

Report: Brazil senate head took

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RIO DE JANEIRO, Brazil --

The leader of Brazil's senate accepted payoffs from a leading construction company, a major newsweekly said in a report that widens a corruption scandal reaching into the inner circle of Brazil's government.

Senate president Renan Calheiros vehemently denied the allegations published in the latest edition of the newsweekly *Veja*, which reported that the construction company paid rent on an apartment for Calheiros in the capital Brasilia, as well as a nearly \$6,000 monthly stipend for his 3-year-old daughter.

Mendes Junior, one of Brazil's largest construction companies, also rented a room for Calheiros in a Brasilia hotel and contributed to his campaign and family expenses, *Veja* said. The magazine did not cite the sources for its report, saying only the payments were made by a Mendes Junior lobbyist.

In a statement released Friday by the government's Agencia Brasil news agency, Calheiros criticized the "perverse conclusions" of the newsweekly.

"I never received any illegal or clandestine funds from any company or businessman," said Calheiros, a member of the centrist Democratic Movement Party and who is third in the line of succession to President Luiz Inacio Lula da Silva.

Calheiros, an ally of the president, is the latest name to surface in a series of scandals involving Silva's close advisers. Brazil's mines and energy minister resigned Tuesday amid accusations he accepted \$50,000 from a construction company that obtained contracts to provide electricity to poor rural areas.

His resignation marked the fourth time in recent years that members of Silva's Cabinet have been forced to out because of corruption allegations, but Silva has remained untouched by the scandals.