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Carlos Navarro

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by Carlos Navarro

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In early February, a representative of the IBM Corp. accused three government officials of requesting a US$1 million bribe during bids for a contract to renovate the country's air traffic and radar systems. The charges seriously damaged government efforts to present a clean, corruption-free image to foreign investors. (The contract was eventually awarded to a European partnership that includes Thompson of France and Alenia of Italy). In interviews with the London-based Financial Times on Feb. 3, and with Mexico's El Financiero daily business newspaper on Feb. 10, IBM agent Kaveh Moussavi said three men representing the Mexican government demanded that he make a "contribution" of US$1 million, or the bidding would be called off and the contract awarded to one of IBM's competitors. The Comptroller-General Secretariat (Secretaria de la Contraloria General de la Federacion, SECOGEF) released an official response on Feb. 5, declaring that "The Mexican government has acted and will act with all the rigor of the law to punish corruption." SECOGEF says Moussavi will be called in for testimony, and warns that legal action will be taken against him for "damages to the Mexican government's reputation" if he is unable to provide proof he was offered a bribe. Moussavi who says he has received telephone threats said he would collaborate with Mexican government investigators. For its part, IBM has tried to distance itself from Moussavi. On Feb. 17, the company subsidiary IBM de Mexico, said its internal investigation showed no evidence that a bribe was requested from Moussavi. In fact, the company even issued a public apology to the Mexican government. Still, in addition to the bribe allegations, the contract bidding provoked other disputes as well. Charges of flaws in the selection process used by the Communications Secretariat (Secretaria de Comunicaciones y Transporte, SCT) in awarding the contract were made by representatives from the six multinational corporations whose bids were turned down. The six IBM, Calmaquip Engineering, Raytheon Canada, Siemens Pressey, Electronic Systems, and Nissho Iwai claim their technology is superior to that of the winning bidders. A SECOGEF spokesperson countered that such protests are not unusual when companies are outbid for government contracts. In addition, the spokesperson claimed that the winning Thompson-Alenia partnership offered the lowest bid for the contract at US$13.3 million, compared to IBM's bid of US $19.4 million. Nevertheless, this case is unusual because all six losing companies independently filed written protests. Meanwhile, SECOGEF is proceeding with two investigations: one into the specific charges leveled by Moussavi, and the other on the procedure used to award the contract. (Sources: Notimex, 02/04/93; Dow Jones news service, 02/08/93; Agence France-Presse, Spanish news service EFE, 02/17/93; El Financiero International, 02/22/93)