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Upcoming Panama Elections Mired In Corruption Allegations As The Law Cloaks Candidates In Impunity

by LADB Staff

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Just ahead of presidential and mayoral elections, Panama's electoral process is verging on meltdown as leading candidates are tied to drug money and one mayoral candidate's citizenship is in doubt. David Murcia, a financier sitting in a Bogota, Colombia, jail cell pending trial for business fraud and money laundering, admitted to having provided US\$6 million to the campaign of Partido Revolucionario Democratico (PRD) presidential candidate Balbina Herrera and Panama City mayoral contender Roberto Velazquez, known locally as Bobby. Meanwhile, another Panama City mayoral candidate, Bosco Vallarino, who runs on the upstart Cambio Democratico (CD) ticket with presidential aspirant Roberto Martinelli, has had his eligibility put in doubt as the Tribunal Electoral (TE) questioned the status of his Panamanian citizenship because he acquired US citizenship. Vallarino, too, has been tarred with a connection to Murcia. On the Murcia admission, denials came swiftly, with interest added. Herrera accused Martinelli of conspiring against her with Murcia's lawyers and then accused Martinelli, who owns a chain of supermarkets, of money laundering. This charge could have explosive repercussions. The criminal allegations against Murcia involve hundreds of millions of dollars bilked from individuals and institutions. Indictments stretch from Colombia to New York US District Court, where federal prosecutors allege Murcia's company, DMG, has laundered money, including drug money, in the US, Colombia, and Mexico (see NotiSur, 2009-02-06). Velasquez admitted to meeting with Murcia but denied taking money from him without furnishing an alternative reason for the meeting. Mayoral aspirant Bobby Velasquez denied allegations in February when they first began to surface. It looked like he might prevail with that strategy in the absence of any firm evidence. But more recently Murcia has said he has videos of his meetings with Velasquez. Murcia told the Panama City daily La Estrella, "I personally dealt with Bobby Velasquez's father, who is one of the PRD's founders, and with Bobby himself. So I donated US\$6 million in cash, US\$3 million for Bobby and US\$3 million for Balbina [Herrera]. Everything went through Velasquez [the father] who came in the name of the PRD. They even told me that Bobby was [President Martin] Torrijos' fair-haired boy." Murcia's admitted crimes begat other serious irregularities, as Murcia brazenly made use of presidential bodyguards from the Servicio de Proteccion Institucional (SPI) for his personal protection while in Panama. This can only happen legally with the specific approval of the president. Torrijos denied complicity at first, but later Minister of the Presidency Rafael Mezquita admitted providing protection to Murcia. Experts have concluded that this could hardly have happened without the express knowledge of Torrijos. Bobby Velasquez's fortunes took a sudden turn for the worse on April 15, when one of the SPI agents guarding Murcia, Fernando Aguilar, told the media he had witnessed a late November 2008 meeting between the Velasquezes and Murcia and that they left carrying a suitcase. "I'm going to tell you that I remember seeing them leave with a suitcase (maletin), a suitcase like for traveling," he said. The newspaper La Prensa reached Bobby for a statement. The candidate denied the agent's recollection, saying it was "totally false" that he'd received the suitcase, and challenged the agent, now an ex-agent, to present proof. According to reports, the two other agents assigned to Murcia, Arles Arauz and Rodrigo Urena, were present when Aguilar made his statement and

