

BUSINESS MONDAY

Brazil's former top judge hid price he paid for Miami condo

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When Brazilian news outlets found out then-Supreme Court chief justice Joaquim Barbosa had bought a Brickell condo in 2012, they asked the well-respected jurist how much he paid.

Barbosa refused to say.

The problem? In Florida, real-estate sales are public.

But not Barbosa's.

Miami-Dade County property records seemed to suggest the 61-year-old paid a big, fat zero for his one-bedroom condo at Icon Brickell, one of the trendy neighborhood's best-known condo towers.

Buyers are supposed to pay a documentary stamp tax when they close on a property. In Miami-Dade, the tax amounts to 60 cents for every \$100 paid for the property. Sales prices aren't listed on deeds — but they can be calculated from the tax.

The deed for Barbosa's unit lists no tax. (Even when someone gives their property away to a family member, they pay a nominal tax.)

As it turns out, Barbosa didn't get the apartment for free. The unit's seller sent the Miami Herald a contract showing Barbosa paid \$335,000 in cash. The tax on that sale would have amounted to about \$2,000.

Three real-estate attorneys consulted by the Miami Herald could see no reason why Barbosa wouldn't be subject to the tax.

"THIS IS A VERY UNUSUAL DEED."
Joe Hernandez, attorney

"This is a very unusual deed," said one of the attorneys, Joe Hernandez of South Florida law firm Weiss Serota Helfman Cole & Blerman.



Miami-Dade County property records suggested that Joaquim Barbosa, the former chief of Brazil's Supreme Court, paid nothing for a condo at Icon Brickell. That turned out not to be the case. ROBIN HILL / Related Group

It's not clear why the Florida Department of Revenue didn't flag the nonpayment and impose a fine. A spokeswoman said the department could not comment on individual cases.

Details of Barbosa's purchase came to light after a massive leak of documents from inside Panamanian law firm Mossack Fonseca.

MF sets up offshore companies for the world's wealthiest people. Four of its employees have been charged as part of a massive corruption scandal over graft at Brazil's state oil company. Prosecutors allege that the firm set up offshore shell companies to help politicians launder bribes. MF has denied any wrongdoing and calls its Brazil office an independent franchise.

Barbosa has never been accused of corruption. The first black judge to sit on Brazil's Supreme Court after his appointment in 2003, he was mentioned as a possible candidate for president when he retired two years ago.

During his tenure on the court, he gained widespread respect for overseeing a case that saw more than 20 people convicted of corruption, including senior politicians from the governing Workers' Party, the BBC reported.

Offshore angle

The Mossack Fonseca files show Barbosa set up an offshore company called Assas JB1 to buy Florida real estate in mid-2012, according to leaked emails between his Miami attorney, Diane Nobile, and firm employees. The company was registered in the British Virgin Islands, a Caribbean tax haven that doesn't identify corporate owners in public records.

Days later, Barbosa bought the Icon Brickell unit using a Florida company called Assas JB. Even though the price he paid was secret, Barbosa did not hide his role in the transaction. He is listed in Florida public records as the president of Assas JB.

Foreign nationals who own properties in the United States through offshore companies pay significantly lower estate-tax rates in the United States than if they owned them personally.

In an emailed statement, Barbosa denied any wrongdoing. He said the title company that handled the transaction should have paid the stamp tax. The company, Casalina Title, of Fort Lauderdale, did not respond to requests for comment.

And Barbosa said he didn't hide the unit's sales price, which was recorded on the Multiple Listing Service, a private property database for real-estate agents.

"Any real-estate broker with access to the MLS system can check the amount paid for my property in 2012 and its current market value," he wrote.

"ANY REAL-ESTATE BROKER WITH ACCESS TO THE MLS SYSTEM CAN CHECK THE AMOUNT PAID FOR MY PROPERTY."

Joaquim Barbosa

A person at the office of Barbosa's Miami attorney, Diane Nobile, hung up the phone three times when the Miami Herald called to ask about the sale.

Earlier this year, real-estate website Zillow listed the 790-square-foot condo as available to rent for \$2,700 per month.

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Diane Nobile was Barbosa's lawyer on the deal. She didn't return phone calls or emails from the Miami Herald.