

By Carlos Subero*

Edgar G., a doctor who practices in Caracas, decides to pay 2,000 bolívares fuertes (US\$930) to a “private agent” (a middleman used in some Latin American countries to handle bureaucracy) because it is the only way he knows to keep his medical practice going.

“I am required to process a great quantity of documents and other requirements. I have only two weeks to accomplish all this work, which is not enough time, so I need to hire a middleman to meet these requirements,” he says. “The system is designed in a way that allows corruption to flourish,” he adds.

Another example of corruption in Venezuela can be seen in the predicament of a Venezuelan businessman who is under investigation by the National District Attorney’s Office. Police officers from the Corp. of Scientific, Penal and Criminal Investigations (*Cuerpo de Investigaciones Científicas, Penales y Criminalísticas* — CICPC) come to the businessman’s house, claiming they are there to search for evidence. Instead, they take the man into a back room, explain to him that he is “in trouble,” and blackmail him into paying them 6,000 bolívares fuertes (US\$2,970). The businessman consults with his attorney who recommends that he pay off the officers. Otherwise, the police will plant false evidence that could further damage his case.

These two cases serve as examples of the corruption that many Venezuelans face every day.

Venezuelan people think that there is much corruption, but that’s not one of their main concerns. A 2006 survey of the Venezuelan Institute of Data Analysis (*Instituto Venezolano de Datos*— IVAD) says that 72 percent of the population believes there is much corruption in Venezuela. According to Felix Seijas, president of IVAD, his most recent surveys show similar perceptions.

“The people don’t believe that corruption is one of their more serious problems, but a majority thinks that there is much more corruption in this government than in previous ones,” Seijas says. “The people think that this government will not be able to solve any insecurity or corruption problems,” he adds.

These days, Venezuelans are more worried about personal security, the high cost of living and unemployment. They are more concerned about being

mugged at a subway station exit than they are about some government officials' disproportionately wealthy lifestyles.

Monthly surveys conducted by Datanálisis (February to May 2009) report that less than 5 percent of Venezuelans feel corruption is the main problem that faces their country. But when they are asked what they believe causes feelings of personal insecurity, more than a fifth of Venezuelans blame the high level of police corruption.

José Antonio Gil Yépes, president of the survey company Datanálisis, affirms that these recent findings provide no reason to think that the common practice of bribing government officials has diminished. "In the past, a public administrator may simply have been dishonest or greedy. But right now our country is completely polarized by class hatred and government officers usually ask for bribes and contractors must pay if they want the permits," he says.

The Institutional Weakness

The polarized environment that Gil Yépes mentions is characterized by a bitter political conflict where there is no negotiation between the battling elites. The middle and upper classes from the urban centers have been confronting President Hugo Chávez with street demonstrations (even though there are fewer of them now than there were in 2002 and 2003, which were periods of greater political instability).

There are also growing protests by citizens, especially from lower and lower-middle classes, many of whom identify themselves as "chavistas" and center their attention on social rather than political issues, such as deficiencies in basic services, insecurity or labor issues. These include road blockings, demonstrations, strikes and other forms of protest, and corruption is often identified as one of the causes of the protest.

The Venezuelan Program of Education-Action in Civil Rights (*Programa Venezolano de Educación-Acción en Derechos Humanos* — PROVEA) reported that between October 2008 and September 2009, there were 2,893 protests. Of these, 2,822 were peaceful and 71 were violent protests.

Though the opposition won half of the 10 most populous states in the country in the November 2008 elections, the *chavismo* (Chávez supporters) won in 13 of the 14 lower-populated states. These results confirm that people who live in the extremely poor neighborhoods and in the rural areas still support President Chávez. And the

president takes advantage of his popularity in these areas by giving speeches against the *oligarcas* (oligarchy).

As of 2009, Chávez has been in power for 10 years. Along with the *chavismo*, he has been in strong control of the country's institutions and faces only a dozen or so opponents in the National Assembly (*Asamblea Nacional* — AN) and Supreme Court (*Tribunal Supremo de Justicia* — TSJ), whose membership was extended to 32 members a few years ago when the revolutionary parties had a solid majority.

After his victory in the referendum held on February 15, 2009, Chávez decided to intensify his revolution. He stifled opposition leaders by taking away their government titles and anti-Chávez demonstrators were jailed. Both these actions were supported by the district attorney's office, the courts and the Assembly, which reformed the Electoral Law so it would favor Chávez's majority. The government expanded private industry expropriations, which included such actions as the revocation of the broadcast licenses of 36 radio stations.

But even with power so concentrated in Chávez's government, the opposition still manages to find opportunities to denounce the abusive use of the central government's resources. One important form of opposition was the February 15, 2009 referendum to amend the Venezuelan Constitution. A contractor of transportation vehicles to the state-owned Venezuelan petroleum company, *Petróleos de Venezuela, S.A. (PDVSA)*, the largest in the country, confesses that he got very little sleep in the days leading up to the vote. This was due to the enormous amount of time he spent moving activists from Chávez's United Socialist Party of Venezuela (*Partido Socialista Unido de Venezuela* — PSUV) from one place to another, so they could vote yes on the referendum.

