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Veracruz Governor Duarte Resigns after Governing Party Acts on Corruption Allegations

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Javier Duarte de Ochoa resigned from his job as Veracruz governor on Oct. 12, less than a month after Mexico’s governing Partido Revolucionario Institucional (PRI) took steps on Sept. 28 to expel him from its ranks. The seven-member justice commission (Comisión Nacional de Justicia Partidaria), which has oversight over issues related to ethics, announced that Duarte’s membership in the party had been suspended because of the serious nature of corruption allegations presented against him. The commission also cited the damage that the corruption allegations had caused to the image of the PRI. The suspension of party members is the first step toward expulsion from the party. Duarte tendered his resignation 48 days before his term in office was scheduled to end.

The federal attorney general’s office (Procuraduría General de la República, PGR) is investigating allegations that Duarte engaged in several violations of the law, including the use of his office to advance his personal wealth. According to one report, Duarte created a network of 21 companies between 2012 and 2013 to win state concessions totaling 646 million pesos (US$35 million) for phantom public projects. On top of that, the governor leaves Veracruz with a public debt of more than 45 billion pesos (US$2.5 billion).

Duarte also developed a reputation for impunity, including charges that he colluded with criminal organizations to target his political adversaries as well as journalists. (SourceMex, April 24, 2013, March 12, 2014, Feb. 17, 2016).

Multiple charges
“The charges that the PGR is preparing [against Duarte] are very serious: personal enrichment, fraud, money laundering, falsification of documents, and misuse of public funds,” columnist Raúl Cremoux wrote in the daily business newspaper El Financiero.

Analysts said that while in office, Duarte got away with many instances where public funds were misused. According to Cremoux, the PGR had previously investigated a case of financial malfeasance, but decided not to prosecute. “Inexplicably, authorities returned 25 million pesos (US$1.3 million) in cash that were found in the belly of an airplane that landed at the airport in Toluca,” he said. “[Duarte] had justified the funds saying they were intended to pay for tamales, fresh-fruit drinks, mariachi bands, and confetti, which would be used for a celebration on which the ‘happiness’ of many Mexicans was dependent.”

Fernando Elías Calles, chair of the PRI’s justice commission, said Duarte had been suspended for an indefinite period, and that the decision would keep him from seeking other elected positions or party posts and from participating in any party organisms.

Sen. Arturo Zamora, who serves as the secretary for electoral strategy (Acción Electoral) on the PRI’s executive committee, said the decision to move against Duarte was justified by the charges brought...
against the governor before the PGR, the federal tax agency (Servicio de Administración Tributaria, SAT), and the federal auditor (Auditoría Superior de la Federación, ASF).

The SAT confirmed that Duarte is one of five governors under investigation for tax violations. However, it declined to name the four other governors. The SAT said the investigation into Duarte’s affairs could last as long as two years.

In addition to Duarte, the PRI suspended the membership of six aides who allegedly participated in the governor’s schemes. One of those suspended aides, José Antonio Chara Mansur Beltrán, allegedly used his name to acquire 16 properties in Texas on Duarte’s behalf. The properties are valued at US$6.7 million.

Zamora acknowledged the gravity of the charges presented against Duarte, but emphasized that the problem is not unique to the PRI. “This is a human problem,” Zamora said. “Every political party has good people and also members who behave badly.” He called on the other parties to follow the example of the PRI and move against corrupt politicians within their ranks. “If the parties fail to make decisions of this magnitude, the silence could be misinterpreted,” he said.

PRI president Enrique Ochoa Reza said the move to suspend Duarte demonstrates that the party is not afraid to make a decision of this magnitude even though the various agencies investigating the governor have not released the results of their probes.

Still, analysts suggest the decision of the PRI leadership to move so decisively against Duarte might not sit well with some of the rank-and-file members. “Beyond what people think of the Duarte era in Veracruz, there are sectors of the PRI that are not happy with the party’s decision to initiate the process against a governor who was denounced by the opposition,” columnist Jorge Fernández Menéndez wrote in the daily newspaper Excélsior.

