

By Daniel Santoro

When Argentinian President Néstor Kirchner came to power on May 25, 2003, amid the economic and social crisis fueled by the resignation of his predecessors, Fernando De la Rúa and several interim presidents, Kirchner promised to send corrupt officials and businessmen to prison. However, four years later no one in his administration has been imprisoned for corruption—until now.

This year, for the first time in his administration, Kirchner dismissed four officials, including his minister of finance, for being linked to corruption.

Unfortunately, the four dismissals look more like gestures to diffuse media pressure than sincere measures to combat corruption. Kirchner will step down on Dec. 10, 2007, probably to be succeeded by his wife, Senator and presidential candidate Cristina Fernández de Kirchner, without having made significant strides in the fight against corruption. Kirchner's only positive step was naming independent judges such as Raúl Zaffaroni and Ricardo Lorenzetti to the Supreme Court of Justice of the Nation (CSJN – Corte Suprema de Justicia de la Nación) in 2003.

But those appointments, though laudable, were not accompanied by active measures against offenders. On the contrary, they were followed by controversial decisions such as increasing funding for building infrastructure and awarding contracts without public bidding. The president used “the crisis of 2001” —an economic collapse that extended from 1999 to 2002—as justification for these decisions. The president continued to allow the use of fiduciary funds—public accounts exempt from normal oversight and the laws of financial administration.

In fact, three of the four firings are linked to fiduciary funds.

In May 2007, Kirchner dismissed Fulvio Madaro, director of the Regulator of Energy (ERE — Ente Regulador de Enargas), which regulates private gas companies, and Néstor Ulloa, the general manager of Nation Trusts (Nacion Fideicomisos), a financial trust which is a part of the Bank of Nation (EBN-Estatata; Banco de la Nacion), the Argentine equivalent of the Federal Reserve.. The firings came after public prosecutor Carlos Stornelli accused them of defrauding the state in a contract with the Swedish company Skanska for a gas pipeline extension in the province of Córdoba.

The public prosecutor stated that he could prove that the state paid 152 percent more than market price, and is now seeking evidence that Skanska bribed officials. An internal audit of Skanska revealed that managers of the company had indeed paid “undue commissions” to unnamed officials to maintain that contract.

What is known as the Skanska case began in 2005 with the discovery of a hundred false receipts from 130 companies and 37 government agencies, including the Congress of the Province of Buenos Aires, and trade unions. The original accusation against the company was for tax evasion. But this year the scandal grew because Judge Javier López Biscayart said that some of the false receipts also hid the payment of bribes in the contract that Skanska won for the extension of the gas pipeline. This investigation is now in the hands of federal judge Guillermo Montenegro, who has already investigated Maduro and Ulloa but, up to now, has not determined their judicial situation.

The number of companies with false receipts indicates the prevalence of widespread irregular economic behavior in the time prior to the Kirchner government.

The two officials, Maduro and Ulloa, were in the same circle as the powerful Minister of Planning Julio De Vido, whom Kirchner kept in power, despite these and other accusations against him.

On the other hand, Minister of Economy Felisa Miceli, did not have De Vido’s luck. In a routine inspection on June 5, 2007, the police found a bag with 100,000 pesos (US\$31,771) in her office in the Ministry of Economy. Miceli said that her brother had lent her the money to buy a new house.

For nearly a month Kirchner supported her despite pressure from the press and critics in the opposition. But the public prosecutor Guillermo Marijuan affirmed that the 100,000 pesos (US\$31,771) had illegally come not from her brother, but from Cuenca, a finance company. On June 16, 2007, Marijuan accused her of defrauding the state and embezzlement. That same day, Kirchner accepted her resignation.

But corruption is not exclusive to the executive. In August 2007, the Council of the Magistracy (Consejo de la Magistratura) suspended judge Guillermo Tiscornia, and initiated a political trial against him. The main accusation was that Tiscornia’s father requested a bribe of 12.6 million pesos (US\$4 million) from CODERE in exchange for his

son not sending the Spanish company's directors to prison. They also accused the judge of having plagiarized the arguments of a defense lawyer in a ruling in another case. Tiscornia actually ended up writing "my client" instead of saying "the defendant."

