covered with legal immunity. “Brookfield is a global investment company that regularly profits by acquiring companies and contracts that benefit from corrupt practices - including from Odebrecht S.A.,” according to a Municipality of Lima court statement.”²⁹

Brazilian federal prosecution documents substantiate Lima's claim. Odebrecht's need for billions in quick cash to settle its plea agreements tied Rutas de Lima to the offloading of assets in Brazil. The Rutas deal came first, negotiated before the plea negotiations became public in mid-2016.

²⁵ David McCrum and Antonie Gara, “FT investigation: How much does Brookfield really make? One of the world's most complex financial conglomerates is attracting scrutiny for circular flows of cash involving its global property portfolio,” *Financial Times*, March 6, 2025. <https://www.ft.com/content/6e070b14-74cc-4ade-bd80-7bd3900c6a82>

²⁶ Tatiana Bautzer, “How Canada's Brookfield snatched bargain assets amid Brazil panic,” Reuters, May 21, 2018. <https://www.reuters.com/article/us-brookfield-brazil/how-canadas-brookfield-snatched-bargain-assets-amid-brazil-panic-idUSKCN1IM0EV/>

²⁷ Tatiana Bautzer, “How Canada's Brookfield snatched bargain assets amid Brazil panic,” Reuters, May 21, 2018. <https://www.reuters.com/article/us-brookfield-brazil/how-canadas-brookfield-snatched-bargain-assets-amid-brazil-panic-idUSKCN1IM0EV/>

²⁸ Tatiana Bautzer, “How Canada's Brookfield snatched bargain assets amid Brazil panic,” Reuters, May 21, 2018. <https://www.reuters.com/article/us-brookfield-brazil/how-canadas-brookfield-snatched-bargain-assets-amid-brazil-panic-idUSKCN1IM0EV/>

²⁹ Municipality of Lima, “Memorandum of Law in Support of Application Under 28 U.S.C. § 1782 authorizing applicant to conduct discovery in this district for use in foreign proceedings,” “In Re: Application under 28 U.S.C. § 1782 to take discovery from Brookfield Infrastructure Partners L.P., Brookfield Asset Management Ltd., Brookfield Corporation,” et al., Case No. 1:24-mc-00533, Exhibit P, filed November 18, 2024, p. 1. Accessed at: <https://jusmundi.com/en/document/pdf/other/en-rutas-de-lima-s-a-c-v-municipalidad-metropolitana-de-lima-ii-memorandum-of-law-in-support-of-application-under-28-u-s-c-ss-1782-authorizing-applicant-to-conduct-discovery-in-this-district-for-use-in-foreign-proceedings-monday-18th-november-2024>

Odebrecht Ambiental. As talks progressed, Odebrecht needed more cash. Brookfield again came to the rescue. It bought a 70 percent controlling stake in Odebrecht Ambiental (Odebrecht Environmental), a huge water distribution, collection, and treatment company in Brazil. The company fit Brookfield's acquisition of high-quality infrastructure assets that produced steady returns, being dumped in time of crisis at bargain prices.

Brookfield set aside another \$140 million specifically to settle contract issues resulting from anticipated Odebrecht kickback allegations.

By early 2017, Brookfield paid Odebrecht US\$768 million for a 70 percent controlling stake in Odebrecht Ambiental, an amount crucial to Odebrecht's ability to pay its New York settlement penalty, and coincidentally just shy of the known \$788 million spent to bribe officials worldwide. Brookfield set aside

another \$140 million specifically to settle contract issues resulting from anticipated Odebrecht kickback allegations.

That indicates that the Toronto company knew, or at least strongly believed, that many of the Odebrecht Ambiental contracts were crooked. Brookfield rebranded Odebrecht Ambiental as BRK Ambiental.³⁰

Even though Odebrecht had been under investigation for bribing officials in some of the 186 municipalities served by Ambiental, Operation Car Wash prosecutors explicitly stated that they would not hold Brookfield liable for any Odebrecht corruption. Brookfield reportedly had a team of 60 lawyers working the deal.³¹ Brookfield would only infuse cash into Odebrecht if it was left off the hook criminally. The Brazilian prosecutors were happy to oblige, as it meant that Odebrecht would have money to pay the fines.

The Brazilian prosecution documents show that Odebrecht specifically requested certification that Brookfield would not be held liable, and that Brookfield demanded them, causing prosecutors negotiating the local plea deal to act with urgency. In correspondence, the prosecution was "FT" for Força-Tarefa, or Task Force (as in Operation Car Wash Task Force), and the Odebrecht legal team was ODE. A Telegram chat between Car Wash prosecutor Julio Noronha and lead prosecutor Deltan Dallagnol, Noronha asked, "Delta, do you know where is the certificate that ODE requested for Brookfield?"³²

Brookfield was diligent in requiring the leniency before completing the Odebrecht Ambiental purchase.

³⁰ There have been no allegations of corrupt practices on the part of Brookfield in acquiring and operating what is now BRK Ambiental.

³¹ Tatiana Bautzer, "How Canada's Brookfield snatched bargain assets amid Brazil panic," Reuters, May 21, 2018. <https://www.reuters.com/article/us-brookfield-brazil/how-canadas-brookfield-snatched-bargain-assets-amid-brazil-panic-idUSKCN1IM0EV/>

³² "Leniency Agreement - Odebrecht," p. 1008. The specific Telegram text, revealed during discovery in a Brazil case, is from Julio Noronha to Deltan Dallagnol, March 27, 2017.

Brookfield was diligent in requiring the leniency before completing the Odebrecht Ambiental purchase. In a Telegram chat group among Odebrecht lawyers and Operation Car Wash prosecutors, Odebrecht attorney Bruno Carrera gave a status update: “Odebrecht S/A intends to sell its stake in Odebrecht Ambiental to the Canadian fund Brookfield this month, a business that is essential for the company's financial health. After I was informed by the company, Brookfield requested that the MPF [Brazil's Federal Prosecutor's Office] certificate be issued to it, in accordance with the leniency, in order that the fund has the certainty that it will not be criminally investigated based on the facts subject to the agreement. See the attached draft. Due to the extreme urgency, we ask that the document be obtained quickly.”³³

The MPF's Operation Car Wash Task Force found the following in the course of a leniency agreement in exchange for Odebrecht handing over information to investigators:

“According to what we were informed by Odebrecht, Odebrecht S/A intends to conclude the sale of its equity interest in Odebrecht Ambiental S/A for the Canadian fund Brookfield Brazil Capital Partners LLC in March 2017, and such funds are essential for the purposes of complying with Odebrecht's obligations before the MPF under the Leniency Agreement. The MPF undertakes not to propose compensatory or sanctioning measures against Brookfield or companies of its economic group that may acquire such equity interest, for unlawful facts of any nature that may be included in the annexes of the Leniency Agreement.”³⁴

How Brookfield entered Rutas de Lima

Backtracking a bit let's picture the scene: it's June 2016, and the air in Lima hums with the rumble of buses and the faint whiff of scandal. Odebrecht, the Brazilian behemoth once hailed as a builder of dreams, has slid into the abyss of disgrace, its name synonymous with the worst of the worst corruption this side of the drug cartels.

Into this storm steps Brookfield, a Canadian titan of asset management, its glass palace gleaming under Toronto's skyline. In a \$430 million transaction, Brookfield pays Odebrecht for a 57 percent stake to become Odebrecht's senior partner in Rutas de Lima.³⁵ The deal reeks of opportunity - a chance to polish a tarnished asset and turn Peru's traffic-clogged highways into a profit machine.

³³ Bruno Carrera, in Telegram chat group “Reunião FT-ODB,” March 14, 2017.

³⁴ “The Brookfield Brazil Capital Partners LLC ('Brookfield'),” Federal Public Prosecutor's Office, Attorney General's Office in Paraná, Operation Car Wash Task Force, Leniency Agreement, February, 2017, official English translation of “The Brookfield Brazil Capital Partners LLC ('Brookfield'),” Ministério Público Federal, Procuradoria da República no Paraná, Força-Tarefa Operação Lava Jato, Curitiba, February 2017.