Fernández Menéndez said the party leadership had no other alternative than to move against Duarte. “The perception is that if the PRI does not act before the opposition, then the party itself will be stuck with the label of corrupt,” he said.

José Cárdenas, also a columnist for Excélsior, said the Veracruz governor’s actions were extreme and could not be ignored. “Duarte surpassed the limits of the political class that is accustomed to drinking from the cup of impunity with a big spoon,” said Cárdenas. “He took abuse to a new cynical high. He cheated the tax and financial system, which is a mortal sin, and used public funds as if they were his own.”

Pedro Elizalde, a columnist for the daily newspaper Milenio, described the PRI’s decision to move against Duarte as unprecedented. “We are talking about a governor who [was] still in office” when the decision was made, he said.

Mixed record for PRI

The PRI has had a mixed record when dealing with corrupt former governors. In recent years, the party supported the prosecution of former Gov. Andrés Granier of Tabasco (SourceMex, June 19, 2013) and forced Fausto Vallejo of Michoacán to resign because of his connections with criminal organizations (SourceMex, July 2, 2014).

Ochoa Reza said the PRI is also looking closely at allegations of corruption against other PRI governors who recently completed or will soon complete their terms, including Rodrigo Medina of...
Nuevo León, Cesar Duarte of Chihuahua, and Roberto Borge of Quintana Roo. The PRI lost elections in all three states, in part because of citizen anger about perceived corruption in the statehouse (SourceMex, June 24, 2015, and June 15, 2016). Borge left the country upon the completion of his term, and it is not known where he is.

However, there is also the perception that the PRI has allowed some governors to remain unpunished, even though there is ample evidence of malfeasance in office. Chief among these is ex-Coahuila Gov. Humberto Moreira, who is widely accused of personal enrichment and embezzlement (SourceMex, Oct. 12, 2011). A common theory in this case is that President Enrique Peña Nieto’s administration pulled some strings to ensure that Moreira was freed rather than face trial in Spain (SourceMex, March 9, 2016).

The PRI also appears to be reluctant to prosecute other former governors accused of corruption and/or connections to criminal organizations. The list includes Tomás Jesús Yarrington Ruvalcaba and Eugenio Hernández Flores, both former governors of Tamaulipas, who have been under investigation for money laundering, drug trafficking, and racketeering, but the probe has dragged on for years (SourceMex, Feb. 29, 2012, and May 30, 2012).

Whether Duarte’s actions by themselves have any impact nationally is uncertain. However, there was some impact in Veracruz state, where voters had for many generations elected members of the PRI to the statehouse. This changed in June of this year, when Miguel Ángel Yunes Linares, who represented a coalition formed by the opposition Partido Acción Nacional (PAN) and the Partido de la Revolución Democrática (PRD), edged out Héctor Yunes Landa of the PRI (SourceMex, June 15, 2016) in the governor’s race.

The move by the PRI to suspend Duarte’s membership brought the issue of corruption to the forefront, and the matter has become the focus of disputes among the parties. PAN Sen. Fernando Yunes Márquez, who represents the state of Veracruz in the upper house, urged Attorney General Arely Gómez to conduct an impartial and thorough investigation of Duarte. Yunes said the PGR should determine if crimes have been committed and if Duarte should face criminal or administrative penalties.

The PRI, however, urged the PAN to act with the same vigor against two of its own members accused of corrupt activities: former Sonora Gov. Guillermo Padrés Elías and former Monterrey Mayor Margarita Arellanes Cervantes. Padrés Elías is accused of using his powers to grant unlawful tax breaks to businesses owned by his family and his collaborators (SourceMex, July 15, 2015). In June of this year, judicial authorities charged Arellanes and nine of her collaborators in the Monterrey municipal government of diverting 8.2 million pesos (US$434,000) for personal purposes.

Some political observers concurred that the PAN should move against Padrés Elías, particularly because the conservative party made the corruption of the PRI a central issue of its gubernatorial campaigns in this year’s elections. “The PAN should make a formal public statement denouncing the actions of Margarita Arellanes and Guillermo Padrés,” columnist Federico Berrueto wrote in Milenio.

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