agreed with it. Nonetheless, Bobby Velasquez insisted, "I deny having received even one single cent from Murcia." Moreover, some of the money paid to the Velasquez's was allegedly used to pay a US consulting firm, Greenber, Quinlan, and Rosner, for their services to Bobby's campaign. That led to a further violation, because the firm was not registered with the TE as required by law. Dual citizenship penalized Bosco Vallarino, candidate for mayor of Panama City from the extreme right, has been linked to the Murcia scandal not directly but by association with Murcia's business partner Alex Ventura, a notorious personage in his own right. Vallarino has not been accused of taking money but is involved with Ventura through real estate deals. The damage to Vallarino from the Murcia connection may turn out to be significantly less than the damage he did to himself by becoming a US citizen. Article 13 of the Panamanian Constitution states, "Panamanian citizenship by origins or birth cannot be lost, but express or tacit renunciation of it will suspend the citizenship." The Consejo Supremo Electoral (CSE) ruled a year ago that people living in Panama with dual citizenship were not eligible to vote. The argument against Vallarino's candidacy is that his oath of allegiance to the US is an implied renunciation, making him ineligible to run for office or to vote. He is further handicapped, if even he needed to be, by suggestions in the Panama News that he gained his citizenship in return for his service to the US during the December 1989 US invasion of Panama. Vallarino is said to have gone into exile in the US some time in the 1980s and to have returned with the invading forces, riding around in armored vehicles with a bullhorn exhorting people to support the invading forces. Later, after the fall of dictator Gen. Manuel Noriega (1984-1989), Vallarino went to work in the administration of then President Guillermo Endara (1989-1994). The taint of all this is thought to fall upon front-running presidential candidate Ricardo Martinelli and his running mate, Juan Carlos Varela, who secured the mayoral spot for Vallarino. But Martinelli has thus far stuck by Vallarino in word and in deed. On April 9, he accompanied Vallarino in an appearance before the Tribunal Electoral to assert his citizenship and his right to run. The case went to the CSE April 13, and Vallarino said he would maintain a vigil outside its headquarters until the decision was reached. Political analysts noted that the council members are being pressed on one side by Martinelli and Varela to find in his favor and on the other by President Torrijos to find against him. Bosco gets a break Vallarino was not depending only on the tribunal decision. His lawyers had also brought his case to the Inter-American Commission on Human Rights (IACHR). On the same day that the council received the case, Vallarino was informed that the IACHR had accepted his case, wherein he petitioned that the court obligate the Panamanian state to guarantee his right as a citizen to stand for election. By April 15, the situation continued to break Vallarino's way as the Registro Civil issued a certificate of nationality for him, certifying that he is Panamanian. His lawyer, Herbert Young, pointed out for the press that the certificate lacked any annotations concerning "suspension or redaction of the citizenship rights of Vallarino." Just prior to that, said news releases, Bobby Velasquez had sent a message to the electoral magistrates asking them to let Vallarino run. As the May 3 election day draws near, little time remains to assess the effects of the Murcia scandal, but it is clear that one person who could benefit from it is Panama City mayoral candidate Miguel Antonio Bernal, a professor of international affairs at the Universidad de Panama. Running as an independent, he was accorded practically no chance at victory in a political landscape where the turf has been staked out for years by the major parties and where the bastions of power have proved impregnable to outsiders. Unquestionably a political outsider, Bernal is by no means a newcomer. Even before the military dictatorship of Noriega, Bernal was a civil and human rights leader. During the Noriega regime, he was a leading opposition figure. Nevertheless, he was considered enough of a threat earlier this year that the major players sought to take him out of the race with a set of questionable legal maneuvers. The scheme ultimately failed,

but Bernal still has an uphill climb. The latest polls gave him just 17% of the probable vote, while Bosco Vallarino had 35% and Bobby Velasquez had 42%. Impunity prevails In the end, the voters may decide to take vengeance on the allegedly corrupt politicians as they mark their ballots, but it is becoming increasingly probable that the law will not. Attorney General Ana Matilde Gomez announced on April 14 that the regulations governing the TE are just too full of holes to sustain any prosecutions. She said that, because of weak or nonexistent reporting requirements, a review of lists of donations cannot prove that either the PRD's Balbina Herrera or Bobby Velasquez got any money from Murcia. Martinelli also gets a free pass. Even if he wins, he does not have to submit a list of donors until 60 days after the May 3 elections. So far, Gomez's office has not been able to investigate a money trail to the Colombian. Herrera filed a lawsuit demanding an investigation into the connection between Murcia and Martinelli's Super 99 chain of markets, but Gomez says she lacks the legal grounds to comply. It appears that even when Martinelli declares, he can leave out any potentially troublesome donors. "It is impossible for the penal system, because of the way the electoral process is designed, to determine the origin of those donations that they didn't want declared or included," admitted Gomez. Stating the obvious, the attorney general called for legislation to require financial disclosure, with a caveat that, until such law exists, it will be very difficult for the justice system to block dirty money from campaigns. With that, she petitioned the TE to close the case against any and all candidates named in the Murcia scandal. Seizing the moment, Martinelli folded the situation into his campaign, announcing that as president he would send up legislation to remedy the loopholes, provide transparency, and bring down the full force of the law upon whoever, regardless of position, engages in corruption. This he did at a meeting with representatives of the Fundacion para el Desarrollo de la Libertad Ciudadana, an organization affiliated with Transparency International. Martinelli told the representatives that he would seek an overhaul of the system whereby Supreme Court justices are elected, and reform laws that prevent the attorney general from investigating deputies and magistrates who "enter clean and leave millionaires." The most recent polls show Martinelli with 51% of the potential vote and the PRD's Herrera with 35%.

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