³⁵ “Brookfield Infrastructure reports second quarter 2016 results,” Press release, Brookfield Infrastructure Partners, August 3, 2016. <https://bip.brookfield.com/sites/bip-brookfield-ir/files/bip/7532.pdf>

The deal had barely sealed when the ground beneath Rutas de Lima began to quake. Odebrecht, desperate to shed baggage during its Car Wash scrubbing, kept a 25 percent stake, while Sigma, a quieter Peruvian fund, held 18 percent. Brookfield, with its 57 percent, strode in with promises of continuity - roads would widen, toll money would flow, and Lima's chaos would ease.

Odebrecht's New York guilty plea - once again, admitting to paying out \$788 million in bribes worldwide, \$29 million in Peru - cast a long shadow, even though the plea agreement omitted any mention of Rutas de Lima.

Brookfield, boasting an enviable, edgy reputation in high finance society, now owned the biggest piece of that filth. The question loomed like smog over the Andean foothills: Would Brookfield clean it up or cash it in?

At first, the buyer played the steady hand. The tolls kept humming - 4.50 soles jacking to 5.30 by 2017, ticking ahead of inflation's pulse. New overpasses rose, and the Pan-American Highway got a facelift, all under Brookfield's watch. The Toronto men leaned on the contract's bones, insisting the show must go on - 115 kilometers of road, 250,000 vehicles daily, a lifeline for Lima's uncontrolled congestion.

... the plea agreement omitted any mention of Rutas de Lima. Brookfield, boasting an enviable, edgy reputation in high finance society, now owned the biggest piece of that filth. The question loomed like smog over the Andean foothills: Would Brookfield clean it up or cash it in?

Brookfield declared its commitment in polished press releases, nodding to Odebrecht's exit as a mere reshuffling of chairs. But the streets told a different story. The Pan-American Highway riots at Punta Piedra erupted that January on Brookfield's watch. Police tear gas swirled as locals torched the Chillón toll booths, screaming "No to corruption!" Brookfield didn't flinch. Instead it doubled down. Rutas de Lima claimed that the protests and city actions "had prevented" it from collecting money.³⁶ It made no known public attempt to address local concerns or find a local solution.

Lima's municipality shuttered the new Chillón toll unit and froze rate hikes, crying foul over the contract's corrupt roots. Brookfield still didn't blink. It hauled Lima to arbitration under United Nations Commission on International Trade Law

Meanwhile, Brookfield considered buying similar but much larger Odebrecht highway assets in Brazil - seven highway concessions owned by Odebrecht TransPort, a 1,105-mile (1,779 km) network across Brazil's center, northeast, southeast, and southern regions.³⁷ It already

³⁶ "Metro. Municipality of Lima v. Rutas De Lima S.A.C.," Opinion, 1:20-cv-02155, March 12, 2024. Case Text. <https://casetext.com/case/metro-municipality-of-lima-v-rutas-de-lima-sac>

³⁷ "Brookfield looking at buying Brazil hwy concessions from Odebrecht," BN Americas, June 30, 2017. <https://www.bnamericas.com/en/news/privatization/brookfield-looking-at-buying-brazil-hwy-concessions-from-odebrecht>

owned other Brazilian highway concessions that predated the Odebrecht divestiture, and did not buy Odebrecht TransPort.

By 2018, the heat intensified. Lima's municipality shuttered the new Chillón toll unit and froze rate hikes, crying foul over the contract's corrupt roots. Brookfield still didn't blink. It hauled Lima to arbitration under United Nations Commission on International Trade Law (UNCITRAL) rules, a high-stakes poker game with international umpires.³⁸ The bet paid off. In 2020, the tribunal ruled the contract stood, untainted by provable fraud at its inception, and slapped the Municipality of Lima with damages for lost tolls.

Two new leaders in 2022

Two powerful personalities entered the picture in 2022: Brookfield's new chairman, Mark Carney; and Lima's new mayor, Rafael López Aliaga.

Mark Carney, credentialed sustainable cleanup man

Mark Carney stepped onto a tightrope stretched over a canyon of scandal when he strode into the chairmanship of Brookfield Asset Management in November 2022. Below him churned Brookfield's six-year Odebrecht legacy of Rutas de Lima.

He boasted an impeccable resume among the global elite: Educated at Harvard and Oxford, 13 years Goldman Sachs, five years as Governor of the Bank of Canada, seven years as Governor of the Bank of England, UN Special Envoy for Climate Action, Chairman of the American media and financial data company Bloomberg LP, a member of the Foundation Board of the World Economic Forum, and a friend of Prime Minister Justin Trudeau.

Carney carried the weight of a reformer, a social justice warrior who had preached the ESG testament of Environmental, Social, and Governance in investing to the world's trendy financial upper crust. Surely, as Brookfield chairman, he would wield his clout to scrub clean the stains of corruption tied to Rutas and make things right with the people of Lima.

Carney joined Brookfield as a vice president in 2020. Within two years Brookfield Asset Management Inc. anointed him chair of its newly spun-off Brookfield Asset Management Ltd. (stock ticker: BAM), and renamed itself Brookfield Corporation (stock ticker: BN). The switch made BAM a company worth \$10 to 20 billion, in charge of managing an estimated \$725 billion in assets.³⁹ As of mid-February, 2025, BAM had a market

³⁸ "Memorandum of points and authorities in support of Metropolitan Municipality of Lima's petition to vacate arbitral award," United States District Court for the District of Columbia, case 1:20-cv-02155-KBJ, filed August 7, 2020. <https://pacer-documents.s3.amazonaws.com/36/220783/04517981299.pdf>

³⁹ "Brookfield Corporation Successfully Completes Distribution of 25% Interest in its Asset Management Business," News release, December 9, 2022. <https://bam.brookfield.com/press-releases/brookfield-corporation-successfully-completes-distribution-25-interest-its-asset>

capitalization of more than \$93 billion,⁴⁰ with over \$1 trillion of assets under management.”⁴¹

During that reorganization, Carney became Brookfield chairman while spearheading “transition investing,” an ESG mission to fuse profit with people-friendly, planet-saving promise. He produced *Value(s)*, a book arguing for the urgent need to correct “the misplacement of value in financial markets and how we can and need to maximize value for the many, not the few.” Rock entertainer Bono praised it on the cover as a radical book.”⁴²

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Carney’s establishment-meets-popular-culture persona gave Brookfield the new image that it needed. The company faced other embarrassments that blemished the green, socially responsible look that Carney, a carbon tax champion, was brought on to address as government and corporate money fueled a universe of activist NGOs.

“A ranch which Brookfield attempted to sell in January 2022, after the asset was frozen by a local court, battled for years to evict an endangered Indigenous community from their ancestral land.

“And in another alleged human rights abuse, a firm controlled by Brookfield was fined ... [\$163,000] in December 2021 for slave labour offences at a different farm.”

The trillion-dollar asset manager and investor faced criticism for “greenwashing,” the hypocrisy of looking environmentally friendly while investing in carbon-belching polluters. Critics assailed Brookfield for allegedly underreporting its carbon emissions by almost 14 times more than what it disclosed in its sustainability report. Brookfield set up complex ownership structures that impeded transparency regarding its fossil fuel investment disclosures. It claimed net-zero goals but implemented inconsistent, though politically correct, ESG policies.”⁴³

The financial giant was exposed in 2022 for having deforested an estimated 9,000 hectares in Brazil in what critics called “a slash and

⁴⁰ Brookfield Asset Management Ltd. (BAM), “Delayed quotes, Yahoo!Finance, February 11, 2025. <https://finance.yahoo.com/quote/BAM/>

⁴¹ “Over \$135 Billion of Capital Inflows ...” Brookfield news release, February 12, 2025. <https://bam.brookfield.com/press-releases/brookfield-asset-management-announces-record-2024-results-and-15-dividend-increase>

⁴² “Value(s)” publicity page, Hachette Book Group, 2021. <https://www.hachettebookgroup.com/titles/mark-carney/values/9781541768710/?lens=publicaffairs>

⁴³ “Brookfield’s Climate Paradox: Climate pledges vs. fossil fuel reality,” Private Equity Climate Risks, December, 2023. <https://peclimaterisks.org/brookfield-emissions/>

sell move” to dispose of the property. Among that property was a Brookfield-owned “farm whose managers sought to evict Indigenous Peoples from land they claim their own.”

