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Nicaraguan President Under Investigation in New Battle with Comptroller

by LADB Staff

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Comptroller General Agustin Jarquin formally cited President Arnoldo Aleman for various illegal acts and asked the National Assembly to open an investigation leading to a trial and possible removal from office. Among the charges against Aleman is his refusal to reveal the value of assets he has acquired since taking office. At the same time, the attorney general has moved again to jail both Jarquin and Daniel Lacayo, who were briefly imprisoned last year in connection with the Ramon Parrales case (see NotiCen, 1999-11-11).

Jarquin brings charges against president

On Jan. 18, Jarquin issued Aleman an administrative citation (sumario administrativo) for having refused to file a report with the comptroller general's office on the growth of his personal assets since taking office as president in January 1997. Assets disclosures are required by the ethics statute for public officials (Ley de Integridad Moral de Funcionarios Publicos).

Jarquin acted just one day before a constitutional reform went into effect that restructured his office and replaced him with a board (Consejo Superior de la Contraloria). Aleman had three days to comply with the law, said Jarquin, after which the case would go to the Assembly and eventually to the Corte Suprema de Justicia (CSJ).

Jarquin issued a similar citation in 1999 alleging that Aleman and his relatives had enriched themselves by some 900% since the president took office and that Aleman used government resources to improve his properties (see NotiCen, 1999-02-25).

Many of the properties Aleman acquired are held by relatives and by the real estate firm Gestiones y Negocios Inmobiliarios (GENINSA) in which Aleman and his relatives are principals, said Jarquin. Jarquin withdrew the 1999 citation, however, because government agencies that he said provided services for Aleman's personal properties refused to cooperate with the audit. The report issued in January details Aleman's dealings with the government's agricultural experimentation center (Centro Experimental Campos Azules) in Masatepe southeast of Managua.

The report says Campos Azules provided him with 123,000 coffee and other trees for the hacienda La Chinampa, which is owned by relatives. The report says that Aleman worked through Luis Osorio Garcia, director of the Instituto Nicaraguense de Tecnologia Agropecuaria (INTA), and Rosendo Guzman Bravo, director of the INTA zone where La Chinampa is located.

In 1999, the daily El Nuevo Diario reported that La Chinampa employees were seen hauling trees from Campos Azules to the hacienda using a truck belonging to the rural development agency (Programa Nacional de Desarrollo Rural), which is funded by the Italian government and dedicated

to benefitting small and medium-size farms. The audit showed that Aleman paid Osorio with a check signed by a Chinampa employee and that the money went to Osorio's personal account.

The report charged that Aleman had violated the law by making payments to private parties and conducting transactions with government agencies through third parties in an attempt to avoid detection. The report says the checks were for a total of US\$2,417, but that the value of the trees was US\$53,124. Since the release of the comptroller general's report, a source at the Instituto Nicaraguense de Estudios Territoriales (INETER) told the daily La Prensa that the agency surveyed La Chinampa for Aleman in 1997 at an estimated cost to the state of US\$20,000. Funding for the agency that carried out the survey came from the World Bank.

Other government agencies that allegedly performed services at La Chinampa for free or at reduced charges include the Empresa Nicaraguense de Energia Electrica (ENEL), the Instituto Nicaraguense de Energia, the Ministerio de Transporte e Infraestructura (MTI), the Empresa Nacional de Acueductos y Alcantarillados (ENACAL), and the Fondo para el Desarrollo de la Silvicultura (FONDOSILVA), which is financed with Swedish funds.

Adding to Aleman's troubles, the comptroller general's office announced Jan. 22 that Aleman's wife, Maria Fernanda Flores, would also have to file a report on her assets. She has an appointment as coordinator of four ministries in what is referred to as Aleman's social Cabinet. There were calls in the Assembly for the attorney general to lift Aleman's immunity from prosecution and take the matter to court.

Jurist Garcia Quintero, a member of the Parlamento Centroamericano (PARLACEN), said that, with the submission of the report, Aleman was automatically under indictment for crimes against the Constitution, specifically for having private business dealings with state agencies. However, it was not clear whether the Assembly would act on the report.

The Assembly's secretary informed Jarquin that a legislative committee would carry out its own review of the allegations and prepare a new report for the incoming comptroller-general board. Aleman and his supporters have maintained that, with the replacement of Jarquin by the board, his audit report and citation have no force.

Aleman ignored the citation, asserting his presidential immunity and alleging that the report had no legal standing. In a letter to Jarquin, he said, "You do not have the authority to participate in the process of issuing the administrative citation." Addressing Jarquin as "Mr. Former Comptroller," Aleman said the citation reflected Jarquin's "hardened ill will" and "typical lawlessness." He said the charges stemmed from Jarquin's "clouded judgement" and "an unhealthy determination to cause harm."

Jarquin stripped of authority

With the official publication Jan. 19 of the law replacing Jarquin with the Consejo Superior, the comptroller-general's office ceased all but routine functions. As yet, members of the board have not been appointed. Meanwhile, the office has no power to make audits or emit the kind of report

Jarquín released Jan. 18. Jarquín is entitled to stay on as a member of the board, and Assistant Comptroller Claudia Frixione may also remain, but as one of the board's three alternates.

Jarquín has not said if he will resign before the end of his term, but there are rumors that he will seek the presidency. Meanwhile, he again faces the prospect of imprisonment. Attorney general tries to send Jarquín back to jail Soon after an appeals court freed Jarquín and dismissed various charges against him stemming from the Ramon Parrales case (see NotiCen, 1999-10-07), Attorney General Julio Centeno asked the CSJ to set aside the decision and reinstate the charges. If successful, the petition could send Jarquín and Lacayo back to jail.

When the men were released Dec. 24, the appeals court threw out only the fraud charges against them but left the government free to investigate falsification of documents and other charges related to the case (NotiCen, 2000-01-13). Prosecutor Maria del Carmen Solorzano filed the petition with the argument that the appeals court had violated the Constitution and various legal procedures in its consideration of the charges.

In addition to facing the old charges, Lacayo has accused the Aleman administration of trying to destroy him by charging him with new crimes. In mid-January, prosecutors charged Lacayo, his wife, and her parents with false testimony and other crimes in connection with the purchase of a house in 1991.

Prosecutors claim Lacayo's wife, Gloria Acosta, bought a house in the name of her parents that had been confiscated by the Sandinista government in 1979. The original owners are seeking compensation from the Oficina de Cuantificación de Indemnizaciones (OCI). Lacayo said the house was purchased legally and that the government had no business charging him when the original owners have recourse to compensation without affecting his family's legal title. He said the government was trying to "exterminate" him and his family morally and financially. [Sources: Agence France-Presse, 01/19/00; El Nuevo Diario (Nicaragua), 02/27/99, 12/28/99, 12/29/99, 01/18/00, 01/19/00, 01/20/00, 01/21/00; La Prensa (Nicaragua), 01/21/00, 01/22/00, 01/23/00, 01/26/00]

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