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THEDIALOGUE

FEATURED Q&A

Has Guatemala Overcome a History of Impunity?

Embattled President Otto Pérez Molina resigned Wednesday amid allegations that he was involved in a corruption scheme involving the country's customs agency. He was arrested Thursday and has denied wrongdoing. // File Photo: Guatemalan Government.

Q This year has brought unprecedented change in how Guatemala deals with presidential impunity. President Otto Pérez Molina resigned late Wednesday after Congress stripped him of his immunity from prosecution and a judge issued a warrant for his arrest in connection with a corruption scandal. Former dictator Efraín Ríos Montt stands accused of genocide in the killings of more than 1,700 indigenous Mayas during the country's civil war. Former President Alfonso Portillo was released from a Denver prison in February after serving out his sentence for a bribery conviction. Has Guatemala, a country one former foreign minister famously called a 'kingdom of impunity,' overcome its history of turning a blind eye? What accounts for any shift relating to impunity in the Central American nation? Do these three cases reveal a new trend in the Guatemalan justice system, or are they merely coincidental?

A **Julio Ligorria, Guatemala's ambassador to the United States:** "We are starting to see a new trend in Guatemala's justice system that will continue in high-impact cases. But an effort is needed to bring justice to the average citizen. The system will have succeeded only when a campesino can go to a court against those who are powerful and enforce a contract on a level playing field. Nevertheless, there are elements that have been sustained to generate the ability of the system to respond. For example, it wasn't until 2007 that the National Institute for Forensics (INACIF) was created. Before 2007, prosecutors needed to work miracles to obtain forensic evidence. Another is the reform of the investigative system by Attorney General Amilcar

Continued on page 3

TODAY'S NEWS

ECONOMIC

Brazil's Gov't Denies Levy Is Planning to Resign

The government of Brazilian President Dilma Rousseff denied rumors that Finance Minister Joaquim Levy is planning to step down amid disagreements about the government's austerity plan.

Page 2

BUSINESS

YPF, Gazprom Sign Collaboration Agreement

The Argentine and Russian companies are planning to work together on "unconventional" oil projects in Argentina.

Page 3

POLITICAL

Maldonado Sworn in as Guatemala's President

Former judge Alejandro Maldonado Aguirre was sworn in Thursday as Guatemala's president. Maldonado took the oath of office just after lawmakers accepted the resignation of his predecessor, Otto Pérez Molina, who appeared before the Supreme Court on corruption charges.

Page 2

Maldonado // File Photo: Guatemalan Government.

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POLITICAL NEWS

Maldonado Takes Office as Guatemala's President

Former judge Alejandro Maldonado Aguirre took office Thursday as Guatemala's president as his disgraced predecessor, Otto Pérez Molina appeared in court to hear the corruption charges against him, Agence France-Presse reported. Maldonado, 79, was sworn in before the country's Congress just after lawmakers accepted Pérez Molina's resignation, which he tendered the night before. Maldonado is to serve out the remainder of Pérez Molina's term, which expires Jan. 14. The Central American country's presidential election is scheduled for Sunday. As Maldonado was being sworn in, Pérez Molina was appearing before Guatemala's Supreme Court, lowering his eyes as prosecutors played recordings of phone calls that they allege show his involvement in a scheme that defrauded the country's customs agency out of millions of dollars. Investigators believe Pérez Molina received bribes totaling $3.7 million in exchange for breaks on customs duties paid by businesses, said prosecutor Antonio Morales. Roxana Baldetti, who stepped down as vice president in May, has been charged with accepting $3.8 million in bribes in connection with the scandal. "I'm calm and I will face the situation bravely because I've done nothing wrong," Pérez Molina told a local radio station before appearing in court. Following the hearing, Pérez Molina spent the night in jail on the orders of Judge Miguel Ángel Gálvez, who ordered the former president to be detained for the duration of the hearings before his trial, The Wall Street Journal reported. The former leader was taken to the Matamoros military prison in Guatemala City, AFP reported. Upon taking office, Maldonado said the country must move forward. "The Guatemalan people have been at the center of great moments of change and upheaval in our institutions, mobilized by their disgust with broken systems," said Maldonado, a former Constitutional Court judge who had been vice president only since Baldetti's resignation in May. "The new government must emerge from the need to inspire citizens' confidence, opening a space in public service for mature and experienced people but also young professionals and social activists." In Sunday's election, no presidential candidate is expected to receive the 50 percent of the vote needed to avoid a runoff on Oct. 25, The Wall Street Journal reported. In a sign that Guatemalans are frustrated with the country's political establishment, a poll published Thursday showed that actor Jimmy Morales is the front-runner, with 25 percent support, AFP reported. He was followed by conservative lawyer Manuel Baldizón who had 22.9 percent and former First Lady Sandra Torres who had 18.4 percent. In the balloting, Guatemalans will also choose members of Congress and mayors.

