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## Minister Resigns After Corruption Charges

by LADB Staff

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After months of accusations against the handling of public-works projects, administrative misconduct, and other irregularities, the administration of President Alfonso Portillo announced the resignation of Luis Rabbe as head of the Communications, Infrastructure, and Housing Ministry (MICIVI).

Rabbe's supporters in the governing Frente Republicano Guatemalteco (FRG) defended him against a barrage of corruption charges for more than a year, while Rabbe blamed the ministry's problems on "press manipulations." Portillo moved to force Rabbe out after an audit by the comptroller general's office (Contraloria General de Cuentas de la Nacion, CGCN) revealed some 25 irregularities. Comptroller Marco Tulio Abadio said MICIVI was the most troubled of all the government departments he investigated.

In May, Abadio told deputies from the opposition Alianza Nueva Nacion (ANN) that MICIVI padded some contracts by as much as US\$232,000, paid for construction materials for roads that were already built, and paid for the construction of 256 km of roads that measured only 156 km. In addition, he found MICIVI had contracted inexperienced construction companies unprepared to do the work some capitalized with as little as US\$645.16. Some of the firms were run by executives under 20 years of age and some were owned by relatives of FRG legislators.

### *Bridge collapse causes scandal*

Rabbe's troubles began in June 2000 with the collapse of a bridge spanning the Villalobos River. Investigation showed the bridge had not been properly maintained and the ministry took no action after the problems first came to light. Despite spending more than US\$6 million to fix the bridge, it was not reopened for months. Rabbe refused to answer complaints that the repair contract was awarded without bidding.

In a report to Congress, the ministry said that, from March 2000 to the end of October 2000, it spent US\$17 million on various projects without bidding. The expenditures were legal under emergency legislation in effect at the time, but opposition legislators called the spending excessive and the work unnecessarily slow. Rabbe blamed the bridge collapse on two vice ministers and fired them.

One of those fired, Ernesto Ramirez Pereira, said the majority of ministry officials were political hacks whom Rabbe had appointed to repay favors. He told the daily Siglo Veintiuno that none of those working on transportation projects had an engineering or construction background and few had university training. "Their incompetence could make the entire country collapse," Ramirez said.

Jorge Galvez, an engineer consulted by Siglo Veintiuno, said that, in an emergency like that produced by the storms that led to the bridge collapse, no one in the ministry had any idea what

to do. After publication of press allegations against Rabbe in February, demonstrators attacked the offices of the daily El Periodico.

In June, human rights prosecutor Julio Arango said that, after investigating the incident, his office found that MICIVI employees using MICIVI vehicles were involved in the demonstration. He accused Rabbe of violating the newspaper's press freedom by "aggression, threats, and insults against the physical integrity of the [newspaper] workers." Despite the mounting allegations, Congress took no action against Rabbe after it made an inquiry in March. FRG deputies blocked any action, prompting opposition deputies to send a report to the attorney general accusing Rabbe of perjury in his responses during the inquiry. Rabbe had committed perjury, said the report, by lying about the diversion of ministry funds into a trust account and the awarding of contracts to relatives of ministry officials and FRG deputies.

Presenting his forced resignation June 13, Rabbe blamed much of the ministry's problems on the "peculiar obsession" of the press. Deputy Aristides Crespo, leader of the FRG congressional majority, said that, because of his high standing in government, Rabbe should be appointed to an equally important ministry. However, Portillo later announced that Rabbe would not be reappointed to the Cabinet but would continue his political career. Portillo expressed satisfaction with Rabbe's work as the head of MICIVI. Portillo said he did not rule out other Cabinet changes.

Replacing Rabbe is Alvaro Heredia, former head of MICIVI during the administration of President Jorge Serrano (1991-1993). Heredia was sworn in June 13 along with three colleagues who will fill vacant vice minister posts.

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