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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION

WESLEY GILLIES, LOGAN STAHELI,
MADISON JONES, and CARLY
STAHELI, in their individual capacity and
as heirs of the Estates of Z. Todd Staheli
and Michelle Davis Staheli;

Plaintiffs,

v.

PETRÓLEO BRASILEIRO, S.A., a
Brazilian corporation; and DOES 1–20,

Defendants.

COMPLAINT

Case No. 2:22-cv-00124-TC

Judge Tena Campbell

Plaintiffs Wesley Gillies, Logan Staheli, Madison Jones, and Carly Staheli, both in their individual capacity and as heirs and personal representatives of the Estates of Z. Todd Staheli and Michelle Davis Staheli, complain and allege against Defendants as follows:

I. INTRODUCTION

This is an action for the wrongful death of two American citizens, Z. Todd Staheli (“Todd”) and Michelle Davis Staheli (“Michelle”), who were bludgeoned to death in their beds in the early, pre-dawn hours of November 30, 2003, in Rio de Janeiro, Brazil while their four young children, aged 13, 10, 8, and 3, were asleep down the hall. This Complaint alleges that the murders were orchestrated and carried out at the behest of the executives, employees, directors, and officers of Petróleo Brasileiro, S.A. (“Petrobras”), the Brazilian oil and gas giant. Todd and Michelle were killed to prevent the disclosure of a corruption scheme involving hundreds of millions of dollars in kickbacks and bribes involving Petrobras, related contractors, and Brazilian government and political officials. Following the murders, Petrobras, Brazilian law enforcement officials and others engaged in a massive cover-up of unlawful activities to disguise their involvement in the murders, and the cover-up continues to this day. Plaintiffs are the four adult children of Todd and Michelle. Plaintiffs seek compensatory and punitive damages as alleged herein.

At the time of the murders, Todd was working for a subsidiary of Shell Oil Company. Todd was sent to Brazil to determine why Shell was losing millions of dollars in various joint ventures (“JVs”) with Petrobras. Todd was uncovering the early stages of the multi-billion-dollar kickback and bribery scheme that a decade later would come to light as part of the Brazilian Federal Police investigation known as Operation “Lava Jato” (Portuguese for “Car Wash”). Todd and Michelle were murdered to prevent Todd from revealing the scheme. Ultimately, Operation Lava Jato resulted in dozens of convictions of Petrobras and Brazilian government officials. Petrobras admitted to participation in the corruption scheme as part of a Non-Prosecution

Agreement (the “NPA”) with the United States Department of Justice in 2018. As part of the NPA, Petrobras accepted responsibility under United States law for the wrongful acts set forth in the NPA and admitted these acts met the vicarious liability and *respondeat superior* standard for corporate criminal wrongdoing. However, neither Petrobras nor the Brazilian government officials involved in the murders and the subsequent cover-up have yet been held responsible.

Plaintiffs bring this action under the Foreign Sovereign Immunities Act, 28 U.S.C. § 1605 et seq., seeking compensatory, punitive, and other damages from the persons and entities responsible for the murders of their parents.

II. THE PARTIES

A. Plaintiffs

1. Plaintiff Wesley (Staheli) Gillies (“Wesley”) is a citizen of the United States and a resident of Utah County, State of Utah. She is the adult daughter of Todd and Michelle and was thirteen (13) years old when her parents were murdered

2. Plaintiff Logan Staheli (“Logan”) is a citizen of the United States and a resident of Utah County, State of Utah. He is the adult son of Todd and Michelle and was ten (10) years old when his parents were murdered.

3. Plaintiff Madison (Staheli) Jones (“Madison”) is a citizen of the United States and a resident of Utah County, State of Utah. She is the adult daughter of Todd and Michelle and was eight (8) years old when her parents were murdered.

4. Plaintiff Carly Staheli (“Carly”) is a citizen of the United States and a resident of Utah County, State of Utah. She is the adult daughter of Todd and Michelle and was three (3) years old when her parents were murdered.

5. Plaintiffs Wesley Gillies, Logan Staheli, Madison Jones, and Carly Staheli are collectively referred to herein as “Plaintiffs.”

6. At the time of their deaths in 2003, Todd and Michelle were residents of the State of Utah, and the Estates assert their causes of action by and through the Plaintiffs as the Estates’ heirs.

B. Defendants

7. Defendant Petrobras is a Brazilian state-owned and controlled oil and gas company organized and existing under the laws of Brazil, operating globally, with its principal place of business located at Avenida República do Chile, No. 65, 23rd Floor, 20031-912, Rio de Janeiro, Brazil.

8. The government of Brazil is the majority owner of Petrobras, such that Petrobras is both a foreign state within the meaning of 28 U.S.C. § 1603(a) and an agency or instrumentality of a foreign state within the meaning of 28 U.S.C. § 1603(b).

9. At all material times, Petrobras’ common and preferred stock was registered with the United States Securities and Exchange Commission and, either directly or through subsidiaries or affiliates, traded and currently trades on the New York Stock Exchange in the United States.

