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Former Veracruz Governor Goes Underground to Avoid Corruption Charges

by Carlos Navarro

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Javier Duarte de Ochoa left the post of governor of Veracruz in mid-October 2016, a few weeks before his term was about to end ([SourceMex, Oct. 12, 2016](#)). This was seen as a calculated move, as the governor's immunity from prosecution was going to expire upon completion of his term. Duarte immediately went underground to avoid facing a host of charges, ranging from money laundering and corruption to embezzlement and association with criminal organizations.

As of late February, Duarte remained a fugitive, and his whereabouts were unknown, but more details of the acts of malfeasance he's alleged to have committed while in office were beginning to emerge. The latest development is the discovery of a warehouse in the city of Córdoba with items believed to belong to Duarte. The prosecutor's office (Fiscalía General del Estado, FGE) uncovered at least 10 boxes with documents and other materials incriminating Duarte. The site also contained several high-priced items, including paintings and dinnerware sets.

Funds for phantom projects

Federal and state investigations launched during and just after Duarte left office uncovered evidence that the governor embezzled public funds through the creation of phantom companies. A later probe by the Auditoría Superior de la Federación (ASF), an auditing agency that answers to the federal Congress, discovered evidence that Duarte also enhanced his personal wealth and that of his collaborators through phantom projects for which the Duarte administration obtained financing in 2012 via a special program sponsored by the federal public works financing agency Banco Nacional de Obras y Servicios Públicos (BANOBRAS).

The loans from the program—dubbed Programa de Financiamiento para la Infraestructura y Seguridad en los Estados (Financing Program for State Infrastructure and Security, PROFISE)—totaled about 1.3 billion pesos (US\$65 million) for 17 projects. Some of the funds were used for legitimate purposes, but an ASF audit discovered that four projects—which the state valued at 400 million pesos (US\$20 million)—actually did not exist.

One of those supposed projects—a highway extension in the capital city of Xalapa—even received certification from two state comptrollers. The Duarte administration declared the project, valued at 142 million pesos (US\$7.1 million), as 100% complete, but construction was never started, the daily newspaper *El Universal* reported in November 2016.

Other fraudulent expenditures were to be devoted to a penitentiary in the municipality of Medellín, a series of warehouses for the family services agency (Sistema Nacional para el Desarrollo Integral de la Familia, DIF), and renovation of the planetarium in Xalapa. According to *El Universal*, funding for those projects was obtained by Tomás Ruiz González, Duarte's secretary of finance and public works.

Federal authorities and the new administration of Gov. Miguel Ángel Yunes Linares have prosecuted three key Duarte collaborators, including former state security minister Arturo

Bermúdez; Leonel Bustos Solís, former director of public insurance; and Gabriel Deantes Ramos, former state labor secretary.

Even with the prosecution of a handful of Duarte's collaborators, observers point out that several key members of the ex-governor's inner circle who were allegedly involved in the commission of fraudulent acts during his administration—including Ruiz González—have yet to face charges at either the state or federal levels.

Big-ticket expenditures

Yunes Linares contends that members of the Duarte administration used public funds to acquire automobiles, airplanes, helicopters, ranches, and properties overseas. "They acted without scruples," said Yunes Linares, a member of the conservative Partido Acción Nacional (PAN).

Authorities have seized real estate and other properties in the cities of Xalapa, Coatepec, and Alvarado that Duarte and his collaborators had acquired with state funds. The state also took possession of a Lear jet, valued at about US\$700,000 and a Robinson helicopter, estimated to cost US \$872,000.

Additionally, the Duarte administration may have used state funds to acquire properties overseas in Florida, New York, Texas, and parts of Europe, as well as some domestic locations like Campeche, México state, and Mexico City.

According to Yunes Linares, the state government has recovered at least 250 million pesos (US\$12.5 million) allegedly stolen by Duarte, including funds that were laundered by businessperson Moisés Mansur Cysneiros. Mansur, who was under investigation, died in a mysterious automobile accident just outside of Mexico City in October 2016.

"Some officials from the PRD [the center-left Partido de la Revolución Democrática] suggest that Duarte could have embezzled more than 3 billion pesos [US\$150 million]," columnist Luis Cárdenas wrote in *El Universal*. "That seems like a low estimate to me. We are just now finding out the size of the loot, information that one of his lawyers volunteered in exchange for amnesty."

In addition to the myriad of charges of fraud and personal enrichment, Duarte is accused of colluding with criminal organizations to eliminate journalists whose coverage was unfavorable to the government and the drug cartels ([SourceMex, April 24, 2013](#), [Jan. 14, 2015](#), [Feb. 17, 2016](#)).

Duarte's disappearance shortly before the completion of his term prompted the government to ask the international law enforcement agency Interpol to issue a red notice regarding Duarte. A red notice is a request to locate and provisionally arrest an individual pending extradition. The action is issued by the General Secretariat at the request of a member country or an international tribunal based on a valid national arrest warrant. However, the measure is not an international arrest warrant. The red notice was requested in November but was only broadly publicized in January 2017. In conjunction with request for an Interpol red notice, Mexican authorities announced a reward of 15 million pesos (US\$754,000) for information leading to Duarte's arrest.

