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In early May, a French court acquitted Raul Salinas de Gortari on charges of using French financial institutions to launder drug profits into a Swiss account. Salinas and his sister-in-law Adriana Lagarde transferred at least US$3.5 million to Swiss accounts via the French-based Societe Generale in April and May of 1994. Adriana Lagarde is the former wife of the late Enrique Salinas de Gortari, who was killed under mysterious circumstances in late 2004 (see SourceMex, 2005-01-26). Adriana allegedly managed accounts for both Raul and Enrique. Adriana and Enrique divorced in 1998.

French authorities claimed that the funds that Salinas and Lagarde transferred via French institutions to banks in Switzerland were obtained illicitly from Mexican and Colombian drug cartels. These claims are similar to those by former President Ernesto Zedillo (1994-2000), who charged that Salinas had obtained illicit funds from Mexico's Gulf and Tijuana cartels and from Colombia's Medellin and Cali drug-trafficking organizations for taking steps to ease the transport of narcotics through Mexican territory en route to the US.

In particular, the Zedillo government linked Raul Salinas to Juan Garcia Abrego, former leader of the Gulf cartel, but was never able to produce any proof to support its allegations. Garcia Abrego was arrested by Mexican authorities and subsequently extradited to the US in 2001 (see SourceMex, 2001-01-24).

Court cites insufficient evidence

The French government brought formal charges against Raul Salinas and Lagarde in 2004, but the case did not go to trial until March of this year because Salinas was still in a Mexican jail on charges of plotting the murder of his brother-in-law Jose Francisco Ruiz Massieu.

In 2005, a Mexican appellate court overturned the murder charges against Raul Salinas, setting him free (see 2005-06-15). Theoretically, the Mexican court's action freed Salinas to travel to Paris to defend himself in a French court. As expected, he declined to attend the proceedings but did send his son Juan Jose Salinas de Gortari as his representative.

Adriana Lagarde, who resides in Paris, was present for the trial. During a hearing in March, French prosecutor Romain Victor acknowledged his office would have difficulty proving a connection between Salinas' funds and drug-trafficking operations. "I cannot guarantee that these funds do not have an origin other than the drug trade," Victor told Judge Jean-Louis Kantor, who led a three-judge panel hearing the case.

After reviewing the case for almost two months, the court agreed there was no evidence to link the Salinas funds to the drug trade. "The accused are declared not guilty, and this case is considered

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closed," Judge Kantor said in a brief statement. The court also denied a request by Victor to move the trial to Mexico, as was the case with similar proceedings in Switzerland in 2002 (see SourceMex, 2002-08-07). "This is very good news for my client," said Raul Salinas' French attorney Eric Noual in a brief statement following the verdict. "This establishes that there was no relationship between the movement of funds and drug trafficking."

Under French law, Salinas and Lagarde would have faced 10 years in prison and fines equivalent to US$915,000 if convicted. Victor said French prosecutors would not appeal the decision, marking another legal victory for Raul Salinas, the brother of former president Carlos Salinas de Gortari (1988-1994). Swiss prosecutors also failed to link Raul Salinas' deposits of US$114 million to the drug trade. After a seven-year investigation, Swiss authorities dropped the case against Salinas in 2005, acknowledging there was insufficient evidence to bring charges against him.

The Swiss government confiscated Salinas' accounts at the start of its investigation (see SourceMex, 1998-10-28). Attorney General Daniel Cabeza de Vaca also told Congress in March of this year that it would not prosecute Raul Salinas on money-laundering charges because of insufficient evidence that the funds were obtained from drug profits. However, he still faces charges in Mexico of illicit enrichment.

Salinas has acknowledged he made "ethical errors" in some transactions where money was deposited in European banks. He also claims that the money was part of a legitimate investment fund created on behalf of prominent business associates in Mexico, including Carlos Hank Rhon, Carlos Peralta, and Robert Gonzalez Barrera.

Hank Rhon is involved in the banking and financial services industries, with his primary holdings in the Texas-based Laredo National Bank. Peralta is a principal owner in cellular telephone company Grupo Iusacell. Gonzalez Barrera has a major stake in Mexico's only independent bank Banorte and in the food processing company Grupo Industrial Maseca (GRUMA). Hank Rhon and Peralta have not made any comments on Salinas' claim, but Gonzalez Barrera has adamantly denied any financial involvement with the former president's brother. (Sources: La Crisis, 03/07/06; The Herald-Mexico City, 03/07/06, 03/08/06; Agencia de noticias Proceso, 03/07/06, 05/01/06, 05/02/06; BBC, Milenio Diario, 05/02/06; Reforma, 03/06/06, 03/08/06, 05/03/06; El Universal, 03/08/06, 05/03/06; El Economista, Excelsior, 05/03/06; Notimex, 05/01/06, 05/15/06; La Jornada, 03/08/06, 05/02/06, 05/03/06, 05/16/06; Diario de Mexico, 05/16/06)

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