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>
> **— Alejandro Maldonado**

Santos Willing to Meet With Maduro With Conditions

Colombian President Juan Manuel Santos said Thursday that he is ready to meet with his Venezuelan counterpart, Nicolás Maduro, about the countries' border crisis as long as Venezuela meets conditions, Agence France-Presse reported. Last month, Maduro's government closed a busy border crossing and deported more than 1,300 Colombians in what the government said was an effort to crack down on smuggling. Santos said he wants a "humanitarian corridor" so that children on the Venezuelan side of the border can go to school

NEWS BRIEFS

Brazil Denies That Levy Plans Resignation as Finance Minister

The Brazilian government on Thursday dismissed rumors that Brazilian Finance Minister Joaquim Levy would resign from his post due to disagreements over the government's austerity plan, Reuters reported. The value of the real increased, after a 12-year low, in response to Levy's statement. "I have no intention of leaving the government," he said. Earlier in the week, when newspapers had originally reported the rumor, the value of the real dropped 1.5 percent against the dollar. On Thursday, Levy attended a last-minute 2016 budget meeting with President Dilma Rousseff, postponing his trip to Turkey for the G20 summit.

Peru's Congress Reverses Petroperú Decision in Populist Move

Peruvian lawmakers reversed a decision that had barred state-controlled oil company Petroperú from taking control of oil block 192, Reuters reported. This comes after indigenous protesters seized oil wells and halted oil production in northern Peru in protest of a deal that would grant Pacific Exploration and Production a two-year contract to tap oil from block 192. The move may signal a turn toward populism for the government. President Ollanta Humala is expected to veto the new legislation, but Congress could potentially override it.

Jamaica Bank Officer to Appear in Court on Bribery Charges

Dalton Myrie, a former loan officer for the Jamaica Mortgage Bank, is scheduled to appear in court Oct. 23 on charges that he accepted 650,000 Jamaican dollars ($5,517) from a housing developer to circumvent loan requirements. He faces charges including violations of the Corruption Prevention Act.

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FEATURED Q&A / Continued from page 1

Velasquez. Once he left, Attorney General Paz y Paz continued with the same system, modifying it slightly. Today, Attorney General Thelma Aldana is able to produce the results of sustained policies in the attorney general's office, and unresolved cases have dropped significantly. The sustainability of INACIF and the reforms in the attorney general's office over nine years are elements to confirm that this is no coincidence. Another important element is the support of CICIG, a U.N.-sponsored body that provides investigative assistance to the attorney general. There are more than 100 former officials in jail for alleged corruption charges, and more than 10 top drug kingpins have been extradited to the United States in the last months. These things did not happen 35 or 40 years ago. It has been a sustained change that we foresee will continue."

Kelsey Alford-Jones, executive director of the Guatemala Human Rights Commission: "Guatemala has made unprecedented strides in prosecuting high-level officials, including former heads of state, though with mixed results. The resignation of Otto Pérez Molina—who faces charges of fraud, conspiracy and accepting bribes—is the most recent and bold. Corruption investigations began during his time in office, leading to the resignation of his vice president and most of his cabinet, many of whom face charges themselves. These advances over the last few years can be attributed in part to the creation of the U.N.-backed International Commission against Impunity in Guatemala, or CICIG, special high-risk courts, and a strengthened public prosecutor's office. However, on the whole, justice is still the exception, not the rule, and impunity remains entrenched in institutions, actively perpetuated by those with power. It is a small handful of brave individuals who have led, prosecuted and judged these cases, and who risk their careers, and their lives, to do so. Their successes are notable, but remain fragile. To evaluate Guatemala's justice system, we should applaud high-level prosecutions as a positive sign, but we should not neglect to evaluate its treatment of Guatemala's most vulnerable citizens. Atrocious acts of violence against the Mayan population during the war remain, in large part, in impunity. Labor violations, violence against women and the killing and imprisonment of human rights defenders all happen frequently and go unpunished. Unlike in the past, Guatemalans now expect to hold their public officials accountable. The challenge will be to institutionalize recent advances to ensure they survive changes in leadership and the eventual exit of CICIG, and to extend reforms to include adequate judicial protections for all Guatemalans."

