5-18-2005

Six Ex-PEMEX Officials Fined for Diverting Funds to PRI Campaign in 2000

LADB Staff

Follow this and additional works at: https://digitalrepository.unm.edu/sourcemex

Recommended Citation
https://digitalrepository.unm.edu/sourcemex/4865
Six Ex-PEMEX Officials Fined for Diverting Funds to PRI Campaign in 2000

by LADB Staff  
Category/Department: Mexico  
Published: 2005-05-18

In early May, President Vicente Fox's administration announced a total of 2.8 billion pesos (US$255 million) in fines against six former officials of the state-run oil company PEMEX for misuse of company funds. The six officials, including former director Rogelio Montemayor Seguy, are accused of illegally diverting PEMEX funds to the petroleum workers union (Sindicato de Trabajadores Petroleros de la Republica Mexicana, STPRM).

These funds were allegedly used to finance the presidential campaign of Francisco Labastida Ochoa and other candidates representing the former governing Partido Revolucionario Institucional (PRI). The fines were levied by the Secretaria de la Funcion Publica (SFP), part of the executive branch.

The latest sanctions come on top of those the PRI paid to the Instituto Federal Electoral (IFE) for violations of campaign-finance regulations in the 2000 election, in the case known as "Pemexgate" (see SourceMex, 2002-01-30, 2002-09-18 and 2003-10-15).

Montemayor fled Mexico shortly after the scandal broke, managing to fight extradition from the US for two years. Montemayor's luck changed in July 2004, when a US court approved his extradition to Mexico. He returned to the country in September (see SourceMex, 2004-11-03). Public Administration Secretary Eduardo Romero Ramos said a PFP investigation determined that 1.4 billion pesos (US$127 million) were transferred illegally to the STPRM during Montemayor's tenure as PEMEX director.

The PFP said the fine against Montemayor and the five other officials is equivalent to twice the amount of money diverted from the "patrimony" of PEMEX. Montemayor, who served a six-year term as governor of Coahuila state before coming to PEMEX, received the largest fine. "In his capacity as director, he was aware of all the covenants and agreements involving budget allocations to the STPRM," the SFP said in a statement.

In addition to Montemayor, the PFP sanctioned ex-PEMEX officials Juan Jose Domene Berlanga, Carlos Fermin Juaristi Septien, Manuel Gomezperalta Damiron, Julio Pindter Gonzalez, and Jesus Gheno Ortiz. Domene Berlanga, who served as PEMEX corporate finance director during Montemayor's tenure, received the second-largest fine. The PEMEX officials appear to have borne the lion's share of the blame in the campaign-financing scandal. In 2003, the Procuraduría General de la Republica (PGR) dropped criminal charges against key members of the STPRM in the Pemexgate case (see SourceMex, 2003-07-30).

PRI views fines as a plot to discredit party

As expected, the PRI sharply criticized the SFP fines as "excessive" and "unwarranted." PRI president Roberto Madrazo Pintado went as far as to suggest the fines were part of a conspiracy.
hatched by Fox and Mexico City Mayor Andres Manuel Lopez Obrador to damage the former
governing party's image ahead of gubernatorial elections in Nayarit and Mexico states in July.
Recent public-opinion polls show the PRI with comfortable leads in both the Nayarit and Mexico
state elections.

Fox and Lopez Obrador held a brief meeting at the presidential palace shortly after the president
agreed to drop contempt-of-court charges against the Mexico City mayor in early May (see
SourceMex, 2005-05-04). "It is no coincidence that these sanctions appeared shortly before these
state elections and just after the meeting between Fox and Lopez Obrador," Madrazo told reporters
during a trip to Aguascalientes state. The Fox administration immediately refuted Madrazo's
allegations. "The presidency denies the existence of any political motive in this case," said
presidential spokesperson Ruben Aguilar. "Our only motive is to comply with the law."

Madrazo, who is seeking his party's nomination in the 2006 presidential elections, is facing a minor
revolt from several PRI governors who do not think he is the best choice to represent the party
(see SourceMex, 2005-02-16). If Madrazo prevails, he would likely face Lopez Obrador, who, like
Madrazo, is originally from Tabasco state.

First lady Marta Sahagun, relatives in hot water
Other members of the PRI executive committee (comite ejecutivo nacional, CEN) and some
senators suggested the fines against the PEMEX officials were simply a ploy to divert attention from
irregularities involving members of first lady Marta Sahagun's family.

Congress is investigating allegations that Manuel, Jorge Alberto, and Fernando Bribiesca Sahagun,
the first lady's sons from a previous marriage, used their connections to the administration to
obtain 2.5 billion pesos (US$228 million) in construction contracts. "[This president] believes that
smokescreens such as this one will return credibility to his administration," said PRI Sen. Mariano
Gonzalez Zarur.

The investigation comes on the heels of a new book written by Argentine journalist Olga Wornut,
which presents details of the sudden wealth of the Bribiesca brothers. If the special investigative
committee uncovers sufficient evidence against the Bribiesca brothers, the Congress will demand
that the Procuraduria General de la Republica (PGR) or the state attorney general in Guanajuato
(Procuraduria de Justicia de Guanajuato) take the appropriate actions," said Sen. Jesus Ortega,
coordinator of the center-left Partido de la Revolucion Democratica (PRD).

Legislators also urged the SFP to investigate the Bribiesca case, but the agency declined to become
involved because Sahagun's sons are not public officials. "Our function is exclusively to investigate
and sanction public officials," the SFP said in a statement. Sahagun, often mentioned as potential
PAN candidate for public office in 2006, has also come under fire after a congressional auditor
(Auditoria Superior de la Federacion, ASF) questioned the size of her personal staff, which is
supported by public funds. The ASF said Sahagun has a staff of 38 aides. "The ASF determined that
the first lady is not a public official and therefore not authorized to make official appearances," said
PRI Deputy Marcela Guerra, a member of a congressional oversight committee. "Since she is not
covered by the law of public servants, we agreed to examine the legal framework defining her use of public resources.

This is not the first time that Sahagun has faced charges of corruption. Last year, the first lady was accused of mismanaging funds for the Vamos Mexico charity (see SourceMex, 2004-03-10). Among the allegations was that Sahagun used public funds for private activities. [Note: Peso-dollar conversions in this article are based on the Interbank rate in effect on May 18, reported at 10.95 pesos per US$1.00] (Sources: The Herald-Mexico City, 05/05/05, 05/09/05, 05/10/05; Agencia de noticias Proceso, Spanish news service EFE, 05/04/05, 05/11/05; Notimex, 05/11/05; El Universal, 05/11/05, 05/12/05; El Financiero, 05/12/05; La Jornada, 05/04/05, 05/11-13/05; La Crisis, 05/05/05, 05/06/05, 05/09/05, 05/12/05, 05/13/05; The Financial Times-London, 05/13/05; La Cronica de Hoy, 05/05/05, 05/06/05, 05/12/05, 05/17/05)

-- End --