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THEDIALOGUE

FEATURED Q&A

Are Graft Scandals Threatening the DR's Government?

Dominican Senator Félix Bautista is among those who have been investigated by authorities. // File Photo: Government of the Dominican Republic.

Q Dominican Republic officials on Aug. 11 arrested former Defense Minister Pedro Rafael Peña Antonio and several others for allegedly taking $3.5 million in bribes in exchange for a defense contract. The arrests come as Félix Bautista, a senator from President Danilo Medina's Democratic Liberation Party, is under investigation by Haitian officials for overvalued contracts and illegal campaign contributions. Is corruption getting worse in the Dominican Republic, or do these recent cases suggest prosecutors are making good headway in combating corruption? How do the scandals affect the Dominican Republic's prospects for economic growth and foreign investment? Do corruption scandals threaten Medina's government and the popularity of his powerful PLD party?

A José Tomás Pérez, ambassador of the Dominican Republic to the United States: "The corruption phenomenon harms public and private institutions worldwide, to a greater or lesser degree. In the specific case of the Dominican Republic, we have made significant progress in the fight against the corruption cases that have arisen, bringing those responsible before the nation's courts. We have also strengthened transparency in the various public institutions through the creation of oversight committees made up of notable civil society figures. Also, we implemented a new and transparent system for the process of government procurement and have reinforced the Law on Free Access to Information. In that sense, we are also continuing the sustainable process of strengthening institutions, many of which represent a model for the region. These actions will definitely contribute to

Continued on page 3

TODAY'S NEWS

POLITICAL

Colombia's Santos Declares Cease-Fire

Colombian President Juan Manuel Santos on Thursday declared a cease-fire in the government's operations against the FARC rebels. The announcement came a day after the rebels and the government reached a final peace deal.

Page 2

BUSINESS

Kinross Suspends Operations at Chile Gold Mine

The mining company said it would halt operations at its Maricunga mine and lay off 300 workers following a court decision upholding a regulator's move to shut down the mine's water system.

Page 2

POLITICAL

Bolivian Gov't Minister Beaten to Death by Miners

Deputy Interior Minister Rodolfo Illanes was beaten to death by striking mine workers near the town of Panduro. An assistant of Illanes was injured in the incident, but managed to escape.

Page 2

Illanes // File Photo: Bolivian Government.

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POLITICAL NEWS

Bolivian Gov't Minister Beaten to Death by Miners

Protesting Bolivian mine cooperative workers kidnapped and killed the country's deputy interior minister on Thursday, La Razón reported. The beaten body of Rodolfo Illanes was found wrapped in a blanket on a roadside near the town of Panduro where violence had broken out earlier in the day. "At this present time, all the indications are that our deputy minister Rodolfo Illanes has been brutally and cowardly murdered," Minister of Government Carlos Romero said in broadcast Thursday, Reuters reported. Authorities have arrested 120 people for questioning in the incident. Illanes, traveling with an assistant who escaped and is now being treated for injuries, was en route to talk with protesters who for weeks have blocked major transit routes, at times throwing dynamite at police who have responded with tear gas and other measures. The Bolivian Federation of Mining Cooperatives, or Fencomin, wants the government to change a mining law to strengthen workers' rights, ease environmental regulations and allow cooperatives to sign contracts with private companies in a sector that has been largely nationalized for a decade, The Wall Street Journal reported. Workers have also demanded that the government devote more resources to developing poor regions of the country. On Wednesday, at least one miner was killed by police who were attempting to clear their blockades. Also, a journalist was also beaten Thursday in Panduro. This morning, protesters appear to be digging in, with more police being dispatched to the area, La Razón reports. President Evo Morales called a meeting of his cabinet today to address the incidents.

Illanes was kidnapped while he was on his way to mediate talks with the Bolivian Federation of Mining Cooperatives.