10. Does 1 through 20 (the “Doe Defendants”) are persons whose wrongful conduct is presently unknown or not fully known to Plaintiffs at this time and who caused Todd and Michelle to suffer injury and death, including without limitation: (1) corporate officers, directors, employees or agents of Petrobras; (2) government officials in Brazil and directors, employees and agents of the Rio Civil Police who were directly involved in the planning, execution, and

cover-up of the murders; and (3) other persons, whose acts and/or omissions proximately caused or proximately contributed to cause Plaintiffs' injuries, including, but not limited to, the suffering and the deaths of Todd and Michelle.

III. JURISDICTION & VENUE

11. This Court has subject-matter jurisdiction over Plaintiffs' action and personal jurisdiction over Petrobras pursuant to the Foreign Sovereign Immunities Act ("FSIA") 28 U.S.C. § 1605(a)(2), (5) and 28 U.S.C. § 1330(b). The FSIA provides for jurisdiction over all civil actions: (a) for personal injury or death in which the defendant's actions are based upon commercial activity carried on outside the territory of the United States in connection with a commercial activity of the foreign state elsewhere when that act causes a direct effect in the United States; and (b) for money damages sought against a foreign state for personal injury or death, or damage to or loss of property, occurring in the United States and caused by the tortious act or omission of that foreign state or of any official or employee of that foreign state while acting in the scope of his office or employment.

12. Under 28 U.S.C. § 1603(d), a foreign corporation incorporated in, and at least 50% owned by, a foreign state (or a political subdivision of that state), engaging in "either a regular course of commercial conduct or a particular commercial transaction or act" is subject to the commercial activity exception of the FSIA.

13. Petrobras meets the definition of "foreign state" in 28 U.S.C. § 1603(a) and, as set forth herein, Plaintiffs' claims fall within the stated exceptions to immunity under § 1605(a)(2), (5), *i.e.*, the "direct effect" requirement in the third prong of the commercial-activity exception

and the personal injury, death, or damage to or loss of property exception in 28 U.S.C. § 1605(a)(2), (5). Thus, this Court has subject-matter and personal jurisdiction in this matter.

14. This Court has jurisdiction over Defendant Petrobras pursuant to 28 U.S.C. §§ 1330, 1604–06 because Petrobras is majority-owned and controlled by the Brazilian government.

15. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(f)(1).

16. At the time of their deaths, Todd and Michelle were residents of the State of Utah, and the Estates assert their causes of action by and through the Plaintiffs as the Estates' heirs, who are currently domiciled in the State of Utah.

IV. GENERAL ALLEGATIONS

A. The Stahelis

17. Todd was born on September 14, 1964, as one of eight siblings raised in Spanish Fork, Utah.

18. Michelle was born on November 9, 1968, and grew up in Logan, Utah with one sister and two brothers.

19. Todd and Michelle met while attending Utah State University during their undergraduate studies. They got married and had four children: Wesley, Logan, Madison, and Carly.

20. In June 1991, immediately after graduating from the J. Reuben Clark Law School at Brigham Young University, Todd was hired as an attorney for Shell to work in their Houston, Texas office.

21. After proving himself, both as a talented manager and as successful at rooting out fraud and corruption in oil projects around the world, Todd became an executive for Shell Oil Company, a subsidiary of Royal Dutch Shell (collectively, “Shell”). He worked as the Vice President of Joint Ventures for the company’s Southern Cone Gas and Power (“SCGP”).

B. Todd Staheli’s Work in Brazil

22. During his career with Shell, Todd gained substantial international experience in resolving difficult problems with Shell’s partners in joint ventures around the world.

23. In 2003 and before, Shell had been losing millions of dollars in JVs with Petrobras in pipeline projects in Brazil and Bolivia.

24. Todd was sent to Rio with his family for the purpose of finding out the basis for the cost overrun losses Shell was experiencing in the JVs with Petrobras and to fix the problems. Upon information and belief, Todd was also asked to evaluate whether Shell should continue to do business with Petrobras or if Shell should leave Brazil altogether.

25. Todd arrived in Rio in the summer of 2003. His wife Michelle and their four young children, Wesley, Logan, Madison, and Carly, joined Todd in Rio a few weeks later at the end of August 2003.

26. Todd quickly began to work on determining the basis of the cost overruns and why Shell was losing money in JV projects with Petrobras.

27. During the early 2000s, Petrobras was boosting its presence in South America by building pipelines in the region, including a major gas pipeline from Bolivia to Brazil.

28. As part of his work in Brazil, Todd was designated a member of the Board of Directors of Transredes Transporte de Hidrocarbous S.A. (“Transredes” or “TRSA”), one of the

JV project companies associated with the Bolivia to Brazil Pipeline. Shell, Petrobras, and Enron all had ownership interests in Transredes.

29. On August 20, 2003, Todd was also designated Vice President of the Board of Directors of Transredes.

30. Todd was installed in each of these supervisory roles because he was the Vice President of Shell's SCGP and specialized in JV projects in energy markets.

C. Petrobras Corruption in Joint Ventures with Shell

31. Shell sent Todd into the Brazilian energy market at a very tumultuous time because of his experience dealing with JV energy projects around the globe. He had previously proven his ability to detect and eliminate fraudulent cost overruns for other international Shell projects.