The deforestation of tropical savannah forests on Brookfield soybean growing property, according to Global Witness, “Brookfield faces allegations of clearing trees from climate-critical forest land to make way for cash crops while seeking to evict Indigenous Peoples from the heart of the Amazon to make way for cattle and mining opportunities.

“A ranch which Brookfield attempted to sell in January 2022, after the asset was frozen by a local court, battled for years to evict an endangered Indigenous community from their ancestral land.

And in another alleged human rights abuse, a firm controlled by Brookfield was fined ... [\$163,000] in December 2021 for slave labour offences at a different farm.”⁴⁴

Responding to the report, Brookfield said that it “unequivocally refute[s] the specific allegations made by Global Witness – Brookfield has always acted in accordance with all applicable laws and regulations. Brookfield is committed to the highest standards of ethical behaviour across all our global investments, and we move quickly to address issues when they arise.”⁴⁵

The company projected a sunny ESG public face. “Be good corporate citizens,” Brookfield preaches at least 147 on its website. “Seek to ensure the interests, safety and well-being of the communities in which we operate are integrated into our business decisions.”⁴⁶

As chairman, Carney doubled down on climate, not corruption - steering the firm's image toward sustainability while Rutas rumbled on.

The reality of Rutas de Lima followed like a stubborn shadow. By then, the toll road saga locked in for 30 years was infamous. Tolls climbed and Lima's residents seethed over what they called a “robbery” baked into every fee.

On the Peruvian front? Nothing. No grand mea culpa, no sign of goodwill, no public

Carney knew the stakes. Heading up a company accused of engaging in corruption, investing in unpopular polluting industries, and - of all things - slavery, would be a challenge. He had built a career on having the right image. He had launched climate risk benchmarks at the Financial Stability Board, railed against greenwashing at the 2021 United

Nations climate change summit to push all countries except India and China for faster action. Rutas wasn't just a Peruvian headache; it was a test of whether Carney's mantra of

⁴⁴ Chris Moye and Kenza Bryan, “Slash and Sell: How financial giant Brookfield and its big bank backers profited from deforestation and the abuse of Indigenous people's rights in Brazil,” Global Witness, November 8, 2022. <https://globalwitness.org/en/campaigns/forests/slash-and-sell/>

⁴⁵ Ibid.

⁴⁶ Brookfield, <https://www.brookfield.com/responsibility>. “Be good corporate citizens” is a slogan that Brookfield repeats 147 times on its website, according to the site's search function, accessed at: <https://www.brookfield.com/search?q=good%20corporate%20citizens&sort=relevancy>

positive social and environmental outcomes” could withstand the grit of a tainted asset. So, what did he do?

At first, Carney’s focus was elsewhere - skyward, toward the glittering carbon-neutral horizon of net zero. Solar farms bloomed, wind turbines spun, and by 2022 as chairman, he was touting Brookfield’s renewable might - 19 gigawatts operational, 18 more in the pipeline. He’d stumbled once, in 2021, claiming Brookfield was “net zero” via “avoided emissions,” only to backpedal under green critics’ fire, admitting fossil fuel stakes like coal terminals muddled the math. As chairman, Carney doubled down on climate, not corruption - steering the firm’s image toward sustainability while Rutas rumbled on.

On the Peruvian front? Nothing. No grand mea culpa, no sign of goodwill, no public pledge to unravel Rutas’ bribe-ridden roots. Brookfield, under Carney’s watch, stuck to its plot: defend the contract, collect the tolls from 250,000 cars a day, ignore public complaints, and let the courts sort the mess.

Carney was no more open with his management and shareholders. Artificial intelligence scans of the Brookfield.com website, along with all attached documents, reveal that the company does not directly flag any word of controversy about Rutas de Lima. There is no mention of bribery scandals linked to Odebrecht, the legal battles with the Municipality of Lima, or the corruption probes that have dogged the project. Not a word of Peru’s ongoing money-laundering investigation of Brookfield, nor the lawsuit that Lima filed in New York accusing the company of acquiring a “tainted contract” without adequate due diligence.

Brookfield's politically correct ESG (Environmental, Social, Governance) pages talk governance policies and due diligence, but nothing ties back to Rutas de Lima's specific headaches. To Brookfield's own investors and the public, Rutas de Lima is but a clean bullet point among the company

Even Brookfield Infrastructure Partners, the unit that, as “owner-operator,” handles Rutas de Lima, says nothing controversial. Nothing at all, even, in its 2023 *Sustainability Report*. The letters “lima” are found 143 times in the report, but no references to the Rutas project or even to the Peruvian capital. All 143 references to “lima” appear within the word “climate.”⁴⁷ The Brookfield website and reports keep things clean and tidy, sticking to metrics and growth narratives, terms like “delivering value” and “enhancing infrastructure,” without touching anything messy.⁴⁸

The Brookfield site’s news releases occasionally make bland defensive mention of Rutas de Lima issues, but these are indirect and sparse. After Peru’s Constitutional Court 2024

⁴⁷ Brookfield Infrastructure Partners, 2023 Sustainability Report, Brookfield.com. <https://bip.brookfield.com/sites/bip-brookfield-ir/files/Brookfield-BIP-IR-V2/2024/bip-2023-sustainability-report-vf.pdf>

⁴⁸ Per AI scans of Brookfield.com through Perplexity.ai, Grok, and ChatGPT, February 8-26, 2025.

suspension of the toll booth at Puente Piedra, Brookfield played the victim, calling the action arbitrary, making the obligatory “we strongly refute these allegations” response to its hometown fan newspaper,⁴⁹ and hinting at forcing a solution in foreign courts.⁵⁰

Brookfield’s politically correct ESG (Environmental, Social, Governance) pages talk governance policies and due diligence, but nothing ties back to Rutas de Lima’s specific headaches. To Brookfield’s own investors and the public, Rutas de Lima is but a clean bullet point among the company’s many shiny holdings.

Rafael López Aliaga, self-made entrepreneur

Carney’s rise at Brookfield paralleled the election of Lima’s new populist mayor, Rafael López Aliaga. The self-made billionaire, who built a fortune in the hospitality and rail transport industries, entered with a reputation for aggressive, effective ways of getting things done in business.

He began his career in banking, becoming Citibank’s corporate and development banking manager in Lima. Those experiences in financial management and corporations to become an entrepreneur in his own right. López Aliaga founded a financial services enterprise; a hotel and railway financing company that brought him into the tourism, hospitality, and infrastructure business, and a holding company for railroads and rail transport services. His enterprises run train services in Arequipa, Cusco, and Puno, which expanded public access to popular wonders like Machu Picchu.

In sort, Rafael López Aliaga built a proven track record in raising capital, managing large-scale operations, and keeping multiple large companies growing and competitive. He swept the municipal palace in 2022 promising to take down the crooked old order. He branded his opponents as “Odebrecht’s candidates.”⁵¹ He turned Rutas into his crusade, vowing to “exorcise” the corruption with lawsuits and street-level defiance.⁵²

He would shut down the hated tolls. Contracts corruptly issued, López argued, would not be binding. A morally grounded populist with a humorous flair for drama – he joyfully embraced his political adversaries’ nickname for him, Porky, with disarming wit – López Aliaga branded Rutas de Lima a “corrupt monstrosity.” He swore to free his city from its grip. Lima would not play defense any more. Rutas de Lima had become a pestilence: “Ratas de Lima.”

