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After holding millions of dollars seized from Raul Salinas de Gortari's Swiss bank accounts for 13 years, Switzerland finally released the funds to the Mexican government and other parties with claims to the money. Swiss investigators said a lengthy investigation uncovered enough evidence that Salinas, brother of ex-President Carlos Salinas de Gortari, had engaged in illegal financial activities with the money, but authorities were unable to confirm allegations that the funds were tied to the drug trade.

In a press conference in mid-June, Swiss investigators said the release of the funds signals the end of their investigation into Salinas de Gortari's financial activities. As part of the move, Switzerland handed over about US$74 million to the Mexican government, out of a total of US$150 million held in the accounts. The Swiss government originally seized US$110 million from Salinas' accounts in 1995, but the funds accrued interest over the 13-year period.

Another portion of the money went to Grupo IUSA, led by entrepreneur Carlos Peralta Quintero. Peralta had filed a claim to part of the money, which he said had been part of an investment fund that Salinas had set up on his behalf. The Swiss government retained about US$3.2 million to cover the costs of its investigation. Mexican officials said the money would be deposited into the Mexican Treasury but did not indicate what plans President Felipe Calderon's administration had for the funds.

Joint investigation confirmed illicit origin of some of the funds

Without offering details, Swiss investigators said lengthy investigations, conducted in conjunction with the Mexican government, confirmed that almost half the funds deposited in Salinas' Swiss accounts were linked to illegal activities. The governments of the two countries began joint investigations into the case in 2002, when Switzerland handed its extensive files of a money-laundering probe to the Mexican government (see SourceMex, 2002-08-07).

Mexico also shared documents related to its investigation with Swiss authorities. The two countries were able to share information more easily because of Switzerland's recent move to ease its banking-secrecy laws, which had offered ample opportunities for foreigners to hide money in Swiss bank accounts. "On the basis of the Swiss and Mexican proceedings, the clearly criminal origin of these assets was thus demonstrated, thereby fulfilling the requirements for their early handover," Swiss authorities said in a statement.

Mexico's deputy attorney general Jose Luis Santiago Vasconcelos, whose office is in charge of investigating organized crime, said the documents presented to the Swiss government proved that US$66 million in funds deposited in seven of Salinas' Swiss accounts had been transferred...
from domestic accounts in Mexico that had been set up in the name of powerful business owners Carlos Hank Rhon and Roberto Gonzalez Barrera. "This is an unprecedented decision," Santiago Vasconcelos said in response to the Swiss government's decision to return the funds.

Santiago Vasconcelos said the funds laundered through the Swiss banks had clearly originated from government coffers. Other observers said the case was an unmistakable illustration of the level of corruption present during Carlos Salinas' administration. Nationally syndicated columnist Miguel Angel Granados Chapa said the funds were probably part of a secret account worth US$850 million that the former president had set up for miscellaneous expenditures. "This case demonstrates that Carlos Salinas de Gortari used public resources to benefit himself and his family," said Granados Chapa.

Carlos Salinas, who served as Mexico's president in 1988-1994, has denied any knowledge of his brother's activities during his time in office. Beyond the US$74 million returned to the Mexican government, Swiss authorities were unable to link the rest of the money in Raul Salinas' accounts to illegal activities. These are the funds claimed by Peralta and Grupo IUSA. "Since the investigations did not reveal any indications that the remaining assets were of criminal origin, they have been returned to the claimants, whose claim had already been accepted by the civil courts in Switzerland," the statement said.

Swiss officials made it clear that none of the money would be returned to Raul Salinas or to any of his relatives. "The Swiss justice system is not transferring any of this money to the Salinas family," said Federal Examining Magistrate Paul Perraudin. "It is now the Mexican justice system that will determine the fate of this money."

Raul Salinas continues to elude prosecution

The return of the money to Mexico was the only recourse available to Swiss authorities, which have had an extremely difficult time bringing any charges of financial corruption against Salinas. Swiss prosecutors even tried unsuccessfully to link the illicit funds in Salinas' Swiss accounts to drug traffickers (see SourceMex, 1999-07-28). Allegations also surfaced that Salinas had used French banks to launder drug profits, but a French court also cleared the ex-president's brother of these charges (see SourceMex, 2006-05-24).

Salinas faced other legal problems in Mexico, including allegations that he planned the murder of his brother-in-law Jose Francisco Ruiz Massieu in 1994 (see SourceMex, 1994-10-05). In 1999, a federal judge found Salinas guilty of plotting the murder of Ruiz Massieu, who was secretary-general of the then governing Partido Revolucionario Institucional (PRI) at the time of his death. In 2005, an appellate court overturned the conviction, allowing Salinas to go free (see SourceMex, 2005-06-15). Salinas still has charges of embezzlement and illicit enrichment pending (see SourceMex, 2002-08-07 and 2005-06-15).

Salinas did not comment on the decision of Swiss authorities to return the money to the Mexican government. At the time of his release from prison in 2005, he acknowledged having deposited more than US$100 million under false names in Swiss bank accounts, a decision he called "very unfortunate" and "unforgivable." At that time, he also repeated his longstanding assertion that the
money represented legitimate funds given him by business associates as part of an investment fund. The Swiss investigation showed that this might have been partially true with the money from Grupo IUSA.

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