32. Within a few months of arriving in Brazil, Todd confided to colleagues that Petrobras was the most difficult partner he had ever worked with during his career.

33. Todd discovered that the cost overruns on Shell's JV projects with Petrobras, including Transredes, were the result of rigged contracts at inflated prices, along with the kickbacks from contractors who "won" the bids to work on the construction and operation of the pipelines and the related bribes being paid to politicians and government officials by Petrobras and others.

34. The kickbacks and bribes were being paid to and by Petrobras to rig the awarding of multi-million-dollar construction and operations contracts, some in the hundreds of millions of dollars. Corrupt Petrobras officials set up and operated the system of kickbacks and bribes and received millions of dollars in illegal payments as a result.

35. Just as Todd began to uncover this massive fraud and took steps to prevent further financial harm to Shell, he and Michelle were killed.

D. The Murders of Todd and Michelle Staheli

36. During the early morning of Sunday, November 30, 2003, Todd and Michelle were beaten to death in their home in Rio as they slept in their bed while their four children slept in their rooms just down the hallway.

37. An autopsy indicated that the couple was likely attacked by two assailants standing on either side of the bed. The report stated that the couple's wounds to their heads were so deep that they likely were inflicted by someone of considerable strength and dexterity.

38. Todd's official cause of death was reported as a fracture of the cranium with hemorrhaging on the meninges, which are the three layers of protective tissue that cover the brain.

39. Michelle's official cause of death was reported as brain trauma with a lesion to the brain, cerebral edema, and hemorrhaging of the meninges.

40. The instrument(s) used in the murder were reported to be unknown blunt objects.

41. Logan, then only ten years old, found his father's lifeless body and his mother struggling for breath just after 6:00 a.m.

42. Todd died in his bed during or after the beating on November 30, 2003.

43. Michelle would undergo multiple surgeries in an attempt to relieve the swelling on her brain and save her life, which included removing part of her skull. Despite this, doctors told the family that it was unlikely that Michelle would live more than a day or two. She died at a Rio hospital four days later on December 4, 2003.

44. After discovering their dead and dying parents, the children called a family friend who lived nearby in the same gated community. These family friends took the children into their own home until the children's grandparents arrived from Utah. Shortly thereafter, because of the trauma associated with witnessing the murders of their friends and fearing for their own safety, this family requested an immediate transfer out of Brazil to the United States, which was granted.

45. No personal or other items of value were taken from the Staheli family's home on the night of the murders, including a Rolex watch sitting on top of Todd's nightstand, with the notable exception of Todd's Palm Pilot, which he used for work and to keep his notes. Despite this, the police investigators tried to claim that the murders were part of a robbery gone wrong.

46. Todd's work files and notes related to the JV projects with Petrobras that were stored on the Palm Pilot have disappeared and were not returned to the family.

47. The police case file on the murders has disappeared. Critical evidence, such as the DNA report, is now gone.

E. The Coverup – Part 1: Blame the Children

48. Immediately after the murders, police in Rio tried to pin the killings on the two oldest children—Wesley, 13, and Logan, 10.

49. Wesley and Logan, now orphaned in a country where they did not speak the language, were subjected to lengthy interrogations by the Rio police. These interrogations were conducted without a guardian or legal counsel present.

50. The Rio police even went so far as to publicly name the children as suspects and prevent them from leaving Brazil in the immediate aftermath of the murders.

51. Todd's parents and Michelle's sister and brother flew to Rio to take the children back to the United States, arriving approximately 48 hours after the murders.

52. Todd's parents hired local legal counsel to petition the Brazilian courts for an order allowing the children to return to the United States.

53. It took eleven days of legal fights with Brazilian authorities and the intervention of the U.S. State Department before a court finally allowed the children to leave the country. Only after U.S. Government officials escorted the children past the Brazilian police at the Rio International Airport and held up an American Airlines flight for over two hours because of the delays caused by the police, were the children able to leave the country with Todd's parents and Michelle's brother and sister.

F. The Coverup – Part 2: Blame Jossiel dos Santos

54. A few months after the murders, Jossiel dos Santos ("dos Santos"), a handyman working at the complex where Todd and Michelle lived, was arrested for allegedly breaking into another home in the gated community where the Stahelis had lived.

55. The Rio police seized on the opportunity to frame dos Santos for the Staheli murders and charged him accordingly.

56. Dos Santos initially confessed to the murders of Todd and Michelle. However, released government documents indicate that dos Santos was beaten, tortured, and coerced into giving his false confession.

57. Dos Santos's confessions were so internally inconsistent that it became obvious he did not commit the murders. In addition, the evidence collected at the family's home and supported by the other relevant evidence was inconsistent with dos Santos being the murderer.

58. Evidence at the crime scene suggested that at least two individuals with blunt instruments bludgeoned Todd and Michelle to death, and blood and other DNA taken from underneath Michelle's fingernails did not match dos Santos.

59. The Brazilian court eventually allowed dos Santos to amend his plea from murder to allowing two men into the Staheli home on the evening of the murders. A report in the Brazilian media suggested R\$40,000 (Brazilian reais) was offered to dos Santos for access to the residential compound.