⁴⁹ Ana Pereira, “Brookfield Corp. scrutinized for stake in Peru toll road project plagued by allegations of ‘corrupt practices,’” *Toronto Star*, November 22, 2024. https://www.thestar.com/business/brookfield-corp-scrutinized-for-stake-in-peru-toll-road-project-plagued-by-allegations-of-corrupt/article_9629182a-a364-11ef-8826-2b980726b1dd.html

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⁵¹ Joseph Zarate and Eliezer Budasoff, “Rafael López Aliaga: the creation of a far-right candidate in Peru,” *El País* (Madrid), April 10, 2021. <https://english.elpais.com/usa/2021-04-10/rafael-lopez-aliaga-the-creation-of-a-far-right-candidate-in-peru.html>

⁵² Camilo Gomez, “From ‘Porky’ to goalie: Peru’s presidential candidates,” *BBC*, April 9, 2021. <https://www.bbc.com/news/world-latin-america-56674199>

Brookfield takes its case to UN arbitration, Lima takes it to New York

Brookfield proved as stubborn as any street rat. Rutas de Lima is a minuscule asset in the Brookfield portfolio. Instead of addressing the problems it created, Rutas, as a Brookfield operation, fought back with lawsuits. This new mayor, López Aliaga, could not be bribed. And he would expose any attempt to corrupt him or another city official. Brookfield took the city to international arbitration, winning consecutive United Nations UNCITRAL decisions in 2022 and 2023, a total of \$197 million in damages from the Municipality of Lima for toll closures and breaches.

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López Aliaga dragged Brookfield out of Peru's compromised legal system and the comfort zone of what he saw as the rigged nature of U.N. tribunals. The 2016 Odebrecht plea bargain in New York allowed López Aliaga to bring the fight to American federal courts. A federal statute let him work the legal system to gather evidence for criminal cases back in Peru. He subpoenaed Brookfield's books, launching a massive discovery to prove Rutas de Lima's - and thus Brookfield's - corruption-based profits.

Peruvian prosecutors sniffed for money laundering. López Aliaga and his team bluntly alleged that Brookfield laundered Odebrecht's gains through Rutas de Lima. José Domingo Pérez, Peru's Car Wash bulldog, opened a probe in 2023, eyeing Barata's lingering fingerprints on Rutas' ledgers. The tolls, the mayor said, were a "tax on the poor." Posts on X from 2024 show the mayor railing against Rutas' "abusive" hikes. On the ground, the mayor cheered on toll road blockades and pushed to rewrite or ditch the contract entirely. He proposed terminating the Rutas de Lima toll concessions completely, winning approval from the municipal council.⁵³

With the Chillón toll closed, Brookfield fought back in court to force it to reopen. For all its ESG and social justice virtue-signaling to international public opinion, Brookfield kept its Rutas de Lima foibles smothered in numbing legalese.

In 2024, López Aliaga accused Brookfield of profiting from Odebrecht's graft, subpoenaing financial records in a New York case.⁵⁴ That spring, a federal judge in Washington, D.C. had

⁵³ John Quigley, "Lima nixes Brookfield toll road contracts," Latin Finance, January 23, 2023. <https://latinfinance.com/daily-brief/2023/01/23/lima-nixes-brookfield-toll-road-contracts/>

⁵⁴ "Memorandum of law in support of application under 28 USC § 1782 authorizing applicant to conduct discovery in this district for use in foreign proceedings," In re: Application under 28 USC § 1782 to take discovery from Brookfield Infrastructure Partners L.P., et al., Case No. 1:24-mc-00533, United States District Court, Southern District of New York, Document 3, filed November 18, 2024.

denied the Municipality of Lima's petition to set aside those two arbitral awards after finding insufficient evidence to link Odebrecht fraud with the Rutas de Lima concession.⁵⁵ The judge ducked an independent review of the corruption evidence, trusting that the U.N. arbitral tribunals knew best and could not be questioned. Unmoved, the mayor pressed on with legal discovery and the city filed an appeal.

Refuting all allegations of anything questionable, Brookfield claimed it had found no red flags back in 2016. The company avoided admitting that Operation Car Wash was headline news at the time, or that Villarán's corruption trial loomed. Lima municipal chief counsel Raúl Fernandez said Brookfield had "bought the dirty work" cheap, but the company stood firm, hiding behind tribunal wins and a chorus of "not our mess."⁵⁶

Peru's Constitutional Court sided with Puente Piedra's cries, calling tolls a "transit tax" and ordering the suspended closure of Ruta's toll at Chillón.⁵⁷ Still Brookfield scoffed, citing "dozens" of rulings purportedly proving alternate routes exist. Other times it mewled howls of hurt. "Our confidence has been broken," Brookfield Infrastructure Group COO Ben Vaughan moaned. "The Peruvian state has taken our investment against the rule of law and legal security."⁵⁸

Brookfield's fashionable ESG standards don't seem to apply to the company's Lima toll road holdings.

Carney, the climate hawk, showed no concern. No grand gesture - no toll cuts to make passage more affordable, no push to electrify Rutas' arteries, no mea culpa for the corruption baked into its bones.

Brookfield's fashionable ESG standards don't seem to apply to the company's Lima toll road holdings. Carney, the climate hawk, showed no concern. No grand gesture - no toll cuts to make passage more affordable, no push to electrify Rutas' arteries, no mea culpa for the corruption baked into its bones. Brookfield never publicly explored a local solution. It never offered to fund a corruption audit, or write off a bad investment by handing Rutas back to Peru's capital city. Searches find no public comment from Carney on these matters.

⁵⁵ "Annulment procedure on the arbitral awards involving long-standing dispute between Rutas de Lima and Municipalidad de Lima," Kluwer Arbitration Blog, July 9, 2024.

<https://arbitrationblog.kluwerarbitration.com/2024/07/09/annulment-procedure-on-the-arbitral-awards-involving-long-standing-dispute-between-rutas-de-lima-and-municipalidad-de-lima/>

⁵⁶ Interview with Raúl Fernandez, Lima, Peru, January, 2025.

⁵⁷ "Annulment procedure on the arbitral awards involving long-standing dispute between Rutas de Lima and Municipalidad de Lima," Kluwer Arbitration Blog, July 9, 2024.

<https://arbitrationblog.kluwerarbitration.com/2024/07/09/annulment-procedure-on-the-arbitral-awards-involving-long-standing-dispute-between-rutas-de-lima-and-municipalidad-de-lima/>

⁵⁸ Juan Martinez, "Brookfield's \$2.7 billion arbitration case against Peru: A deep dive," Rio Times, March 14, 2025. <https://www.riotimesonline.com/brookfields-2-7-billion-arbitration-case-against-peru-a-deep-dive/>

'Delivering value' by jacking up the tolls

Carney's image - friend of the poor, foe of injustice - buckled under Rutas' weight. The man who had decried wealth's indifference let the tolls bleed Lima's fringes, where mothers bartered *soles* for milk while Brookfield raked in the fees on terms that Odebrecht negotiated. Environmentally, Carney had chased net zero elsewhere - 19 gigawatts of renewables hummed by 2022 - but Brookfield's Rutas de Lima remained a diesel-dusted relic, a quarter-million-car-a-day carbon emission.

Carney presided over stasis: His charismatic ESG virtue-signaling camouflaged Brookfield's opacity, caked in filth and sleaze. Brookfield did nothing to correct the past - the company banked on it, betting Lima's outrage would tire before the toll profits did. The Toronto company would not assist Lima to unravel Odebrecht's web, renegotiate or even acknowledge any contract of corrupt origin, or refund a single bribe-tainted sol.

In 2024 and as of early 2025, rumors swirled in expectation that Rutas de Lima will jack the toll price up to 17 soles - 39 percent of a minimum wage worker's daily pay.⁵⁹

To Brookfield, this is "delivering value."