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>
> **— Kelsey Alford-Jones**

James Meyer, partner at Harper Meyer in Miami: "A few years ago, we witnessed the Arab Spring in the Middle East. This year, Guatemala is giving us a glimpse of what might be the beginning of something we could call the 'Latin Fall.' Urbanization, connectivity, social media, access to education and a better general understanding of civic responsibilities, among other things, has led to a well-deserved higher expectation by the public of their governments, ideally free from notions of genocide, corruption and illicit dealings. If the will of the majority of the people and their intolerance for these maladies is strong and tenacious, even the most powerful cartels will be no match for them. Bringing Ríos Mont, Portillo and Pérez Molina to justice, however, is just

Continued on page 4

in Colombia. Santos also asked for 15 trucks to be able to cross into Colombia from Venezuela so that the deported Colombians can start recovering their belongings.

BUSINESS NEWS

YPF, Gazprom Sign Collaboration Deal

The chief executives of Argentina's state-run oil company, YPF, and Russia's national oil company, OAO Gazprom signed a deal today that would allow them to collaborate on "unconventional" oil projects in Argentina, The Wall Street Journal reported. Argentina is the world's largest site for unconventional oil and gas production, after the United States, and recently has been seeking more foreign investment for its oil and gas sector. YPF has so far signed multi-billion dollar deals with Chevron and Malaysia's Petronas. Argentina's Vaca Muerta shale formation in the southern region of Patagonia promises to be one of the largest resources for shale oil and gas in the world. The U.S. Energy Information Administration ranked Argentina second in the world, after China, in "potentially recoverable shale gas resources." In an email to The Wall Street Journal from Russia, YPF's CEO, Miguel Galuccio, said, "Today's signing is a milestone for YPF on its path to making our resources valuable to world class partners." He added that "Gazprom can bring to YPF its know-how and its financial strength as the biggest player in gas on the planet." Gazprom is one of the world's forerunners in production of conventional gas, and would bring to YPF its experience in pipeline logistics and other important aspects of production.

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The Latin America Advisor will not be published on Monday, Sept. 7 in observance of the Labor Day holiday in the United States. We will resume publishing on Tuesday, Sept. 8.

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FEATURED Q&A / Continued from page 3

the first phase in this democratic odyssey for Guatemala. The true test will come when the next administration comes into power. If enough pressure is brought to bear to keep the new government above the ethical water line, Guatemala will be entering a new social era. An honest government would allow for tax reform and social programs fully supported by an otherwise skeptical private sector. The future is finally becoming brighter for Guatemala if the people can stand firm and hold their elected officials accountable."

Ursula Roldán A., migration coordinator in the Institute for Research and Policy Management (INGEP) at Rafael Landívar University in Guatemala City: "It has been more than 20 years of continued struggles by human rights organizations and survivors of the civil war, who have fought fiercely so that justice can be done against impunity. The first actions were against the Guatemalan army, who were responsible for directing counterinsurgency strategies, which claimed the lives of hundreds of Guatemalans. A high-impact case for justice was the recent trial for genocide against General Ríos Montt and his military intelligence chief José Mauricio Sanchez. Activists like Helen Mack (Myrna Mack's sister), Nobel laureate and massacre survivor Rigoberta Menchú and other human rights organizations joined forces in a frontal war against impunity, so that the trials are carried out. All this, despite many setbacks, builds a fundamental precedent so that the justice system is challenged internally and externally, and starts a process of greater control by civil society. Hence the proposal to create the International Commission against Impunity in Guatemala, or CICIG, as a body responsible for deconstructing the embedded parallel bodies in the state, which not only have prevented justice, but were mixed with private business interests, through the customs fraud, money laundering and other still unknown links to drug trafficking. With this background, CICIG and Attorney General Thelma Aldana allowed investigations, revelations and prosecutions to be initiated at the highest levels of national government. They achieved this through a persistent clamor and fight for justice that puts a stop to impunity. Now, the president and vice president have resigned their posts amid popular pressure and are facing prosecution."

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at **gkuleta@thedialogue.org**.

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