60. Upon information and belief, no follow-up investigation was conducted by the Rio police or the Brazilian government to try and determine the identity of these two men or their motives.

61. Upon information and belief, dos Santos disappeared shortly after he was released from prison on house arrest in 2018 and cannot be located.

G. Corruption in the Rio Civil Police

62. The interrogations and torture of dos Santos were handled personally by the Chief of the Rio Civil Police, Alvaro Lins ("Lins"), and the State Security Secretary for the State of Rio de Janeiro, Anthony Garotinho ("Garotinho"). Lins and Garotinho were also the ones who first accused the children of murdering their own parents and then sought a court order preventing the children from leaving the country.

63. Lins and Garotinho were both later convicted of corruption. Lins was also arrested for running corrupt "black squads" within the Rio Civil Police that carried out illegal activities including money laundering and murder.

64. Lins and Garotinho were attempting to frame the children, and later dos Santos, for the murders to distract attention from their own involvement in ordering and carrying out the murders.

65. The security company that provided security guards for the gated community where the Stahelis lived was owned by a cousin of Lins. Many of the security guards working at the community were off-duty or retired police officers.

66. As detailed herein, the evidence showed that the attack on the Stahelis was an inside job that was well planned and executed. The security guards were not at their posts on the night of the murders, and none of the security cameras in the community were operating that night.

H. Corruption in Petrobras and Brazilian Politics

i. Operation Lava Jato

67. At its height in 2009, Petrobras was the world's fifth-largest company and had a market capitalization of \$310 billion.

68. The corruption and fraudulent schemes first discovered by Todd in 2003 ultimately came to light beginning in 2014 or earlier when Brazilian Federal Police, under Operation "Lava Jato" started arresting participants in these illegal activities.

69. The arrests included multiple Petrobras executives and directors, corrupt politicians, and corrupt police officials.

70. Over sixty (60) individuals have been convicted as part of Operation Lava Jato.

71. As part of its related investigation, the Brazilian Federal Police uncovered massive bribery and corruption schemes related to Petrobras projects that date back to at least

2003, including corruption related to the projects that Todd was attempting to resolve and modify the control of the JV that involved Shell.

72. Testimony in the Brazilian criminal cases demonstrates that senior managers at Petrobras and its subsidiaries split bribery money from contractors with local politicians who then granted construction and service contracts to corrupt contractors.

73. One of the key targets in Operation Lava Jato was Paulo Roberto Costa (“Costa”).

74. Costa was Director of Petrobras Gas S.A.-GASPETRO from May 1999 to December 2000. From January 2001 to April 2003, Costa was General Manager for Logistics at Petrobras’ Natural Gas Segment.

75. At the time of Todd and Michelle’s murders, Costa was the Managing Director of TBG-Transportadora Brasileira Gasoduto Bolivia Brasil. Costa was also a Director of Petrobras, Petrobras Energía and Petrobras Química S.A.

76. Costa was the executive that was managing Petrobras’ participation in the JV projects that Todd was managing for Shell at the time of his murder.

77. Costa worked directly with Todd on these projects.

78. Costa was at the center of Petrobras’ corruption and was one of the first individuals arrested and convicted in connection with Operation Lava Jato.

79. According to Brazilian prosecutors, Costa and other Petrobras officials were at the epicenter of Brazil’s largest-ever money laundering scandal and colluded with contractors to inflate bids on Petrobras projects.

80. A percentage of the inflated contract payments was used by Petrobras executives to line their own pockets and to pay bribes to political parties, politicians, and other government officials.

81. Construction and engineering firms paid at least \$800 million to politically appointed Petrobras executives in exchange for lucrative contracts with Petrobras, benefiting both the executives and the campaigns of different Brazilian political parties.

82. The bribery and money-laundering schemes were estimated by authorities to have diverted at least \$28 billion from Petrobras' coffers.

83. In addition to Petrobras' top executives, including Costa, and the Doe Defendants, the illegal bribery and kickback schemes brought to light through Operation Lava Jato also involved politicians and a group of at least sixteen (16) contractors who formed a "cartel" that assured that its members would win Petrobras' major contracts.

84. According to Brazilian prosecutors and the Brazilian Federal Police, Petrobras executives granted contracts to these Brazilian construction companies that systemically inflated their costs by as much as 20%. After winning the contracts, the construction companies kicked back up to 3% of a contract's total value in the form of bribes to Petrobras executives, Brazilian politicians, and money launderers.

85. In 2020, the Brazilian government halted the Operation Lava Jato investigations and prosecutions, claiming that all corruption had been addressed and corrected. However, upon information and belief, no attempt was made to address or investigate the Stahelis' murders and how the murders were linked to Petrobras' corruption.

ii. Class Action Lawsuit

86. As a result of the fraud uncovered in Operation Lava Jato, a class action securities lawsuit was filed against Petrobras in the United States.

87. The lawsuit alleged that Petrobras had issued materially false and misleading financial information to investors.

88. Specifically, the suit alleged that Petrobras failed to disclose a high level of corruption at Petrobras and its subsidiaries, including a multi-billion-dollar money laundering and bribery scheme.

89. In addition, Petrobras was alleged to have overstated its property, plant, and equipment line item on its balance sheet due to the overstated amounts paid on contracts that were carried as assets on the balance sheet.