Meanwhile, Carney was advising Prime Minister

Trudeau about how to jump-start Canada's economy while his Conservative opponents jeered him as "Mr. Carbon Tax." Then, on January 6, 2025, he leapt off the tightrope - not to fix Rutas, but to leap into domestic politics to succeed Trudeau to lead the Liberal party and become prime minister. "We're sorry to see him leave," said CEO Bruce Flatt, "but he does so to fulfill his deep sense of public service to Canada and we wish him all the best in his new pursuit."⁶⁰

López Aliaga pointed the finger directly at the man seeking to be Canada's next prime minister. Carney, he told the *Toronto Sun* in late February, ran a "toxic" operation in Peru.⁶¹

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⁵⁹ The daily pay percentage here is based on Peru's 2025 minimum monthly wage of 1,130 soles, divided by 26 average work days a month, to arrive at 43.46 soles per day. The toll of 17 soles divided by the daily wage of 43.46 soles is 39.1112 percent. By dividing the Peru's official work week of 48 hours by 8 hours to get 6 work days per week (8 hours a day x 6 days a week), we arrive at an average of 26 work days per month. Mayor López Aliaga alleged that the toll could go as high as 18 soles. "Rafael López Aliaga: Hemos empezado acciones legales contra Ruta de Lima en el exterior," *Gestión*, February 8, 2024. <https://gestion.pe/peru/rafael-lopez-aliaga-hemos-empezado-acciones-legales-contra-ruta-de-lima-en-el-exterior-mml-noticia/>

⁶⁰ Barbara Shecter, "Mark Carney's Liberal leadership run leads to shakeup at top of Brookfield," *Financial Post*, January 17, 2025. <https://financialpost.com/fp-finance/mark-carney-leaves-brookfield-run-liberal-leadership>

⁶¹ Brian Lilley, "Peruvian mayor issues warning about making Carney Canada's PM," *Toronto Star*, February 25, 2025. <https://torontosun.com/opinion/columnists/lilley-peruvian-mayor-issues-warning-about-making-carney-canadas-pm>

Brookfield chairman becomes Canada's unelected prime minister

Weeks later, on March 9, about 150,000 members of the Liberal Party elected Carney as its leader. Canada's Conflict of Interest Act did not require him to make a financial disclosure. His campaign declared that Carney would surpass all legal disclosure requirements.⁶² Four days after that, on March 13, Trudeau resigned as prime minister, making his friend Carney - who was not an elected member of parliament and had never faced a public election - Canada's unelected chief of government. On March 14, his first day as prime minister, Carney ditched his green persona to quit virtue-signaling and abolish Canada's hated carbon tax.

The day of Trudeau's anticipated resignation, Brookfield initiated arbitration to claim what it called "a restitution of more than US\$2,700 million for the value of Rutas de Lima. . . The request was filed with the International Center for Settlement of Investment Disputes, within the framework of the Canada-Peru Free Trade agreement," according to the company.

With its former chairman now Canada's prime minister, Brookfield took aim not only at Lima, but at all of Peru. "For many years, Brookfield has invested enthusiastically in Peru, but unfortunately our confidence has been shaken," said Ben Vaughan, Global Operations Manager of Brookfield's Infrastructure Group.

Brookfield, Vaughan claimed, was a victim. "We are frustrated by the fact that the Municipality of Lima and other entities of the Peruvian State have turned our investment against the rule of law and legal certainty, and try to deceive the public about our company and our investment in Rutas. This situation leaves us no choice but to demand fair treatment under the terms of the Treaty. We are confident that this arbitration process will allow us to receive full compensation for Brookfield."⁶³

Brookfield complained of "years of arbitrary actions by the Municipality of Lima and other Peruvian entities, such as the Constitutional Court," victimizing the company of its due. In

The day of Trudeau's anticipated resignation, Brookfield initiated arbitration to claim what it called "a restitution of more than US\$2,700 million for the value of Rutas de Lima. . ."

Brookfield, Vaughan claimed, was a victim."

⁶² Ryan Tumilty, "Mark Carney vows to put his financial assets into a blind trust if he becomes prime minister. Here's what we know about what he made as a corporate leader," *Toronto Star*, March 11, 2025. https://www.thestar.com/politics/federal/mark-carney-vows-to-put-his-financial-assets-into-a-blind-trust-if-he-becomes/article_6590a564-fa0a-11ef-ae20-2bd4ab0ef529.html

⁶³ "Brookfield initiates arbitration for illegal expropriation of assets in Peru," Brookfield press release, Toronto, March 13, 2025, <https://www.bnamerica.com/en/news/brookfield-initiates-arbitration-over-illegal-asset-expropriation-in-peru>

Brookfield's words, the legal actions “deprived Rutas of its ability to collect tolls from one of the sections of the concession.”

That “section” was the Chillón toll plaza at Puente Piedra, site of the fatal citizen riots of 2017, the cut-off roads that severed the indigenous Quechua-speaking neighborhood of Shangrila from its former access road to the south and its sidewalk into town to the north.

The court-ordered closure of the Chillón monopoly toll, and an unspecified recent expropriation of “another of the concessioner sections, Brookfield said, resulted in tribunals and court judgments that awarded Rutas more than \$200 million for what Brookfield calls “compensation for repeated breaches of the Rutas Concession Agreement by the Municipality of Lima. However, to date, the Municipality has not paid these amounts. The sum of these actions, as well as a number of additional acts by the State, have deprived Brookfield of the value of its investment in Rutas.”⁶⁴

What Brookfield did not say in its release is that Lima said it had just unearthed new information to document the Odebrecht bribes to Mayor Villarán for the Rutas contract which Brookfield had purchased, which led to the litigation in the first place. Lima then petitioned for discovery in the United States to establish the corrupt nature of the Rutas contract in the first place.⁶⁵

Brookfield hails three decades in Peru

The Canadian Goliath howled in pain, an innocent after more than a century of investing in a corner of the world notorious for building empires of government graft and corruption. “As a long-term investor and recognized as a trusted partner in multiple governments around the world, including a nearly 30-year history of investing in Peru, and more than 100 years investing in South America, Brookfield considers Peru's actions to be unreasonable and counterproductive,” said Vaughan.⁶⁶

Over Brookfield's nearly 30 years of investing in Peru, the country had seen 11 presidents. Among those 11, with some overlap, two were ousted by Congress, three resigned under pressure, and nine were prosecuted or are under investigation for corruption, five of them implicated in Odebrecht corruption:

⁶⁴ “Brookfield initiates arbitration for illegal expropriation of assets in Peru,” Brookfield press release, Toronto, March 13, 2025.

⁶⁵ Municipality of Lima, “Memorandum of Law in Support of Application Under 28 U.S.C. § 1782 authorizing applicant to conduct discovery in this district for use in foreign proceedings,” “In Re: Application under 28 U.S.C. § 1782 to take discovery from Brookfield Infrastructure Partners L.P., Brookfield Asset Management Ltd., Brookfield Corporation,” et al., Case No. 1:24-mc-00533, Exhibit P, filed November 18, 2024, pp. 1-11. Accessed at: <https://jsumundi.com/en/document/pdf/other/en-rutas-de-lima-s-a-c-v-municipalidad-metropolitana-de-lima-ii-memorandum-of-law-in-support-of-application-under-28-u-s-c-ss-1782-authorizing-applicant-to-conduct-discovery-in-this-district-for-use-in-foreign-proceedings-monday-18th-november-2024>

⁶⁶ “Brookfield initiates arbitration for illegal expropriation of assets in Peru,” Brookfield press release, Toronto, March 13, 2025.

