

By Leonarda Reyes

On a busy street in the center of Mexico City, a woman talked with transit agents. The woman was outraged. You could see it and feel it. Suddenly, she jumped on the hood of a parked car, to the shock of the agents. The car was hers, which only made the scene more bizarre.

Who would you believe if the lady had filed a municipal complaint saying her car was damaged—the agents or the offended citizen? Luckily for the agents, the whole scene was taped by a video camera installed in the municipal tow truck. It showed her trying to prevent the car from being towed away after parking it illegally.

“There was a lot of tension with towing vehicles everyday,” said an official. “Then there were complaints that the traffic agents asked for money or that they damaged the vehicles. Video cameras helped solve that problem.”

While some problems have simple solutions, other forms of corruption prove harder to stop. Thousands of illegal taxis are allowed to work on the streets of Mexico City as long as they carry a Black Panther sticker on the front window. It means the taxi is protected by an organization linked to the leftist party, PRD (*Partido de la Revolución Democrática*). Cab drivers have to pay a monthly fee to the organization. The code varies depending on what political party is in power in what state. There are a dozen of such informal organizations in Mexico City and many more all around the country.

“Here, I have the papers,” says a taxi driver, showing me a blue folder while crossing through a green light. In the folder he has copies of what is supposed to be a legal case claiming the right to an honest job. He belongs to a small organization and pays a monthly fee of some 150 pesos (US\$14). In addition, he is obligated to attend PRD political demonstrations when required.

Both sides benefit from the transaction. The PRD gets support, while the illegal taxi drivers don't pay as much for municipal permits as the legal drivers do. But in the overall scheme, the city loses millions of tax dollars that are left out of the public financial system.

In Mexico, a driver's license or a passport (the first a local procedure, the latter a federal one) can be obtained in just hours. You can just pay the official fees and avoid standing in long lines or sitting in crowded waiting rooms. Services like telephone lines or electricity are easy to get without a bribe.

But this improvement in Mexico's history of everyday corruption has been uneven. Secretaries in civil judges' offices might now refuse to take money to put your files ahead of other cases and speed up the legal process. But in another case, I saw a court employee demand more than 1,086 pesos (US\$100) to produce some documents.

However, let's not miss the point about corruption. These small bribes and extortions show up in international polls and the local media. But they are petty corruption. It is visible day-to-day and affects millions of people, but this is by no means the most damaging form of corruption when you follow the money.

Paying 22 to 54 pesos (US\$2 to US\$3) to park illegally, bribing to get a public service installed or to sell goods on the street costs citizens an estimated 18 billion pesos (US\$1.7 billion) a year. However, overall corruption in Mexico is estimated to cost the country at least 35 times more, 651 billion pesos (US\$60 billion) a year. This grand corruption requires access to much larger pots of money.

Alstom, a global power company headquartered in Paris, knew how to do business in Mexico. To win two contracts worth 62 million pesos (US\$5.7 million) the company allegedly paid 7 million pesos (US\$653,000) to Alfonso Caso and another top executive at Light and Power Center (LFC-*Luz y Fuerza Centro*), which provides electricity to Mexico City and four surrounding states. The Alstom office in Paris approved the bribe payment, according to executives under federal protection.

Former President Vicente Fox's government kept the investigation under seal until December 2005 when a press release was issued about a 325,470 pesos (US\$30,000) fine imposed on Alstom, and a two-year ban on participating in public contract tenders. There was no word of criminal charges and the name of the former director was not included.

Disclosures like this are sporadic. Polls can give evidence of the real extent of corruption. A study found that one in 10 companies admitted paying bribes to get contracts, concessions or favorable legal orders to influence changes in laws, policies and regulations. But this form of corruption usually does not get much attention from the news media.

In Los Pinos, the presidential residence in Mexico City, former President Fox sat in a meeting surrounded by secretaries and high-level officials. The meeting's purpose was to improve the state of government corruption. After hearing about a lack of progress, Fox asked why the perception of corruption was still so common in the country and how to solve the problem. Secretary Eduardo Romero—head of the anti-corruption effort—explained both.

Impunity is what most influences the perception of civil society, Romero said, giving two examples of cases that went unpunished during the Fox administration. "Such cases leave the impression in the public that the government tends to defend corrupt people," he said.

Romero added another key point: Fox's government emphasized prevention, not punishment. "There are weaknesses in the sanctioning regime. This is in addition to the weaknesses in the justice system," he said.

Of course, we can assume that no one in that meeting mentioned that Fox's own family has been tarnished by allegations of corruption. Accusations have been levied against the sons of his wife, Marta Sahagun. A special commission in the House of Representatives found that Sahagun's son Manuel used his influence to earn millions of dollars. The evidence showed the first lady must have been aware of his enrichment, the commission said.

The first lady fired back, calling the legislator heading the House commission, Jesus Gonzalez Schmal a "liar" and a "coward." She maintains the accusations against her son have no grounds. High profile cases are rarely prosecuted and might take years to be heard in court. Meanwhile, the federal and state prosecutors are busy putting low-level criminals in jail.

"Our justice system focuses on punishing the poorest and the least dangerous criminals—those who cannot pay bribes. It is extremely unjust to punish minor crimes and minor robberies. We all lose because all the mafias—narcotics

traffickers, car stealing mafias—get stronger,” said Ana Laura Magaloni, a scholar with the Center for Economic Investigation and Education (*Centro de Investigación y Docencia Económicas* – CIDE).

Judges, who are often perceived as corrupt, might suffer from a different problem.

“We believe judges are weak instead of corrupt. They are not eager to confront the facts of what happens during detention and the prosecutors’ investigations. In 96 percent of cases, judges issue a guilty decision. That means they are giving ground to the prosecutors,” Magaloni said, citing a CIDE study that will be published soon.

Whether the cause is weakness or corruption, the impact on the lives of the people trapped in the justice system is the same. But for the powerful, the rules are different.

Marco Antonio Hernandez, a teenager driving with three friends, was killed by the driver of a black BMW in a traffic incident. The police arrived quickly and minutes after an alert was issued the police stopped a black BMW driven by Federico Ruiz Lomeli, 29, the son a prominent family in the state of Queretaro, in central Mexico, where this story played out. Federico, along with his friends in the car, were briefly questioned and released on the spot.

Federico Ruiz Lomeli was never charged with the murder nor confronted with a key witness, Miguel, who publicly identified the alleged killer after seeing Federico’s photograph in a local paper. The National Human Rights Commission (CNDH — *Comisión Nacional de los Derechos Humanos*) found other wrongdoings in the case, but nothing changed. The killing is still unpunished.

In the end, seeing the long arm of the law for the many and impunity for the powerful, leads to no other conclusion than this: to stop petty street corruption, grand ruling class corruption or any corruption for that matter, the change has to start with the politicians at the top. All Mexicans agree on that. But today, Mexico’s strategy on fighting corruption is starting at the bottom. It is working in the wrong direction as it has for decades.