90. On February 1, 2018, Petrobras entered into a settlement agreement in principle to settle the lawsuit for \$2.95 billion.¹

iii. SEC Settlement

91. The United States Securities and Exchange Commission (the “SEC”) also brought an enforcement action against Petrobras for these same corruption schemes and securities fraud.

92. In its own independent investigation, the SEC found that, from at least 2003 to April 2012, Petrobras engaged in a large-scale expansion of its infrastructure for producing oil and gas.

¹ See Stipulation of Settlement and Release, *In re Petrobras Securities Litigation*, No. 14-cv-9662 (S.D.N.Y. Feb. 1, 2018), attached as Exhibit A.
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93. The SEC found that corrupt Petrobras executives worked with Petrobras' largest contractors and suppliers to inflate the cost of Petrobras' infrastructure projects by billions of dollars.

94. In return, the companies working on these projects paid billions of dollars in kickbacks to Petrobras executives, typically amounting to between 1% and 3% of the contract cost.

95. Petrobras' actions resulted in the SEC ordering Petrobras to pay hundreds of millions of dollars in disgorgement and civil penalties. The SEC levied a combined monetary sanction against Petrobras of \$1,786,673,797.00.²

iv. DOJ Investigation and Non-Prosecution Agreement

a. *DOJ's Investigation and Findings*

96. The United States Department of Justice (the "DOJ") also investigated Petrobras' widespread bribery and kickback schemes that stemmed from the early 2000s.

97. As a result of its investigation, the DOJ found that "[e]xecutives at the highest level of Petrobras—including members of its Executive Board and Board of Directors—facilitated the payment of hundreds of millions of dollars in bribes to Brazilian politicians and political parties and then cooked the books to conceal the bribe payments from investors and regulators."³

² See Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order, *In the Matter of Petroleo Brasileiro S.A. – Petrobras*, File No. 3-18843, Securities and Exchange Commission (Sept. 27, 2018), attached as Exhibit B.

³ See *Petroleo Brasileiro S.A. – Petrobras Agrees to Pay More Than \$850 Million for FCPA Violations*, United States Department of Justice, Press Release No. 18-1258 (Sept. 27, 2018), attached as Exhibit C.
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b. Admissions by Petrobras

98. On September 26, 2018, the DOJ⁴ and Petrobras entered into a Non-Prosecution Agreement (the “Agreement” or “NPA”).⁵

99. Under the Agreement, Petrobras “admit[ted], accept[ed], and acknowledge[d] that it is responsible under United States law for the acts of its officers, directors, employees, and agents as set forth in the attached Statement of Facts, and that the facts described therein are true and accurate.”⁶

100. Further, as described in the NPA, Petrobras admitted that its conduct and that of its executives and officers violated all the elements of the books and records and internal control provisions under Title 15, United States Code, Sections 78M and 78ff.⁷

101. Specifically, Petrobras admitted that certain Petrobras executives received bribes and “facilitated and directed millions of dollar[s] in corrupt payments to politicians and political parties in Brazil, including, in one instance, directing the payment of illicit funds to stop a Parliamentary Inquiry into Petrobras contracts.”⁸

102. In addition, Petrobras admitted that its executives and managers “facilitated massive bid-rigging and bribery schemes that, among other things, allowed contractors to obtain contracts from Petrobras through non-competitive means and caused Petrobras to remain in the favor of many of Brazil’s politicians and political parties.”⁹

⁴ “DOJ” included the Criminal Division, the Fraud Section, and the United States Attorney’s Office for the Eastern District of Virginia.

⁵ See Non-Prosecution Agreement, attached as Exhibit D.

⁶ See *id.* at p. 3.

⁷ See *id.* at p. A-12, § 52.

⁸ See *id.* at p. A-3, § 11.

⁹ See *id.* at p. A-4, § 14.

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103. Petrobras admitted that “more than U.S. \$2 billion has been estimated to have been generated and used to make corrupt payments, more than approximately U.S. \$1 billion of which was estimated to have been directed to politicians and political parties, some of which could affect [Petrobras].”¹⁰

104. Petrobras admitted that “[t]he inflated amounts paid to the corrupt contractors were capitalized as legitimate costs and hidden as part of the particular contracts, which were recorded in [Petrobras]’s books, falsely inflating the value of certain of [Petrobras]’s assets.”¹¹

105. The corrupt schemes admitted by Petrobras as part of the NPA occurred in the early 2000’s, which is at or around the time Todd uncovered Petrobras’ corruption and was murdered to keep his discovery a secret.

c. Petrobras’ Continuing Obligation to Disclose and Report

106. The NPA had a term of three (3) years, until September 26, 2021, subject to Petrobras’ full compliance with its obligations, and further provided for a one-year extension of the term in the DOJ’s sole discretion.

107. As part of the NPA, Petrobras agreed to continue to cooperate with the DOJ in any ongoing investigations and prosecutions relating to its corruption and bribery scheme.