- **Alberto Fujimori** (1990-2000). Resigned amid bribery and corruption scandals, fled to Japan, extradited from Chile, convicted of crimes in office, imprisoned until 2023.
- **Valentín Paniagua** (2000-2001). Caretaker president for 8 months with clean record.
- **Alejandro Toledo** (2001-2006). Completed his term but fled to U.S., where he was arrested in 2019 and extradited back to Peru. Jailed in 2023 to face charges of taking \$20 million in bribes from Odebrecht. Presently in Barbadillo prison awaiting trial.
- **Alan García** (2006-2011). Completed his term but was investigated for taking bribes from Odebrecht. As police arrived to arrest him in 2019, he committed suicide.
- **Ollanta Humala** (2011-2016). Completed the term and faced charges, along with his wife, of taking \$3 million from Odebrecht for his 2011 campaign. Spent parts of 2017-18 in pre-trial detention but was released and awaits trial and a potential 20-year sentence.
- **Pedro Pablo Kuczynski** (2016-2018). Resigned amid Odebrecht corruption allegations from when he had been Toledo's finance minister. Under house arrest, 2019-2022, and presently awaiting trial.
- **Martín Vizcarra** (2018-2020). Ousted by Congress for allegedly taking \$1.4 million in Odebrecht bribes when he had been a governor. Still under investigation but not charged.
- **Manuel Merino** (2020). President for five days and forced to resign.
- **Francisco Sagasti** (2020-2021). Caretaker president with clean record.
- **Pedro Castillo** (2021-2022). Ousted after attempting to dissolve Congress, and arrested and prosecuted for rebellion and multiple corruption charges unrelated to Odebrecht. Currently in prison.
- **Diana Boluarte** (2022-present). Under investigation for corruption in “Rolexgate” scandal for illegal enrichment,⁶⁷ but still in office.

Appearances of impropriety

Two separate sets of apparent impropriety continue to befoul the Odebrecht-Brookfield legal battles.

The first is the law firm Foley Hoag, which bid to represent the Municipality of Lima against Brookfield while not fully disclosing that it was representing other Brookfield entities.

The second is members of the U.S. Department of Justice Team that hammered out the December, 2016 Odebrecht plea agreement 2016 in New York.

⁶⁷ “How Rolexes put Peru's presidency at risk,” Reuters, April 2, 2024.
<https://www.reuters.com/world/americas/how-rolexes-put-perus-presidency-risk-2024-04-02/>

1. Foley Hoag

When Odebrecht and Rutas de Lima's corruption first came to light and Lima's poor protested, Rutas raced to arbitration to vindicate itself and collect from Lima and its citizens. Lima found what looked like the perfect defender: Foley Hoag, an international law firm with fluent Spanish speakers who offered a bargain price to defend Lima and its citizens in the arbitrations.

The Foley lawyers came across as heroes. They were already assisting the Republic of Peru in extraditing former President Toledo on Odebrecht corruption charges. Unbeknownst to Lima and its dutiful public prosecutor's office team laboring from the dusty fourth floor of the municipal palace, Foley the gallant knight was actually a Trojan horse.

The Foley lawyers came across as heroes....

Foley the gallant knight was actually a Trojan horse.

In 2019, Peruvian media reported that Foley represented Brookfield, engaging in double dealing. Lima's bureaucrats were shocked and sought clarification from their trusted firm. Foley responded with clever legalese. Contrary to press reports, Foley Hoag did not represent “Brookfield Asset Management” or “Brookfield Infrastructure Partners.” Nor did Foley represent *Odebrecht* or even any company with *Odebrecht* in its company name. The Peruvian media report, if Foley Hoag was to be believed, was fake news. Hidden between the lines of Foley's clever legalese, prepared by both its general counsel as well as its lead counsel in the case, was the fact that Foley represented nearly a dozen other Brookfield entities, starting in 2012, and continuing to the present. But public prosecutor documents, reproduced in Exhibits 2 and 3 at the end of this report show that Foley never disclosed this fact to Lima, exploiting the trust that city officials afforded to slick international lawyers.⁶⁸

The arbitrations raced ahead and Lima lost at every turn. When Rutas progressed from arbitration to federal court, the case was assigned to Judge Ana Reyes, who developed a deep disdain for Foley, even insulting the firm at hearings. Judge Reyes blamed Foley for failing to control Lima, its own client. And Lima began to question why Foley was losing at every turn, despite the mountains of corruption evidence.

Undisclosed until now is that around 2023, when Brookfield, under Carney, escalated its attack by demanding billions in a brand-new arbitration against the Republic of Peru itself, Brookfield's own law firm audaciously bid for the mandate. The Lima legal officials show in their internal memoranda that Foley had told them there was no conflict of interest, but it acknowledged the conflict of interest to the Republic of Peru and sought a waiver.⁶⁹ The Republic of Peru saw through Brookfield and Foley's apparent trap. It hired independent counsel to defend against Brookfield's multi-billion-dollar dispute. Foley continued to keep

⁶⁸ See original documentation in Exhibits 2 and 3.

⁶⁹ See Exhibit 2.

Lima in the dark, failing to disclose the conflict of interest until Mayor López Aliaga sent in new bureaucrats and lawyers to kick the tires.

Foley's apparent conflict is staggering, earning millions from both Lima and Brookfield, setting the City of Lima up to lose hundreds of millions, and, by appearances, potentially enriching Brookfield to the tune of billions. While representing MML, Foley worked for any number of Brookfield entities, some with green “renewable” names, as shown in Exhibit 3 of this report. Among them:

Foley's apparent conflict is staggering, earning millions from both Lima and Brookfield, setting the City of Lima up to lose hundreds of millions, and, by appearances, potentially enriching Brookfield to the tune of billions.

- Brookfield Power US Asset Management LLC;
- Brookfield White Pine Hydro LLC;
- Rumford Falls Hydro LLC (“distinct entity that operates in an independent form to Brookfield Corporation,” a subsidiary of Brookfield Renewable U.S.⁷⁰);
- Brookfield Renewable Energy Marketing US LLC;
- Brookfield Renewable Trading and Marketing LP;
- Brookfield BRP Canada Corp.;
- Brookfield Renewable Power.

On discovering the scandal, Mayor López Aliaga took a stand and fired Foley for its conflict of interest. Foley's allegedly undisclosed conflict of interest raises important questions. Was Foley set up by Brookfield to intentionally lose the arbitrations and tank the case for Lima, a hapless foreign litigant? Why did Foley disclose the conflict to the Republic of Peru, but not to the City of Lima? And what would have happened with Lima's corruption case against Brookfield, Odebrecht, and Rutas de Lima, if the city had been represented by competent - and independent - counsel from the very start?

2. US Justice Department prosecutors and their law firms.

This brings us to the second set of apparent improprieties: Members of the U.S. Department of Justice team that arranged for Odebrecht to pay a world record-breaking \$3.5 billion settlement. DOJ called it “the largest-ever global foreign bribery resolution.”⁷¹ This marked a huge victory for the U.S. Department of Justice and the Brazilian Operation Car Wash team and led to more revelations and prosecutions.

Getting that plea agreement was no small feat. Odebrecht agreed that the appropriate criminal fine would be \$4.5 billion, subject to its ability to pay. All parties involved agreed

⁷⁰ “Rumford Falls Relicensing,” Brookfield U.S Projects, accessed at <https://rumford.brookfieldusprojects.com>.

⁷¹ “Odebrecht and Braskem plead guilty and agree to pay at least \$3.5 billion in global penalties to resolve largest foreign bribery case in history,” United States Department of Justice, news release, December 21, 2016, accessed at <https://www.justice.gov/archives/opa/pr/odebrecht-and-braskem-plead-guilty-and-agree-pay-least-35-billion-global-penalties-resolve>

that Odebrecht could pay only \$2.6 billion, with a combined total of U.S., Brazilian, and Swiss penalties totaling \$3.5 billion.

... a missing substantial detail raises big questions about the DOJ team. The DOJ deal with Odebrecht, signed in the last days of 2016, proved the company's corruption beyond doubt. It itemized four corrupt projects in Peru.

But it somehow avoided any mention of Rutas de Lima.

“The criminal penalty for Odebrecht reflects a 25 percent reduction off the bottom of the U.S. Sentencing Guidelines fine range because of Odebrecht's full cooperation with the government's investigation, while the criminal penalty for Braskem [an Odebrecht entity] reflects a 15 percent reduction of the bottom of the U.S. Sentencing Guidelines as a result of its partial cooperation,” according to DOJ.⁷²

But a missing substantial detail raises big questions about the DOJ team. The DOJ deal with Odebrecht, signed in the last days of 2016, proved the company's corruption beyond doubt. It itemized four corrupt projects in Peru. But it somehow avoided any mention of Rutas de Lima.

