Corruption Found in Paraguayan Government, Military, Church

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Historically, Paraguayans cite the executive, legislate, and judicial branches—the three foundations of any democracy—as three main centers of corruption. As a logical conclusion, the international consulting firm Latinobarómetro’s annual study pointed out that democracy is not a priority for Paraguayan citizens (NotiSur, May 15, 1998, and Jan. 17, 2014). Only 50% of the population supports democratic institutions and it is the population that is the most skeptical about the system. Within this context, the Paraguayan armed forces appeared under a question mark and the Catholic Church was seen as the last institution unspoiled by corruption.

In recent months, opinions about these two pillars of ethics plummeted, and they now rank as the most discredited institutions with the worst practices. This is not merely how citizens perceive the situation but the result of internal investigations carried out at the highest levels: a group of high-ranking military officers and a special mission sent by the Vatican in which Pope Francis expressed his displeasure about news from Paraguay.

Nepotism banned
Against this backdrop, on Sept. 11 the Paraguayan Congress indirectly admitted that it is an one of the institutions most affected by corruption and tried to send society an upbeat message by enacting a law in which, quite absurdly, nepotism in government jobs is prohibited. From now on, no legislator will be able to hire or appoint to any public post "spouses, domestic partners, or relatives to the fourth degree of consanguinity and second degree of affinity."

A citizen complaint filed in late 2013 alleged that 30% of public-administration jobs were occupied by people who collected government salaries without even going to the places where they were supposed to work. On Sept. 6, when sociologist Paula Molinari presented her book Turbulencia Generacional (Generational Turbulence), a study based on surveys of different segments of society, she said 58% of young people under 24 expressed the hope that they would not turn out like their parents’ generation. They didn’t mention the word corruption, but the author maintains that this is what they wanted to avoid.

The entire structure of the armed forces appears riddled with corruption. This is more than a simple popular belief based on rumors or media reports. What is significant is that, in addition to showing how the military has been permeated by the worst forms of corruption, "proven acts within the armed forces and power plants reveal how little it takes to be corrupt or be corrupted in Paraguay: a small salary or even a small amount of money that wouldn't even be enough to buy a good home," wrote Antonio Vera, an analyst at E’a," an alternative Web site edited by journalists from various government and private media.

Armed forces accused
Last May, three months before President Horacio Cartes took office, de facto President Federico Franco received a damning report on corruption in the armed forces. The report had the added
value of coming from active military personnel who had looked at the military structure from within
and did not shy away from signs that the highest-ranking officers, including the then chief of the
armed forces Gen. Miguel Christ Jacobs, appeared responsible for illegal acts.

When the report was released, Franco took no action nor did he order another internal investigation.
Moreover, it is not known whether he sent the report to Cartes. It is now public knowledge,
however, that, 13 months after taking office, the new president has not ordered any cleanup of
military structures.

On April 29, Asunción’s daily La Nación published parts of the report. It said, "Facts on the record
included various irregularities in armed forces offices—from renting state-owned tools and
machinery to asking for bribes. One should consider that the Army has units in various strategic
locations where vehicles carrying contraband travel and soldiers charge "tolls" to allow those
vehicles to circulate freely."

The officers' investigation turned over to Franco included at least eight notable acts of corruption.

The Army’s Dirección de Material Bélico sells different types of arms and munitions for some US$94
million per month without registering such sales, then "distributes proceeds among more than 30
officers."

1) The Army’s Escuela de Educación Física charges individuals and private schools for access to its
up-to-date gymnasiums, bringing in US$23,000 per month.

2) The Army's Comando de Ingeniería, which has road construction and maintenance equipment,
rents them to private firms for US$23,000 per month.

3) The Comando de Comunicaciones offers unregistered information-gathering services for
banking institutions and major firms with officers collecting US$23,500 per month.

4) The Prefectura Naval, charged with protecting navigation lanes, also charges a "toll" for allowing
free passage of contraband on national rivers. This generates some US$105,000 per month

5) For awarding a contract for uniform purchases for 57,000 soldiers (without going to bid), Christ
Jacobs personally received a commission equal to US$3 million.

6) Gen. Jorge Ramírez, former Army chief and later appointed by Cartes as military forces
commander, "had sold institutional archives for private use."

7) When the report was delivered to Franco, the officers in charge of the investigation reported that
Gen. Carlos Campos Kraguer, head of the Área de Material Bélico, "sold projectiles and explosives

to anyone who asked for them."

In addition to Congress being forced to enact a law prohibiting nepotism in government jobs,
strong proof of rampant corruption in state institutions came out in recent weeks that indicated
ethical lapses and criminal practices are also found in the Catholic Church’s hierarchy. Faced with
persistent accusations against Bishop Rogelio Livieres, head of the Diocese of Ciudad de Este, at the
juncture of the borders of Paraguay, Argentina, and Brazil, the Vatican sent a team of investigators
headed by Santos Cardinal Abril y Castelló, archpriest of the Basilica of Santa Maria Maggiore in
Rome, to Paraguay in the second week of July.
The pope was initially interested in understanding how the bishop, a prominent member of Opus Dei, directed the seminary. During the course of the nearly three weeks they were in Paraguay, Vatican emissaries discovered two dismaying situations. First was a division within the Conferencia Episcopal Paraguaya (CEP), with bishops using the media to publicly make accusations of theft, pedophilia, corruption, and other crimes within their ranks. Second was the corruption in the Ciudad del Este Diocese that had created a situation in which the Catholic Church shared a protagonist role with Paraguayan directors in the Itaipú power plant, operated by Paraguay and Brazil.

At the end of the visit on July 27, Abril y Castelló left without providing any details about what he had observed. He simply said the Vatican had ordered the suspension of priestly ordinations in the diocese headed by Bishop Livieres.

"With his wisdom and love for the Paraguayan church, the Holy Father will do what is best," the cardinal added in statements reported by the Deutsche Presse-Agentur (DPA) news agency. The cardinal left, however, with files proving that, since 2008, the Itaipú power plant "had donated" some US$300,000 annually to the Ciudad del Estes Diocese. The binational firm’s files show that amount had been earmarked for "assistance for street children and children with cleft palate, psychological care for female victims of domestic violence, and aid to pregnant teenagers, prisoners, and their families."

The complaint by laity from the diocese filed in court added other cases of misappropriations of funds, noting that the money did not reach the people it was to have helped and some of it was returned to the Paraguayan directors at the plant. On July 21, a few days after Abril y Castelló arrived in the country, and as knowledge of the allegations against the Diocese of Ciudad del Este spread, the diocese issued a public statement defending the bishop’s position and admitting that Livieres had redirected the donations to the seminary. The text justified what he had done, noting that future priests educated at the Opus Dei seminary would be the most effective agents for social change, making Livieres’ decision "the best way to serve the poor" in the long run.

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