Specifically, Petrobras agreed that it:

[S]hall cooperate fully with the Fraud Section and the Office subject to applicable law and regulations, in any and all matters relating to the conduct described in this Agreement and the attached Statement of Facts and other conduct related to possible corrupt payments, or related violations of the books and records or internal controls provisions of the FCPA under investigation by the Fraud Section and the Office until the later of the date

¹⁰ See Ex. D at p. A-5, § 17.

¹¹ See *id.* at p. A-5, § 18.

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upon which all investigations and prosecutions arising out of the conduct or concluded, or the Term [of the Non-Prosecution Agreement].¹²

108. Moreover, Petrobras agreed to:

[T]ruthfully disclose all factual information not protected by a valid claim of attorney-client privilege or work product doctrine or similar protection under foreign law with respect to its activities, those of its subsidiaries and affiliates, and those of its present and former directors, officers, employees, agents, and consultants, ***including any evidence or allegations and internal or external investigations, about which [Petrobras] has any knowledge*** or about which the Fraud Section and the Office may inquire.¹³

109. In addition, Petrobras agreed that:

[D]uring the Term, should [Petrobras] learn of evidence or allegations of actual or potentially corrupt payments or actual or potential violations of the FCPA anti-bribery or accounting provisions had the conduct occurred within the jurisdiction of the United States, [Petrobras] shall promptly report such evidence or allegations to the Fraud Section and the Office subject to prosecution for making false statements under federal law, pursuant to 18 U.S.C. §1001 and obstruction of justice under 18 U.S.C. §1519.¹⁴

110. The NPA further provides that DOJ “may use any information related to the conduct described in the attached Statement of Facts Agreement the Company...(c) in a prosecution or other proceeding relating to any crime of violence.” NPA at p. 7.

111. Upon information and belief, Petrobras has not disclosed or reported the allegations of the Staheli murders or corruption, bribery and kickbacks uncovered by Todd related to the Transredes JV. These allegations were brought to Petrobras’ attention through diplomatic channels in late 2020 and early 2021 during the term of the NPA. Petrobras’ failure to

¹² See *id.* at p. 4.

¹³ See Ex. D at p. 4 (emphasis added).

¹⁴ See *id.* at p. 5.

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investigate, disclose, and report these allegations are a violation of the NPA and may be separate criminal violations under United States laws.

112. The NPA provides that the failure of Petrobras to completely perform or fulfill each of its obligations may extend the Agreement's term for an additional period of one year. NPA at p. 4.

I. The Truth Behind the Murders

113. Todd and Michelle were murdered to prevent Todd from revealing a major corporate fraud being committed by Petrobras and its officials, and to send a message to anyone else who might consider blowing the whistle on the massive corruption scheme.

114. Todd's efforts to stop cost overruns ended up costing Petrobras millions of dollars in kickbacks and bribery payments they could no longer control and threatened the continued viability of the entire corruption scheme.

115. Upon information and belief, the murders of Todd and Michelle were carried out at the direction of Petrobras officials and others who sought to prevent Todd from exposing what would become the largest bribery and kickback scheme in Brazilian history.

i. Motive

116. Todd's work for Shell in Brazil was focused on why the company was losing millions of dollars in alleged cost overruns in JVs with Petrobras.

117. In the few months he was in Brazil, Todd discovered massive bribery and kickback schemes by Petrobras. Just as he began to take swift actions to limit Shell's exposure, including implementing new policies and procedures for the JVs with Petrobras that would prevent the payment of bribes and kickbacks, Todd and Michelle were murdered.

118. Todd and Michelle were murdered to prevent any of the information discovered by Todd from reaching Shell's corporate headquarters or being made public, including to investors trading in Petrobras' stock on the New York Stock Exchange.

119. Petrobras stood to lose hundreds of millions of dollars if its scheme of bribes, kickbacks and payoffs were to become public. A public disclosure of the payoffs, bribes and kickbacks would be devastating to the company, its officials and government officials.

120. In fact, when the corruption became public a decade later in 2014 as part of the investigation by the Brazilian Federal Police, numerous Petrobras and government officials were criminally charged and convicted.

121. A civil suit brought by the United States Securities and Exchange Commission, a criminal investigation by the United States Department of Justice, and a class action suit filed in the Southern District of New York, all stemming from this corruption, resulted in payments of billions of dollars in restitution to shareholders and fines and penalties assessed by U.S. and Brazilian government authorities.

122. Todd had uncovered the early stages of this criminal scheme in 2003, and Petrobras and its executives and officers had overwhelming motive to silence him and prevent him from publicly sharing the incriminating facts. Hundreds of millions of dollars were at stake, along with the reputations and liberty of dozens of high-ranking Petrobras and government officials.

ii. Black Squads Used for Other Killings

123. During the time of Todd and Michelle’s murders “black squads” were used by the Rio Police authorities to eliminate certain individuals who were a threat to Petrobras or other elected government officials.

124. In February 2011, a Brazilian Federal Police investigation resulted in the arrest of 38 police officers, including the second-highest ranking officer of the Civil Police, for participating in drug trafficking protection rackets.

125. In another Brazilian federal investigation, Brazilian authorities arrested nearly 20 police officers suspected of taking part in a death squad that allegedly murdered and tortured its victims.

