

In late October 2006, the Special Forces Brigade of the Peruvian army deftly executed an ancient, much-studied military stratagem. Using stealth and precise timing, the army displaced soldiers and vehicles from one place to another, trying to deceive the enemy as to the numbers and might it confronts. The “enemy” to be deceived, however, was a team of auditors of the General Auditor’s Office (Contraloría General de la República) who were investigating the army’s use of fuel, traditionally a source of military corruption.

The night before the auditors’ visit to the Special Forces barracks, six military trucks arrived from the army’s Armored Division. The trucks were painted over with the numbers and tags of broken, unserviceable Special Forces trucks. After the auditors left, the trucks were driven back to their Armored Division home, repainted and readied to undergo another inspection as different vehicles. It was the multiplication of trucks, a stratagem that could potentially upgrade itself into a near miracle.

The whole purpose of this and other nearly simultaneous and similar cases of trickery was to persuade the auditors that all of the fuel allotted in vouchers to the army high brass was effectively used and not traded into money pocketed by a few generals.

The stratagem failed in the end. Some young army officers gave me precise information about the truck swapping that I was able to corroborate. It was meant to cover up unequivocal corruption. For instance, then Army Commander in Chief Gral. César Reinoso had allotted more than 10,000 gallons of gasoline a month just for the use of his office. A very small percentage would be actually used. The rest would become money for the generals. The Special Forces Brigade, headed by a trusted subordinate of Gral. Reinoso, had increased by 10 times its “use” of fuel within a few months.

Army officers were used to enduring a certain level of corruption, and most were prepared to live with it as long as it didn’t affect basic operational capabilities. But that year, greed had just gotten out of hand. From substandard equipment to diminished food rations, the whole army supply chain was parasited and debilitated to a degree that many officers found untenable.

After I exposed the case in *Caretas* magazine on Nov. 30, 2006, the Contraloría stepped up its investigations, and the minister of defense sacked Gral. Reinoso and a few of

his closest military collaborators. They have loudly proclaimed their innocence and accused those who have investigated them of “conspiring” against the army.

To me, that case had an intriguing resonance. It was only six years before that the downfall of the Fujimori-Montesinos authoritarian regime had exposed a degree of utter corruption that was truly unprecedented. To a large extent, it had involved the military. Its evidence, it was hoped at the time, would shock the younger officers and prompt a thorough military reform. Shock it did, but the effect was short, and not just soon forgotten among the military.

For 10 years, from 1990 to 2000, Alberto Fujimori ruled Peru in symbiotic closeness with his de facto intelligence chief, Vladimiro Montesinos. On April 5, 1992, they staged a coup followed by a cosmetic normalization process that left them with virtually unchecked power. They controlled Congress, the judiciary and the electoral authority. More important, they closely controlled the armed forces through the National Intelligence Service. For practical purposes, they used the military as their political party and the intelligence service as their politburo.

At the same time, their pro-business policies, the massive privatization of public assets and companies, and Montesinos’s privileged relationship with the CIA — despite (or maybe because of) his ties with drug trafficking — took care of foreign relations. After the Cold War, a blatant right-wing dictatorship was out of the question in the hemisphere. So Fujimori and Montesinos crafted a new model of authoritarian government: a transvestite dictatorship with the drags and cosmetics of democracy, but a dictatorship where it counted.

With very few exceptions, the press was submissive, especially television and radio media. The owners of the major TV and radio stations cooperated closely with Montesinos and Fujimori. Only a handful of investigative journalists waged a sort of journalistic guerrilla war through exposés. Indeed, in a government ruled by spies, the confrontation between officials and investigative journalists, with information as the battlefield, went on through the years.

For a time it became peripheral, seemingly inconsequential, but in the end it was decisive. For most of their 10 years in power, though, Fujimori and Montesinos controlled the press. News flow, information, propaganda and disinformation were handled through the private

operators of the main broadcast radio and TV stations, and much of the print press too.

When the Fujimori-Montesinos regime fell in 2000, the depth and extent of its corruption surprised even the few journalists that had investigated it.

Montesinos had taken pains to document, mostly on video, almost every conspiracy he was involved with and every bribe he handed to political, media or business leaders. Perhaps the only other intelligence service as obsessed with documenting its actions was East Germany's Stasi. But Montesinos was more adept at videotaping, to maintain a blackmailing capability. When his organization fell apart, some of the videotapes were captured.

Many tapes are missing, hidden or sold. But those found add up to a veritable who's who of business, political and media leaders taped as they were selling themselves. Never before had the acts of corruption been so thoroughly and well documented. If Hannah Arendt found banality in the exercise of evil, there was a routine in the euphemisms of greed and self-selling in cases of expensive bribing. The dialogue is soft-core, while the images are hard-core.

