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## **U.S. Investigates Money-Laundering Charges Against Raul Salinas de Gortari**

by LADB Staff

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According to a recent report in the Washington Post, the US Justice Department has begun to investigate allegations that top officials in former president Carlos Salinas de Gortari's administration used the state food distribution agency Compañia Nacional de Subsistencias Populares (CONASUPO) for criminal activities, including laundering drug profits through US bank accounts and contracts. The report said the investigations are centering on the former president's brother, Raul Salinas, who once served as CONASUPO's planning director. Raul Salinas remains in custody at a federal penitentiary on charges of masterminding the assassination of Jose Francisco Ruiz Massieu, the former secretary-general of the governing Institutional Revolutionary Party (PRI).

Ruiz Massieu was gunned down in October 1994 as he emerged from a PRI function in Mexico City, (see SourceMex, 10/05/94). In an interview with the daily newspaper Excelsior in mid-May, Raul Salinas denied any links to drug traffickers and accused the Attorney General's Office (PGR) of "fabricating" evidence against him in the Ruiz Massieu case. Meantime, the Washington Post article said the US government is also investigating other prominent PRI members, including the former president's chief advisor, Jose Cordoba Montoya, and former agriculture secretary Carlos Hank Gonzalez.

The Justice Department had no immediate comment on the report, which the Washington Post said was based on interviews with sources close to the investigation.

### ***Mexican Congress may reopen its investigation of CONASUPO case***

The US investigation may convince the Mexican congress to reopen its own investigation against Salinas. In late 1995, a special committee of the Mexican Chamber of Deputies had launched an investigation into charges that CONASUPO officers, including Salinas, mismanaged the agency's funds. Following a 10-month inquiry, however, the committee presented a report acknowledging "some irregularities" in the management of CONASUPO funds, but failed to present sufficient evidence to link Salinas to any violations. Instead, the report faulted mid-level officials.

After the release of the report in August 1996, independent legislator Adolfo Aguilar Zinser and members of the Democratic Revolution Party (PRD) and National Action Party (PAN) introduced an initiative requesting a deeper investigation of Salinas and other top-level CONASUPO officials. The measure was defeated by a vote of 219 to 129, but opposition legislators vowed to continue their own investigation. Among other things, the members of the opposition parties charged that the PAN, PRD and other parties were not represented adequately on the commission. In fact, only two members of the commission were affiliated with opposition parties.

The legislators said the relatively weak report compiled by the committee was evidence that the PRI, led by then- majority leader Humberto Roque Villanueva, was attempting to cover up

massive corruption during the Salinas administration, especially the government's links to drug trafficking. At that time, Roque Villanueva denied there was a need for the government to conduct any investigation of Salinas or any CONASUPO officials. However, Roque Villanueva presented a different position during a trip to Washington in May. \

Speaking to the editors of the Washington Post, Roque Villanueva called for a "broad investigation" regarding the charges against Salinas. At the same time, Roque denied that the PRI was behind the inconclusive report presented last year, which resulted in the formal closing of the investigation of Salinas. PAN Sen. Alfredo Ling Altamirano said the matter could be taken up by the permanent commission (Comision Permanente), which is comprised of deputies and senators from all parties represented in the two chambers of congress. However, in a sense the case has remained open, since Salinas has also been charged with illegal enrichment during his tenure at CONASUPO.

According to the charges against him, Salinas amassed US\$120 million in various bank accounts around the world at a time when his annual salary was US\$192,000 as CONASUPO's planning director. Attorney General's Office also expands its probe of Salinas Partly at the request of opposition parties, the Attorney General's Office (PGR) has expanded the investigation of the illegal enrichment charges against Salinas. PRD legislators had urged Attorney General Jorge Madrazo Cuellar to expand his investigation beyond Salinas and include Hank Gonzalez and former trade secretary Jaime Serra Puche.

According to Madrazo, his office has already requested all relevant evidence in this case from the US Justice Department. Madrazo told reporters that the PGR's investigation will focus on charges that members of the Salinas administration and prominent drug traffickers, such as Juan Garcia Abrego, freely used CONASUPO as a "slush fund" to launder drug profits. In fact, Madrazo said the PGR has already received more than 200 new complaints regarding irregularities at CONASUPO during the period when Salinas was planning director for the agency.

Meantime, the Foreign Relations Secretariat (SRE) confirmed that the Mexican and US governments were working closely on the investigation of Raul Salinas. "Mexico did not ask the US to open an investigation on the CONASUPO case," the SRE said in a prepared statement. "Any information they can provide us will be welcomed because this will facilitate our investigation."

In the US, President Bill Clinton's administration is facing pressure from the US Congress to place a high priority on the investigation. Among other things, the Justice Department and the Treasury Department are considering charges that Raul Salinas used his accounts at Citibank to launder drug profits. Citibank executives, who have been questioned by US federal agents as part of the investigation, have denied any knowledge that Salinas was involved in criminal activities. Switzerland is also investigating whether US\$100 million that Salinas has deposited in Swiss bank accounts was obtained from drug cartels. In fact, Switzerland's Attorney General, Carla del Ponte, and other law enforcement authorities have traveled several times to Mexico to obtain testimony from Salinas. The Swiss government alleges that drug traffickers paid the former president's brother tens of millions of dollars to protect drug shipments.

Meanwhile, skepticism remains high on whether Mexican or US officials are actually interested in pursuing further charges against Salinas, especially ahead of the mid-term congressional elections on July 6. "I don't think they are really interested in getting to the bottom of this," said Maria Teresa Jardi, a former Mexican government investigator. "The problem is that many people are involved in the CONASUPO case, and not just Raul."

### *US and Mexico agree to cooperate on anti-drug efforts*

The latest information regarding the US investigation of a CONASUPO link to money laundering was revealed only a week after Presidents Bill Clinton and Ernesto Zedillo signed an agreement to cooperate on drug trafficking. As part of the agreement, dubbed the "Alliance Against Drugs," the US and Mexican leaders identified several areas of cooperation, ranging from development of programs to discourage drug consumption to the confiscation of assets of drug traffickers and greater coordination in the exchange of information among law enforcement agencies in the two countries.

Facing strong pressure from the US government, the Zedillo administration has taken other steps to support its commitment to the anti-drug effort. In mid-April, Attorney General Madrazo closed down the corruption-riddled Instituto Nacional para el Combate a las Drogas (INCD) and replaced it with a special anti-narcotics unit within the PGR. In February of this year, the PGR arrested the INCD's director, Gen. Jesus Gutierrez Rebollo, and charged him with accepting bribes to protect one of Mexico's most prominent drug traffickers (see SourceMex, 02/26/97).

According to Madrazo, the new anti-narcotics unit will screen applicants very closely, requiring that they pass drug-use tests, lie-detector exams, and psychological examinations. The members of the unit, which will be paid much higher salaries than other federal police, will receive special training from US law enforcement personnel. (Sources: Associated Press, 05/01/97; El Economista, 05/06/97; Journal of Commerce, 05/07/97; Washington Post, 05/01/97, 05/02/97, 05/11/97, 05/13/97; The News, 04/27/96, 04/30/97, 05/02/97, 05/07/97, 05/14/97; Dallas Morning News, 05/01/97, 05/02/97, 05/14/97; El Universal, 05/02/97, 05/07/97, 05/13-15/97; La Jornada, 04/10/97, 05/02/97, 05/06/97, 05/15/97, 05/16/97; Excelsior, 05/02/97, 05/07/97, 05/16/97; Novedades, 05/02/97, 05/07/97, 05/13/97, 05/14/97, 05/16/97; El Financiero International, 05/19/97)

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