126. Garotinho’s top security advisor, Luiz Eduardo Soares, who was fired by Garotinho, claimed that police forces under Garotinho allowed and even carried out homicides and that Garotinho made a deal with a heavily corrupt and violent police faction known as the “Rotten Bunch” to halt reform. Soares, his life threatened, eventually escaped to the United States in self-imposed temporary exile.

127. There have been other incidents where critics of Petrobras were murdered under suspicious circumstances, including the murders of two of the founders of the Men and Women of the Sea Association (Homens e Mulheres do Mar Association or “AHOMAR”). Following a massive oil leak, which saw nearly one million liters of crude spew into Guanabara Bay, Rio de Janeiro, from an underwater Petrobras pipeline, activists from AHOMAR used their fishing nets to block big ships from passing through the bay, a protest over the 80 percent drop in their catches since the disastrous oil spill. Alexandre Anderson, the President of AHOMAR, reported

that the protesters were threatened and two of them were murdered shortly thereafter. Anderson blamed police-linked groups tied to Petrobras contractors for the two murders.

128. Another murder tied to Petrobras corruption is that of Celso Daniel in January 2002. This case involved a fraudulent loan between two individuals, one of them a friend of former President Luiz Inácio Lula da Silva. According to Operation Lava Jato Reports, the loan money was used to finance the PT (the Worker's Party) and was never paid back. In return, the other party fraudulently obtained a U.S. \$1.6 billion contract with Petrobras to operate the drill ship Vitoria 10000. Judge Sérgio Moro, who was responsible for the investigations of Operation Lava Jato, said he believes the assassination of the mayor of Santo André, Celso Daniel, may have been related to this corruption and Petrobras. According to Daniel's brother, he was murdered because he had prepared a report on the Petrobras-linked corruption.

J. Newly Discovered Evidence

129. Newly discovered evidence relating to the murders of Todd and Michelle was recently released in 2021 and 2022.

130. Following years of Freedom of Information Act ("FOIA") requests by Plaintiffs and the filing of a FOIA lawsuit, the U.S. State Department released previously confidential cables and documents in 2021 and 2022.

131. These recently released documents reveal that U.S. government officials stationed in Brazil did not trust the investigation conducted by the Brazilian police into the murders of Todd and Michelle.

132. In a recently released, "sensitive" cable from the American Consulate in Rio to the U.S. Secretary of State dated January 5, 2005, the American Consulate questioned the Rio

Civil Police's position that a crowbar seized from dos Santos connected him to the murders.

Specifically, the American Consulate reported:

The FBI was involved in the early stages of the investigation and had access to the crime scene. The FBI found the evidence of Jossiel's guilt to be weak – particularly the police position that a crowbar was the unique weapon which inflicted the wounds; no blood was found on the crowbar and the wounds are incompatible with those a crowbar would inflict.

133. The cable also noted that “[t]he investigation has changed hands from one police organization to another several times[,]” and questioned why dos Santos was “only detained more than a year after the murders if the police and judiciary concurred early on that the evidence of his guilty was solid?”

134. These recently released documents also show that both Brazilian and U.S. government officials did not believe that dos Santos was the murderer.

135. In a “sensitive” cable released by the State Department on August 24, 2021, dated April 3, 2004, the American Consulate in Rio reported to the Secretary of State that Anthony Garontinho “parad[ed] Jossiel [dos Santos] before national media” soon after his coerced confessions. Despite this, the Consul General and Brasilia Legatt agreed that “in addition to motive, many questions remained unanswered.” In addition, the recently released cable reported that the Brasalia Legal Attache was “in telephone contact with the lead local investigator” and planned “to quietly offer assistance in an effort to determine the credibility of this confession.”

136. An email dated August 18, 2004, and released this year, from a Brazil Desk Officer for the United States Department of State stated that the Brazilian Embassy had informed them that dos Santos, the “original suspect” in the murders of Todd and Michelle, had “been cleared of charges.” The Brazilian Embassy then stated that it did not “have any more info that

that” but said that the U.S. Consulate in Rio was “welcome to contact the prosecutors for additional information.”

137. In direct contravention of these confidential assertions by the Brazilian Embassy to the State Department, dos Santos was convicted of the murders and sentenced by a Brazilian criminal court in May 2005.

138. In another recently released cable dated March 9, 2006, less than a year after dos Santos’s conviction and sentencing, the American Consulate in Rio reported to the U.S. Secretary of State that “[w]e are not convinced that the Staheli assassin has been convicted.”

139. To support their doubts as to dos Santos’s conviction, the American Consulate in Rio noted:

Jossiel [dos Santos] was led by the authorities through the re-enactment, thus contaminating his testimony; the weapon (a crowbar) was not compatible with the wounds; the criminalists contradicted each other during the blood analysis testimony; the motive (robbery without robbing?) was never established; confessions were made that were inconsistent with the crime scene and that were subsequently changed and then recanted; allegations that the defendant was beaten in the back of the head in order to confess; other logical persons of interest which access to the Staheli household, such as the family driver, were not thoroughly investigated (e.g. search warrants were not issued, blood evidence was left unexplained, alibi witnesses were not interviewed, etc.), all observations made first hand by Legatt. The Garontinho government only appears interested in closing this high-profile case, in spite of the inconsistencies.