But if Fujimori, Montesinos and their main associates spent part of their time bribing, they were much busier looting the Peruvian state. It was a well-organized kleptocracy that stole hundreds of millions of dollars through the 1990s. (The National Anticorruption Initiative calculated that US\$872 million was stolen. US\$174 million was already "repatriated" to Peru, while US\$46 million is still in frozen accounts abroad. The rest, so far, remains lost.)

After Montesinos became a fugitive, while Fujimori was resigning his presidency by fax from Japan, the investigating prosecutors named by the new transitional government were already receiving information about bank accounts from Panama to Switzerland in the names of Montesinos and several of the top-ranking military who had worked closely with him. Accounts were found in the hemisphere and in Europe, while none were discovered in Asia. To this day, no significant account of Fujimori's has been found. While Montesinos sent his looting over the Atlantic, Fujimori coordinated everything of financial importance through Japan. He was the smarter one.

Montesinos's discovered accounts amounted to roughly US\$110 million just in Switzerland, and more than US\$200 million including accounts held in other countries. Former

Army Chief Gral. Nicolás Hermoza had US\$14.5 millions stashed in Switzerland. He confessed promptly after his arrest that they were a product of “illicit activities.” Former Defense Minister Gral. Víctor Malca had US\$14 million in an offshore Cayman Island bank account. He remains a fugitive.

A well known affair during the Fujimori regime had involved the acquisition of military equipment. After a 1995 border war with Ecuador, Peru bought weapons, especially MIG 29 and Sukhoi planes, from Belarus (for about US\$400 million) and Russia (for US\$126 million, of which more than US\$30 million was “commissions.” Montesinos reportedly received US\$11 million from that amount and much more from the Belarus planes).

Because of these revelations, after Fujimori’s downfall many former high-ranking generals were arrested, including former commanders-in-chief of the army, navy and air force.

That was unprecedented in Peruvian history. Likewise was the arrest of former supreme court justices, a former attorney general, a former prime minister and other ministers. Some bribed broadcasters and businessmen were also arrested. The people were enraged. Indignation was rife in the country, and Peru appeared on the verge of a major change regarding accountability and intolerance towards corruption. The judiciary created a new specialization: anticorruption judges and tribunals.

Then Montesinos was captured and extradited to Peru. When he stood for the first time before the anticorruption tribunal, it was a truly historic moment that appeared to be the first step of a major positive change. It was not to be.

After six years, the “anticorruption struggle” crawls uncertainly ahead while suffering constant setbacks.

Despite some reforms, Peru’s highly formalistic justice system was totally unprepared to deal with major organized crime, which was, in essence, the Fujimori-Montesinos regime.

It is true that 1,743 people are currently on trial, while just 87 individuals have been sentenced. But major criminals were tried alongside people with less-than-significant transgressions, and unimportant cases took valuable time out of bringing to trial the truly important ones. Some abuses were made and impunity achieved. All in all, after six years, just one major sentence has been handed to Montesinos (for selling assault rifles to the FARC

Colombian guerrillas), and that was still under appeal. The other truly important cases, of human rights atrocities or major thievery, were still crawling along at homeopathic speed.

There is a group that has benefited enormously from the anticorruption “struggle,” though, and that is the defense lawyers for the crooks. As so much was at stake, the more capable lawyers earned comparatively enormous amounts of money. Some procuradores (prosecutors) in the years 2001-2003 eventually turned around to become defense lawyers (sometimes directly, sometimes indirectly) of the very same people they had accused in the past. They reckon, it appears, that Peruvians live in a market economy.

Some of the more important business leaders who were complicit with Montesinos in the past hired top legal and lobbying talent and were able to have almost tailor-made tribunals that promptly exonerated them. They are now as influential, if not more, than in the past.

During the Alejandro Toledo presidency (2001-2006), there were a number of cases of public corruption that, although small in comparison with those of the Fujimori-Montesinos years, were highly irritating and gave arguments to the progressively emboldened fujimoristas (supporters of Fujimori) to equate their misdeeds with those perpetrated under Toledo. Of course, to compare them would be like comparing the crimes of a chainsaw serial killer with those of a pickpocket, but nobody expected pickpockets in the public payroll in the first democratically elected regime after the Fujimori’s dictatorship, and there were more than a few.

When Alan García was elected president in 2006, the anticorruption drive suffered more setbacks. His Apra party entered into a de facto congressional alliance with the fujimorista congressmen. Many of the more important and wealthy Fujimori supporters have regained positions of influence close to the current regime. Within the first year of García’s government, a number of public-bidding processes have been stopped because of suspicions of corruption.

As the economy grows and more public money is spent in an increasing array of projects, one thing is certain: Investigative journalists will have to work overtime.