"I passed all my invoices to PDVSA for all these trips. Let's see when they will pay me now," he said. Not surprisingly, he does not want his name mentioned.

Chávez Admits There is a Corruption Problem

In 2009, no important *chavistas* leaders were jailed for corruption. Yet, people are wondering about the guilt or innocence of three of Chávez's most important enemies who are currently being prosecuted for administrative irregularities: Manuel Rosales, the opposition's most powerful leader; former Defense Minister General Raúl Baduel, who is now in a military prison; and former governor Eduardo Manuitt.

President Chávez has been talking about fighting corruption these days — he is aware that its continued existence may damage the popularity of the revolution. In July, he used his Sunday television appearances to launch attacks against corrupt public functionaries and threatened to get court authorization to tape their private telephone conversations.

Chávez's speeches galvanized the district attorney into announcing the launch of an upcoming anti-corruption campaign. This campaign is expected to begin with accusations against 30 former municipal mayors and five former state governors. (Venezuela is divided into 24 states and 335 counties.) Of those open cases, all under investigation, three involve directors of the PSUV and two involve members from the opposition. Among the former mayors who are facing these accusations, four of them belong to PSUV while another four are members of the opposition.

There Is No Transparency

Mercedes de Freitas, who represents the nongovernmental organization (NGO) Transparency International, says: "The government makes little effort to generate information, process it and make it available. Where it fails most is in making it accessible." The Venezuelan government refuses to recognize Transparency International because, it claims, the NGO's actions and opinions may be influenced by the fact that it receives funds from abroad.

However, this reporter has had his own experience with accessing public information. A request made to the National Electoral Council (*Consejo Nacional Electoral* — CNE), in December 2008 for information regarding the campaign funds of the December 2, 2007 Referendum, has not been answered as of August 2009, even after four meetings and seven telephone calls.

Venezuelan institutions are completely closed to giving information to the independent press. In addition, in April 2009, Julio Moreno, president of the Controller Commission, which investigates corruption in the National Assembly, was suddenly released from his post. No official reason was given, but Moreno was known for issuing public statements about corruption cases that were being pursued by his office. However, his successor, Representative Rafael Gil, does not hold press conferences because, he alleges, his office wants to protect the names of those under investigation.

News of Corruption Arrives from Abroad

News from other scandals also comes from abroad. In one instance, the US Federal Bureau of Investigation (FBI) presented evidence that the Venezuelan government was directly related to a case where US\$800,000 (in cash) confiscated to Venezuelan-American businessman Antonini Wilson in August 2007.

Wilson was released after a while and went back to Miami where he contacted the FBI and explained that the money had been sent to the Argentinean government to cover costs for Cristina Fernandez de Kirchner's campaign. At the time, First Lady Kirchner was a presidential candidate in Argentina. She won the election and now serves as president.

The FBI decided then to set up a trap and made Wilson send a letter to President Chávez demanding \$2 million in exchange for remaining silent about the real destination of the money. Then the Venezuelan Government sent agents to Miami to meet with Wilson. They agreed to pay him and provide him with legal help for a trial in Buenos Aires.

Once these conversations were recorded in Miami, the FBI placed the Venezuelan agents under custody for acting without permission of the American government. They were later sentenced by a Florida court.

Chávez declared Antonini Wilson a "traitor to his country." The Venezuelan district attorney accepted as fact Wilson's original statement during his arrest in Buenos Aires, where he alleged that the 1,720,000 bolívares fuertes (US\$800,000) belonged to him and not to the Venezuelan government.

In another case, in December 2008, the German company Siemens settled with the US Justice Department in a court in the District of Columbia, paying US\$800 million in fines for committing acts of bribery and corruption involving many countries, including Venezuela, in relation to a project to build a suburban train system.

The district attorney's office in Caracas announced its own investigation about these charges, but little news has been forthcoming since then.

In conclusion, the situation seems to have changed quite a bit since 2004, when Global Integrity issued its last report on Venezuela.

At that time, the intense debate about corruption that we have now didn't exist, and there were not so many cases of corruption as there are now. At the beginning of 2010, there were corruption investigations in 9 percent of the majors' offices of the country and in 21 percent of the state governments. Also, there weren't international corruption scandals such as the \$800,000 suitcase one.

Yet weakness within national institutions due to Chávez's influence does not allow any of these cases to be acknowledged or prosecuted.

**Carlos Subero is a Venezuelan investigative reporter specializing in precision journalism with more than 28 years of experience. As one of the top journalists in his country, he received a mention in the National Award of Journalism in 1989 and has given lectures about journalism and politics in Lima, Tokyo and Washington. He's also a journalism teacher.*