140. These recently released cables are material to the claims asserted herein and demonstrate that the United States did not trust the Garontinho government and its investigation into the murders of Todd and Michelle.

141. In addition, the recently released cables demonstrate that the Brazilian authorities were in possession of evidence that dos Santos was not the murderer and intentionally withheld this evidence to quickly close this “high-profile” case.

V. CAUSES OF ACTION

First Cause of Action

(Wrongful Death – Utah Code Ann. § 78B-3-106)

142. Plaintiffs incorporate by reference each of the allegations set forth above.

143. Plaintiffs bring this claim for wrongful death against Petrobras and the Doe Defendants as the personal representatives and heirs of Todd and Michelle.

144. The deaths of Todd and Michelle were caused by the wrongful acts of Petrobras and the Doe Defendants.

145. Upon information and belief, Petrobras, through its executives, officials, employees, and agents, and the Doe Defendants ordered the murders of Todd and Michelle to prevent Todd from revealing the massive bribery, kickback and corruption scheme involving hundreds of millions of dollars perpetrated by Petrobras.

146. As a result of these wrongful acts by Petrobras and the Doe Defendants, Todd and Michelle died suddenly and traumatically in 2003.

147. As a result of these wrongful acts by Petrobras and the Doe Defendants, Plaintiffs, aged 13, 10, 8, and 3 at the time, were orphaned and left without their loving parents.

148. Plaintiffs, as the heirs of Todd and Michelle, are entitled to compensatory damages for the significant economic losses they have suffered because of the premature death of their parents including, but not limited to, lost anticipated earnings.

149. The amount of these compensatory damages are to be proven at trial.

150. Petrobras' and the Doe Defendants' conduct was criminal, deliberate, willful, wanton, malicious, a threat to international peace and security, and in violation of international legal and business norms. The murders of Todd and Michelle were ordered to conceal and protect Petrobras' illicit, lucrative schemes.

151. As a result of Defendants' willful and malicious conduct, and Defendants' knowing and reckless indifference toward, and a disregard of, the rights of Plaintiffs, Plaintiffs are additionally entitled to punitive damages, in an amount to be proven at trial.

Second Cause of Action
(Civil Conspiracy)

152. Plaintiffs incorporate by reference each of the allegations set forth above.

153. Petrobras, through its executives, officials, employees, and agents, and the Doe Defendants conspired together to prevent Todd from revealing the massive bribery, kickback and corruption scheme involving hundreds of millions of dollars perpetrated by Petrobras.

154. To achieve this object and silence Todd, upon information and belief, Petrobras and the Doe Defendants ordered the murders of Todd and Michelle.

155. As a result of these wrongful acts by Petrobras and the Doe Defendants, Todd and Michelle died suddenly and traumatically in 2003.

156. As a result of these wrongful acts by Petrobras and the Doe Defendants, Plaintiffs, aged 13, 10, 8, and 3 at the time, were orphaned and left without their loving parents.

157. Todd, Michelle, and Plaintiffs have suffered significant damages as a direct and proximate result of Petrobras and the Doe Defendants' conspiracy, in an amount to be proven at trial.

158. As a result of Defendants' willful and malicious conduct, and Defendants' knowing and reckless indifference toward, and a disregard of, the rights of Plaintiffs, Plaintiffs are additionally entitled to punitive damages, in an amount to be proven at trial.

Third Cause of Action
(Intentional Infliction of Emotional Distress)

159. Plaintiffs incorporate by reference each of the allegations set forth above.

160. Upon information and belief, Petrobras, through its executives, officials, employees, and agents, and the Doe Defendants intentionally engaged in extreme and outrageous conduct by engaging in a scheme to murder Todd and Michelle.

161. Upon information and belief, Defendants purposefully and intentionally caused severe emotional distress to Plaintiffs, who were young children at the time of their parents' murders.

162. The brutality of the killings just yards from where Plaintiffs slept, the trauma of finding their parents murdered in their own blood-soaked bed, and the publicized attempt to blame Wesley and Logan for the murders of their own parents caused Plaintiffs to suffer severe emotional pain.

163. Plaintiffs have suffered significant damages, including loss of solatium, as a direct and proximate result of Petrobras' and the Doe Defendants' outrageous conduct, in an amount to be proven at trial.

164. As a result of Defendants' willful and malicious conduct, and Defendants' knowing and reckless indifference toward, and a disregard of, the rights of Plaintiffs, Plaintiffs are additionally entitled to punitive damages, in an amount to be proven at trial.

VI. PRAYER FOR RELIEF

WHEREFORE, Plaintiffs, in their individual capacity and as the heirs and personal representatives of the Estates of Todd and Michelle Staheli, pray for relief against Defendants as follows:

- A. For compensatory damages, including loss of solatium;
- B. For punitive and exemplary damages;
- C. For their reasonable attorneys' fees, costs, and expenses in bringing this action;

and

- D. For all other relief at law or in equity that this Court deems appropriate or just.

DATED this 23rd day of February, 2022.

CLYDE SNOW & SESSIONS, P.C.

/s/ Rodney G. Snow

Rodney G. Snow

Neil A. Kaplan

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