Brazilian prosecutors specifically named Brookfield's acquisition of Odebrecht Ambiental in their agreement of 2017, and both Brookfield and Odebrecht made sure it was specified and left Brookfield protected from prosecution.

Why Brookfield and Odebrecht not done this earlier in the Rutas de Lima transaction? Or if it had been done, why is it - like the precise sum of cash that Brookfield paid Odebrecht - not in the public record? We do not know. Did Odebrecht's admission of corruption in its four other itemized assets in Peru imply, by omission, similar corruption in getting the Rutas contract? Common sense might lead to that conclusion, but common sense is not law. That blank area stands out like a black hole in deep space, a phenomenon that exists precisely because it cannot be seen. A black hole swallows all the light and makes it disappear.

But astrophysics is not law. Einstein's theory of general relativity has no basis in any legal theory. And so for now, until further discoveries are made, the question remains open about whether Odebrecht was admitting to bribery in the Rutas de Lima case. Or whether, perhaps, any omission might come back to haunt Brookfield, which is why both companies, months later in Brazil, were adamant about immunity in the Odebrecht Ambiental sale.

The 2016 omission has left the victims in Lima in limbo with no answers or relief. Records of negotiations or agreements, or perhaps an equivalent of the Brazilian prosecutors' documents might exist in a Peruvian prosecutor's old hard drive, or in company records. Regardless, the omission has allowed Brookfield to maintain the pretense that its hands are clean.

⁷² Ibid.

Whatever the answer, it likely relates to the Foley Hoag lack of candor in describing or denying its Brookfield-related conflicts of interests in Peru as it sought the business of the Peruvian national government.

The bigger story here is the DOJ officials who cut the deal. Among them are Robert Capers, Christopher Cestaro, Kevin Gingras, David Last, Julia Nestor, and Andrew Weissmann. Their professional connections raise questions about possible conflicts of interests. A pattern forms that merits a DOJ revisit of the Odebrecht settlement and the DOJ attorneys involved.

Robert Capers led the prosecution team as a U.S. Attorney. The year after the Odebrecht settlement, in 2017, he joined the ArentFox Schiff law firm as a partner. The company's clients in 2013 and 2015 included Brookfield and Odebrecht on commercial real estate and construction deals, and lobbying for Brookfield to influence federal legislation and policy.⁷³

Christopher Cestaro, with the DOJ Foreign Corrupt Practices Unit since 2014, earned a promotion in 2019 to Chief of the unit, having handled the Odebrecht case in a central capacity. He went to WilmerHale in 2021, becoming a partner in the White Collar Defense and Investigations Practice.⁷⁴ Two years later, Peru's disgraced former president, Alejandro Toledo, retained WilmerHale to defend him from extradition back to Peru to stand trial for soliciting and laundering bribes from Odebrecht, some in relation to a highway scheme.⁷⁵

Kevin Gingras was a federal prosecutor on white-collar crime and national security for 13 years. From 2011 to 2014, he was FBI Special Counsel for National Security and FBI Deputy Chief of Staff under Director Robert Mueller.⁷⁶ During the Odebrecht case, he was a Fraud Section trial attorney in the DOJ Foreign Corrupt Practices Unit.⁷⁷ He now works as Associate General Counsel for Litigation, Compliance, and Privacy at Lockheed Martin, whose retirement fund has millions tied up in Brookfield.

The bigger story here is the DOJ officials who cut the deal. Among them are Robert Capers, Christopher Cestaro, Kevin Gingras, David Last, Julia Nestor, and Andrew Weissmann.

Their professional connections raise questions about possible conflicts of interests. A pattern forms that merits a DOJ revisit of the Odebrecht settlement and the DOJ attorneys involved.

⁷³ See "Arent Fox Advises on \$70 Million New York Commercial Condo Deal for Planned Parenthood," news release, ArentFox Schiff, August 4, 2015. <https://www.afslaw.com/perspectives/news/arent-fox-advises-70-million-new-york-commercial-condo-deal-planned-parenthood>

⁷⁴ Christopher Cestaro, biographical page at WilmerHale, <https://www.wilmerhale.com/en/people/christopher-cestaro>

⁷⁵ Toledo v. U.S. Department of State, et al., Civil Action 23-627 (BAH), March 28, 2023, <https://case-law.vlex.com/vid/toledo-v-u-s-931631841>

⁷⁶ Kevin Gingras, Professorial Lecturer in Law, George Washington University Law, <https://www.law.gwu.edu/kevin-gingras>

⁷⁷ Ibid.

David Last was promoted in DOJ during the case to succeed Cestaro as chief of the FCPA Unit. As a prosecutor and supervisor in the FCPA Unit, Last worked the Odebrecht case. In 2023 he became a partner at Cleary Gottlieb Steen & Hamilton. Cleary has had Brookfield as a client on a range of issues.⁷⁸ Before Last came aboard, Cleary helped Brookfield buy a \$5.8 billion Las Vegas gambling and lottery group, represented Brookfield on real estate acquisitions in California and New York,⁷⁹ advised Brookfield in acquiring a unit of First Abu Dhabi Bank⁸⁰ and of real estate in Honolulu, and a \$700 million deal for industrial real estate.⁸¹ At the time Last became a partner, Cleary continued representing Brookfield,⁸² and defended Odebrecht from other allegations of bribery.⁸³

Julia Nestor, part of the prosecution team, was an Assistant U.S. Attorney and Deputy Chief of the Business and Securities Fraud Section for the Eastern District of New York from July, 2012 to October, 2021. She held those posts during the 2016 Odebrecht plea deal. Prior to that, from 2006-2012, according to her LinkedIn page, she had been an associate with Davis Polk & Wardell where she worked on fraud investigations. During her time there, Davis Polk provided counsel to an Odebrecht-backed group of noteholders during an Odebrecht Engineering and Construction debt restructuring.⁸⁴ After leaving DOJ in 2021, Nestor served for just under a year as a partner with Reed Smith.⁸⁵ That firm would later provide what it called “innovative global vendor conflicts solution for Brookfield Properties.”⁸⁶

Nestor landed the job, in 2022, of Vice President and Assistant General Counsel at JPMorgan Chase & Co., an equity stakeholder in Brookfield and project partner. JP Morgan and Brookfield by that time was nearing the midpoint of a five-year partnership, announced in 2020, to provide more than 500 “real estate operations” with 100 percent renewable

⁷⁸ David A. Last, biographical page, Cleary Gottlieb, <https://www.clearygottlieb.com/professionals/david-a-last>

⁷⁹ “Brookfield acquires multifamily and mixed-use property portfolio,” Cleary Gottlieb news release, December 30, 2021. <https://www.clearygottlieb.com/news-and-insights/news-listing/brookfield-acquires-multifamily-and-mixed-use-property-portfolio>

⁸⁰ “Brookfield to acquire 60% stake in Magnati from FAB,” Cleary Gottlieb news release, February 28, 2022, <https://www.clearygottlieb.com/news-and-insights/news-listing/brookfield-to-acquire-60-stake-in-magnati-from-fab>

⁸¹ “Brookfield in \$700 million mortgage and mezzanine financing,” Cleary Gottlieb news release, April 5, 2022, <https://www.clearygottlieb.com/news-and-insights/news-listing/brookfield-in-700-million-mortgage-and-mezzanine-financing>

⁸² “HomeServe in raising of new facilities to refinance existing facilities,” Cleary Gottlieb news release, November 16, 2023. <https://www.clearygottlieb.com/news-and-insights/news-listing/homeserve-in-raising-of-new-facilities-to-refinance-existing-facilities>

⁸³ Washington State Inv. Bd. v. Odebrecht S.A., No. 17 CIV. 8118 (PGG), 2023 WL 5016787, at *1 S.D.N.Y. August 4, 2023.