In the past, Mexico requested red notices from Interpol to locate fugitive miners' union leader Napoleón Gómez Urrutia ([SourceMex, Aug. 13, 2014](#)) and drug capo Joaquín "El Chapo" Guzmán Loera following his escape from a maximum-security prison in July 2015 ([SourceMex, July 15,](#)

2015). A red notice was also issued last year for former Sonora Gov. Guillermo Padrés Elías, also accused of corruption. Padrés Elías, a member of the PAN, turned himself in to authorities a month after he went underground.

Gómez Urrutia, who was located in Canada, won a victory in the Mexican courts that effectively negated the Interpol red notice ([SourceMex, Sept. 10, 2014](#)). Guzmán Loera was recaptured in Mexico in January 2016 and extradited to the US in January 2017 ([SourceMex, Jan. 20, 2016](#), and [Jan. 25, 2017](#))

Who let Duarte escape?

Observers were puzzled by the ease with which Duarte escaped, even with the high level of suspicion that surrounded his administration. “He basically announced that he was leaving, and no one thought to follow him?” Cárdenas asked in his column in *El Universal*. “Why is it that the light bulb did not turn on for prosecutors at various levels of government about the possibility that he would flee?”

Duarte has become a huge liability for the governing Partido Revolucionario Institucional (PRI), whose leadership has expelled the ex-Veracruz governor from its ranks. Duarte’s expulsion is remarkable, given that the PRI has not taken the same action against other high-profile governors involved in acts of malfeasance, including Mario Marín of Puebla, Mario Villanueva of Quintana Roo, and Fausto Vallejo of Michoacán, ([SourceMex, Feb. 22, 2006](#), [May 12, 2010](#), [July 2, 2014](#)).

Other PRI governors recently accused of corruption who were allowed to remain in the party include Andrés Granier Melo of Tabasco and Tomás Yarrington of Tamaulipas ([SourceMex, June 19, 2013](#), and [March 9, 2016](#)). More recently, Rodrigo Medina de la Cruz of Nuevo León, César Duarte Jáquez of Chihuahua, and Roberto Borge of Quintana Roo have faced investigation for acts of corruption, including personal enrichment ([SourceMex, Aug. 17, 2016](#)).

One of the prominent recent cases involves former Coahuila Gov. Humberto Moreira, who faced charges similar to those of Duarte: embezzlement, racketeering, money laundering, and collusion with criminal organizations. Moreira also left Mexico but did not go underground. Instead, he went to Spain on the pretext of continuing his studies. Spanish authorities detained him in January 2016 as he arrived at the airport in Madrid. Spain claimed jurisdiction because Moreira opened at least three bank accounts in Spain that received transfers equivalent to 200,000 euros (US\$211,000) in illicit funds from two Mexican companies. Spanish authorities released Moreira in March 2016, allegedly at the behest of President Enrique Peña Nieto’s administration ([SourceMex, March 9, 2016](#)).

Both Moreira and Duarte left a similarly large public debt when they left office. The debt amounted to 36 billion pesos (US\$1.81 billion) in Coahuila when Moreira left, while the amount was about 35 billion pesos (US\$1.76 billion) for Veracruz when Duarte resigned. In both cases, the high debt is alleged to have contributed to increasing the personal wealth of the two governors and their families.

So, why was Duarte punished and Moreira protected? “The PRI hierarchy does not feel the same sense of commitment to Javier Duarte as it did to Moreira, perhaps because of his contribution to the [Peña Nieto] presidential campaign was not as significant as the one Moreira is said to have made,” columnist Marcelo Torres Cofiño wrote in the daily newspaper *Milenio*. He suggested another

reason why Duarte might be prosecuted is to give the public a sign that Peña Nieto is concerned about corruption, which might help boost his sagging popularity.

PAN governors also accused of corruption

Two PAN governors have also been accused of corruption. Luis Armando Reynoso Femat, of Aguascalientes, was sentenced in January to six years and nine months of prison for embezzlement and fraud during his six-year term, which ended in 2010 ([SourceMex, May 21, 2014](#)). In lieu of serving his prison sentence, Reynoso was granted bail on the condition that he repay 13.8 million pesos (US\$696,000) to the state treasury of Aguascalientes. The money was allocated by the federal government to acquire an x-ray machine for a public hospital. The machine was never purchased, and the funds were diverted elsewhere.

And Padrés Elías, also accused of diverting public resources for personal purposes ([SourceMex, July 15, 2015](#)), appeared before a judge in Mexico City to face corruption charges after a month as a fugitive. In a radio interview, he said his intention had not been to flee from authorities but to wait to learn about the specific charges against him before turning himself in. The former Sonora governor was placed in a federal prison outside of Mexico City, charged with tax fraud, embezzlement, and money laundering.

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