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Corruption Prosecution in U.S. Strains Argentine-U.S. Relations

by LADB Staff
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The government of Argentina’s President Cristina Fernandez has sought to smooth over relations with the government of US President George W. Bush in the case of a businessman who was caught carrying a suitcase of undeclared cash in Argentina (see NotiSur, 2007-09-07). US courts and the Federal Bureau of Investigation (FBI) have prosecuted the man and his associates, alleging that the seized cash was illegal financing from Venezuela for Fernandez's presidential campaign. Venezuela and Argentina have denied the charges.

Argentine authorities first detained Venezuelan businessman Guido Antonini Wilson, who is a dual citizen of Venezuela and the US, in August 2007 when he was traveling in Argentina with US $800,000 in undeclared cash aboard an executive jet charted by Argentina's state energy company Energia Argentina S.A. (ENARSA).

The scandal around Antonini forced Claudio Uberti, the chief aide to Argentina's Minister of Federal Planning, Public Investment and Services Julio De Vido to resign and brought opposition-led criticism against the government of Venezuela's President Hugo Chavez and the state-owned petroleum company Petroleos de Venezuela S.A. (PDVSA).

The arrest came during Fernandez's campaign to replace her husband and then President Nestor Kirchner (2003-2007). Later released, Antonini returned to the US, where he has a home in Miami, and was detained there. Even though Argentine courts have called for Antonini’s extradition from the US, US investigators have sought to prosecute him and his associates. Argentine Judge Marta Novatti has asked the US to extradite Antonini for the crimes of "attempted contraband" and "money laundering."

US prosecutes Venezuelans
On Jan. 25, a Venezuelan man pleaded guilty in a scheme to cover up the source of the US$800,000, allegedly sent by Venezuelans as a donation to the Fernandez presidential campaign. Moises Maionica, 36, admitted to acting as an unregistered foreign government agent in the US. He could be sentenced to up to 15 years for this and a related conspiracy count but is cooperating with prosecutors and thus could get a reduced sentence.

US officials said Maionica and four others tried to hide the Venezuelan source of the cash, which Antonini carried into Argentina. Instead of sending Antonini back to Argentina after he was detained, US investigators wired him with a recording device in Florida and gathered evidence against the alleged Venezuelan agents who pressured him to conceal the money’s source, according to court documents. Antonini was apparently a last-minute passenger on a plane chartered by Venezuelan oil officials and was asked by one of them to carry the cash-laden suitcase through customs in Buenos Aires, prosecutors said in court.
Maionica admitted arranging calls between Antonini and a senior official in Venezuela’s intelligence agency, which the FBI said it recorded. He also acknowledged that he met with Antonini and the other suspected agents, Venezuelans Carlos Kauffmann, 35, and Franklin Duran, 40, and Uruguayan Rodolfo Wanseele, 40. All pled not guilty and face up to 10 years in prison and US$250,000 in fines if convicted at trial, set for March. Another Venezuelan charged in the case, Antonio Jose Canchica Gomez, has not been found.

Maionica’s sentencing was scheduled for April 4. According to the FBI, it was Duran who was recorded telling Antonini the money was for the campaign of Fernandez, who was later elected despite the scandal. The governments of Argentina and Venezuela have bitterly denounced the US, depicting the investigation as politically motivated, which the Bush administration has denied. Fernandez dismissed the allegations as "garbage," and her government accused Washington of using "dirty tricks" to intimidate her and attempt to drive a wedge between Argentina and Venezuela.

Ruben Oliva, Maionica's attorney, said his client had been in the US getting ready to take a cruise and got involved in the scheme after he received a call from a high-ranking Venezuelan official asking him to help Antonini. Maionica, an attorney in Venezuela, did not know he needed to register with the US, Oliva said, but ignorance of the law is not a defense. He entered his plea and politely answered questions from US District Judge Joan Lenard in Spanish, his hands clasped behind his back.

Duran and Kauffmann are business and social acquaintances of Antonini. They are also shareholders in the Venezuelan petrochemical company Venoco and have economic ties to PDVSA. Duran owns a waterfront mansion on the Miami-suburb island of Key Biscayne.

**Argentine government: US relations 'reordered'**

On Feb. 1, the new government in Buenos Aires said relations with the US were "beginning to be put back in order" after the "caso del maletín (suitcase case)," as the Antonini affair has come to be known in the press.

Cabinet chief Alberto Fernandez said that a meeting between Fernandez and US Ambassador Earl Wayne was a demonstration of the "mature relationship" between the two countries. Wayne had made public statements avowing that the investigation of Antonini did not have "political objectives."

The meeting between the two was the first since Fernandez came to power in December, and she said that Wayne had made the "necessary explanations" in the controversies surrounding the case. "The case does not have an external political objective but rather centers on violations of the laws of the US and in actions carried out in US territory by alleged agents of the Venezuelan government," said Wayne in a Jan. 31 press release.

The Argentine government may have a better relationship with the US than the Argentine public as a whole. In opinion polls, Argentine respondents often are among the least enamored with the
US among people throughout Latin America (see NotiSur, 2005-12-02). Left-leaning commentator Mark Weisbrot of the Center for Economic and Policy Research (CEPR) wrote that the prosecution had "deeply alienated the new Argentine government and is likely to further sully Washington's reputation in Latin America."

"The case is clearly a major foreign policy blunder for the Bush Administration," argued Weisbrot. "There is no love lost in relations with Venezuela, which have been in the toilet since the administration backed a failed military coup against President Hugo Chavez in 2002. But US-Argentine relations have been cordial, despite the country's deep resentment of the Washington-run International Monetary Fund (IMF) for its role in Argentina's severe economic crisis (1998-2002), and were set to improve.

Not only Argentina, but most of the region, will likely see this prosecution as a gross political interference on the part of United States government in the internal affairs of its neighbors." Weisbrot claimed the case against the accused conspirators was weak and that Fernandez, who won her Oct. 28 election with a predictably huge lead over her nearest competitor, would have had little motive to risk accepting a US$800,000 bribe from Venezuela.

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