The day before his suspension, in an attempt to avoid his dismissal, Tiscornia accused Nilda Garré, then the minister of defense, of smuggling, in a case involving the sale of spare rifle parts to the United States. One week later, the judge that replaced Tiscornia, Marcelo Aguinsky, cancelled the investigation.

In the last year of Kirchner's four-year term there were more accusations than in the first three, in part because the big newspapers, judges and public prosecutors are being more proactive in the fight against corruption.

Another example: The public prosecutor of the Skanska case, Carlos Stornelli, asked to investigate the Secretary of Trade, Guillermo Moreno. He accused him of meddling with the top-secret statistics the National Institute of Statistical and Censuses (INDEC-Instituto Nacional de Estadísticas y Censos) uses to calculate the inflation index, and of having falsified data to deceive Argentines about real price increases. During previous administrations there were cases of corruption, but no one had tried to manipulate the inflation index.

While Argentines discussed the Stornelli scandal, on Aug. 4, 2007 customs officials in the local airport of Buenos Aires discovered that a Venezuelan businessman, Guido Alejandro Antonini Wilson, illegally transported 2.52 million pesos (US\$800,000) in baggage. Argentine law forces all passengers to declare all sums of more than 31,475 pesos (\$US10,000) when entering or leaving the country to customs.

The government refused to disclose this for three days, until Venezuelan President Hugo Chávez, a political and economic ally of Kirchner's, left the country. The following day it was revealed that Antonini Wilson had traveled from Caracas to Buenos Aires in a private airplane rented by the Argentine state company Enargas at the invitation of Claudio Uberti, the director of the Organization of Control of Private Highways (OCCOBI – Organismo de Control de las Concesiones Viales) Claudio Uberi. In fact, Uberti is more than an ordinary official: Uberti is a confidant of the minister De Vido and, until he was fired, managed the economic agreements with Venezuela that were also financed with fiduciary funds.

This time, Kirchner didn't wait for outrage to force his hand. He fired Uberti. Meanwhile, as customs officials and the Argentine police dithered in filing charges against Antonini, he traveled without incident from Argentina to Uruguay and is now in Miami. Speculation on the purpose of the money include that it was for bribes for Argentine or Venezuelan officials, or funding for pro-Chavez Argentine political groups.

To critics from the opposition, Kirchner affirmed that "for the first time Argentina combats corruption seriously and the controls are in place in all areas where they are necessary... Let the chips fall as they may, and those who go down, go down, because I won't put my hands in the fire for anyone".

But how serious is the government in its fight against corruption? If history is any guide, not very: A study of 750 cases of corruption revealed that trials of this type last an average of 14 years and they hardly ever end in convictions, despite the fact that the state has been robbed of 31.5 billion pesos (US\$10 billion) between 1980 and 2006.

According to the honorary president of the Civil Society Against Corruption (SCA -Sociedad Civil Anticorrupción), a well-known lawyer Ricardo Monner Sans, "the fight against the corruption has not advanced... That the wife of a minister [Julio De Vido] remains in the Accounting Office of the State (SGN – Sindicatura General de la Nación) -, for example, is a shame."

In sympathy with Monner Sans, the president of the General Accounting of the Nation (AGN-Auditoría General de la Nación), Leandro Despouy, said to Global Integrity: "What's been demonstrated is a growing public perception of the phenomenon of the corruption that has heightened in the last year." It is true that awareness increased, but "Corruption is not a high-priority topic for Argentines when voting," underlined Global Integrity political analyst Jorge Giacobbe. "Security, unemployment, economy, education and health, they rank before corruption in the surveys," according to Giacobbe.

As for the debate over how to rid Argentina of corruption, for Despouy the solution, "requires putting into place government controls, followed by a reinforcement of the external controls, developing entities like the AGN that exercise justice."

Monner Sans also agreed on empowering agencies like SIGEN (Sindicatura General de la Nación), the AGN and

the courts but he underlined that “as long as the political parties succeed in keeping corruption trials unfinished, this [impunity] will continue indefinitely.”