

1-31-2002

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LADB Staff. "Bribery Accusations in Legislative Assembly." (2002). <https://digitalrepository.unm.edu/noticen/8926>

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Bribery Accusations in Legislative Assembly

by LADB Staff

Category/Department: Panama

Published: 2002-01-31

Panamanian Legislative Assembly Deputy Carlos Afu charged in mid-January that all deputies of the Partido Revolucionario Democrático (PRD) were offered US\$20,000 bribes in exchange for votes on a public-works construction project. He also said he had received several death threats to keep him quiet about the bribes. Afu said the bribes came from the San Lorenzo consortium, an international construction group comprising two US firms, three Panamanian firms, and one Swedish firm. San Lorenzo was competing for a government contract to build the Centro Multimodal, Industrial y de Servicios (CEMIS) for industrial and transportation use in the Caribbean port city of Colon at a cost of US\$400 million.

Afu charged that the consortium had given each of the 34 PRD deputies including himself a total of US\$20,000. US\$6,000 was paid on Dec. 29, 2001, and the rest on Jan. 16. He said the bribe had been arranged by PRD deputy Miguel Bush, who represents Colon in the Assembly, along with members of the PRD's national executive committee. Bush denied the charges and said that, since the construction project was a government matter, reporters should ask the governing Partido Arnulfista (PA) about it. Stephen Jones, a San Lorenzo attorney, denied the bribe accusation.

Afu made the charge after the PRD had begun a disciplinary process to throw him out of the party and remove him from his Assembly seat. The PRD charged that he had broken ranks with the party on key legislative votes. Afu and two other PRD deputies had defied party directives and voted for two administration nominees Alberto Cigarruista and Winston Spadafora to places on the Corte Suprema de Justicia (CSJ).

The fight over the CSJ nominations was part of the political struggle that has kept the government in a state of crisis for months (see NotiCen, 2001-11-15). The PRD also filed charges against Afu with the anti-corruption prosecutor, alleging that he had sold his vote on the nominations for US\$1.5 million. The payoff allegedly included cancellation of personal debts with two banks. Prosecutor Mercedes Arauz has undertaken an investigation and announced that, among other things, auditors will examine the bank accounts of both the PRD and the PA deputies.

Afu sets off a round of mutual accusations. Afu's charges set off a flurry of other accusations among the major parties. A public demand for an anti-corruption campaign has resulted in the formation of a National Crusade Against Corruption joined by various civic and business groups. Some labor leaders also began organizing protests but against both government and business, which they said, were equally guilty of perpetuating corruption.

Labor leader Saul Mendez said, "Those who corrupt public officials are the business leaders of the oligarchy." On Jan. 21, Afu gave his statement to prosecutors in the attorney general's office, repeating his accusations. Leaving the office, he publicly challenged all Assembly deputies to give

up their immunity and allow the judicial process to do its work. Bush later announced that the PRD had ordered all its Assembly deputies to renounce their immunity.

On Jan. 20, former President Ernesto Perez Balladares (1994-1999) entered the fray, revealing that during his administration, two unnamed opposition deputies asked him for a payment of US\$50,000 for each of a group of 10 deputies who would then vote for a bill setting up a court of constitutional guarantees (Sala Quinta) that the president was anxious to have passed (see NotiCen, 1999-07-09, 1999-11-04). Perez Balladares said he told the two deputies he would pretend he did not hear the request so he would not have to throw them in jail.

On Jan. 22, Moscoso announced the creation of a five-member presidential anti-corruption commission to investigate the scandal. At the same time, the president signed into law a freedom-of-information bill (Ley de Transparencia en la Gestion Publica). Meanwhile, on Jan. 26, some 50 civic organizations demanded an audit of the president's US\$5.5 million discretionary fund to see whether the fund might have been the source of the alleged bribery money.

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