⁸⁴ “Odebrecht Engenharia e Construção completes \$3 billion debt restructuring,” Davis Polk news release, January 22, 2021. <https://www.davispolk.com/experience/odebrecht-engenharia-e-construcao-completes-3-billion-debt-restructuring>

⁸⁵ Julia Nestor, LinkedIn, accessed February 27, 2025, <https://www.linkedin.com/in/julia-nestor-2546b11a/>

⁸⁶ “Reed Smith named a finalist for five Financial Times innovation awards,” News release, October 16, 2024. <https://www.reedsmith.com/en/news/2024/10/reed-smith-named-a-finalist-for-five-financial-times-innovation-awards>

energy in New York state.⁸⁷ In 2021, JPMorgan Chase helped Odebrecht Finance Limited restructure its debt with the sale of \$1 billion in unsecured notes.⁸⁸

The most recent Securities and Exchange Commission filing, from February 12, 2025, shows that JPMorgan Chase owned 1,550,083 shares of Brookfield Asset Management (BAM).⁸⁹ That stake was worth \$72 million at the time of filing, and \$87 million as of this writing.

Andrew Weissmann's role in the Odebrecht corruption settlement and the curious Brookfield omission prompts the most questions of all.

Andrew Weissmann's role in the Odebrecht corruption settlement and the curious Brookfield omission prompts the most questions of all. Weissmann is a poster child of Washington's politicized revolving door swamp. FBI Director Robert Mueller brought the prolific attorney to the bureau as a special counsel in 2005.⁹⁰ Weissmann was a partner with Jenner & Block in 2010 when Jenner & Block served as counsel to Brookfield in litigation against AIG Insurance, and from 2011-2013 served as FBI general counsel during Mueller's last two years.

In 2015, Attorney General Loretta Lynch named Weissmann to run the DOJ Fraud Section, where he remained until 2019, into the first Trump administration, after crafting and during implementation of the Odebrecht deal. Under Weissmann's direction, the Fraud Section took part in investigations involving Brookfield. It was at this time that the Fraud Section did not identify Rutas de Lima as part of Odebrecht's corruption in Peru and the case was closed with the plea deal.

Concurrent with his time leading the Fraud Section, from 2017 to 2019, Weissmann was a lead prosecutor for now-former FBI director Mueller as Special Counsel to investigate Russia collusion allegations against Donald Trump. By 2020 he was back Jenner & Block in 2020 and is now co-chairman for investigations, compliance, and defense practice. In 2023, Jenner & Block represented a co-petitioner of Brookfield and other energy companies in an action relating to energy pricing. Weissmann co-hosted the podcast "Prosecuting Donald Trump," and is a legal analyst for NBC and MSNBC.⁹¹

⁸⁷ "JPMorgan Chase and Brookfield Renewable launch collaboration to power over 500 offices and branches in New York with 100 percent renewable energy," Brookfield news release, October 27, 2020.

<https://bep.brookfield.com/press-releases/bep/jpmorgan-chase-and-brookfield-renewable-launch-collaboration-power-over-500>

⁸⁸ "Odebrecht Engenharia e Construção completes \$3 billion debt restructuring," Davis Polk news release, January 22, 2021. <https://www.davispolk.com/experience/odebrecht-engenharia-e-construcao-completes-3-billion-debt-restructuring>

⁸⁹ "JPMorgan Chase & Co. ownership in BAM / Brookfield Asset Management Ltd.," Fintel, accessed at: <https://fintel.io/so/us/bam/jpmorgan-chase->

⁹⁰ "Andrew Weissmann appointed as FBI's General Counsel," National Press Release, Federal Bureau of Investigation, October 26, 2011. <https://archives.fbi.gov/archives/news/pressrel/press-releases/andrew-weissmann-appointed-as-fbis-general-counsel>

⁹¹ Andrew Weissmann, biography, New York University School of Law. <https://its.law.nyu.edu/facultyprofiles/index.cfm?fuseaction=profile.biography&personid=39254>

These connections might be coincidental, but they raise questions about appearances of impropriety. One might ask whether the Justice Department lawyers let Brookfield off easy, perhaps deliberately, by not using their typical precision to define Rutas de Lima as either being part of Odebrecht's bribery business model, or being innocent of it, in the Odebrecht plea arrangement.

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That failure arguably let Brookfield off the hook for buying a dirty asset and assuming no responsibility for Odebrecht's corruption in the Rutas scandal. A DOJ review can answer these questions and determine whether the Rutas de Lima corruption should have been considered on the record in Odebrecht's low \$2.6 billion settlement. From there, the Rutas de Lima corruption issue can be put to rest once and for all, and the people of Lima can get their highways back.

Conclusion and questions

The Rutas de Lima saga stands as a stark testament to the corrosive power of greed and the fragility of public trust in the face of systemic corruption. What began as a hopeful promise for Lima's ten million residents - modern roads to unclog a strangling city - morphed into a nightmare of bribery, betrayal, and exploitation, with Odebrecht's dirty money tainting the project's core and Brookfield's acquisition failing to cleanse its legacy.

As tolls climb and the poor bear the brunt, the clash between Mayor Rafael López Aliaga's relentless crusade and Brookfield's calculated science underscores a deeper struggle: Whether justice and accountability can prevail over entrenched corporate interests and murky legal ambiguities.

The U.S. Justice Department's failure to specify whether the Rutas de Lima concession was corruptly acquired - and its leniency toward Odebrecht, and thus Brookfield, at sentencing - demands scrutiny, for only a thorough reckoning can unshackle Lima from this concrete empire of ashes and restore the promise of progress to its people. Until then, every toll paid echoes as a reminder of a deal paved with bad intentions amid the largest foreign bribery case in history, where the powerful prospered and the city paid the price.

Brookfield's new \$2.7 billion dollar claim, and its statement about investing in the country for three decades, raise new questions:

- How could Brookfield be ignorant of the grotesque scale of corruption and instability in Peruvian politics, under 11 presidents, nine of whom were implicated in corruption, with five directly tied to Odebrecht corruption?
- Was the Rutas de Lima project reverse engineered to extort money out of the poor and indigenous citizens of Peru?
- Was there a distinct business model of bribery, first to bribe the mayor to get the contract, then bribe more to increase benefits and raise the tolls?
- When news of Brookfield's worldwide corruption spreads and the people protest, is the model to go on the offensive by fast-tracking an arbitration before a criminal probe can come to fruition?
- When the criminal investigative authorities and courts progress toward proving that Odebrecht probed the mayor to obtain the contract, did Brookfield, the buyer of that corrupt contract, play the victim based on claims of “rule of law” and “investor protection” to collect \$2.7 billion plus interest?
- If that was the business model, is that why Brookfield hired a global ESG leader, Mark Carney, as chairman to clean up the company's image?
- With Lima's current mayor, Rafael López Aliaga, apparently impossible to bribe or silence, is Brookfield elevating its attacks from the plaintiff to the Rolex-scandal president?
- Did Brookfield put Foley Hoag up to represent Peru's national and municipal governments while quietly representing Brookfield?
- If so, how much did Brookfield pay Foley Hoag in transactional matters so that Brookfield would be set up to collect \$2.7 billion from lawsuits?
- Is it time for the U.S. Department of Justice to revisit the 2016 Odebrecht plea bargain agreement for possible conflicts of interest among the attorneys involved?

Exhibits

The exhibits appear in an annex volume, and can be downloaded here:

<https://georgetownresearch.com/index.php/public-reports-2025/>

1. Força-Tarefa Operação Lava Jato, Ministério Público Federal Procuradoria da República no Paraná, in Portuguese original; and Operation Car Wash Task Force, Federal Public Prosecutor's Office, Attorney General's Office in Paraná (Brazil), in English translation, “Brookfield Brazil Capital Partners LLC ('Brookfield').” (6 pages)
2. Correspondence of Municipality of Lima Prosecutors regarding Foley Hoag, facsimiles of original documents in Spanish and English (10 pages)
3. “Anexo D,” including “Sworn statement: Proposal for legal assistance services for the Republic of Peru, September 25, 2013,” original in Spanish (11 pages)

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