Rousseff Trial Begins in Brazilian Senate

The first day of the Senate impeachment trial of suspended Brazilian President Dilma Rousseff was marked by delays, squabbling and name calling on Thursday, Folha de S.Paulo reported. At the start, senators who have publicly supported Rousseff spent the first three hours questioning the legality of the proceedings, while lawmakers leaning toward impeachment accused them of stalling. The 15-hour session was presided over by the president of the Supreme Court, Ricardo Lewandowski, who advised Senators they "are now made into veritable judges" and as such, should abandon their ideological positions, political preferences and personal inclinations, Agência Brasil reported. But soon after, Lewandowski had to suspend deliberations briefly to restore order after two bickering senators resorted to name calling. Rousseff stands accused of manipulating fiscal accounts and breaking budget laws, which she denies. She lost popular support amid the nation's deepest recession in generations and a massive corruption scandal involving her Workers' Party and many others in Brazil's political and business establishment, including some of the senators now sitting in judgment against her. In coming days, a total of eight witnesses are expected to testify in the Senate, six of them supporting Rousseff, who is expected on Monday to take the stand to face her jury of Senators for the first time, The Wall Street Journal reported.

Rousseff // File Photo: Brazilian Government.

NEWS BRIEFS

Colombia's Santos Declares Cease-Fire

Colombian President Juan Manuel Santos on Thursday declared a cease-fire, to begin Monday, in the government's actions against the FARC rebels, the Associated Press reported. Santos made the announcement a day after the government and the FARC announced they had reached a final agreement on peace accords following nearly four years of talks. Colombian voters must approve the accords in a referendum scheduled for Oct. 2 before they can take effect. [Editor's note: See related **Q&A** in Thursday's Advisor.]

Kinross Suspends Operations At Chile Gold Mine After Ruling

Canada's Kinross said Thursday that it had halted operations at its Maricunga gold mine in Chile and will lay off 300 workers, after a court upheld a regulator's decision to shut down the mine's water system, Reuters reported. Chile's environmental agency started a process in March to shut down the mine's pumping wells. Kinross opposed the move and appealed the decision to the country's environmental tribunal. The Maricunga mine accounted for 8 percent of Chile's gold production last year.

Brazilian Authorities Charge U.S. Olympic Swimmer Lochte

Brazilian authorities have charged U.S. Olympic swimmer Ryan Lochte with filing a false police report following an incident during the Summer Games in Rio de Janeiro. Brazilian police said Lochte, who has since returned to the United States, would be informed of the charges. Lochte told police during the games that he and three other U.S. swimmers were robbed at gunpoint, but security video later showed that they had a confrontation with guards after vandalizing a gas station bathroom.

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FEATURED Q&A / Continued from page 1

reducing levels of corruption to a minimum. The specific cases mentioned above are currently in our justice system, and it is the responsibility of that independent body to determine their course. President Medina has publicly emphasized his commitment to a transparent, functioning state and to fighting any corruption that arises."

Bernardo Vega, president of the Fundación Cultural Dominicana and former ambassador of the Dominican Republic to the United States: "The presidencies and congresses of Guatemala and Honduras appealed to the United Nations and the OAS for help in fighting corruption and, at least in the first case, the results have been dramatic. In the Dominican Republic, much of the corruption is a mechanism to siphon off funds for the ruling party, the PLD, which has been in power for the last 12 years. For that reason, the party and the president are very reluctant to fight corruption, which is prevalent. In the few instances in which the government has taken action, it has been due to international pressure, such in as the case of the purchase of the Brazilian Tucanos airplanes, an issue much reported by The Wall Street Journal months ago and where U.S. federal courts sent information to Brazilian judicial authorities. A relatively independent Dominican attorney general tried to indict Senator Félix Bautista, but gave up after it became evident that the Supreme Court, packed by former President Leonel Fernández in 2012 with judges sympathetic to the PLD, would overrule the case. Bautista has recently been re-elected senator with the highest majority nationwide. A presidential candidate in Haiti has admitted receiving money from him. It is the first instance since the Trujillo dictatorship in which Dominican politicians have provided funds to Haitian politicians. Bautista, with Petrocaribe financing, built very questionable infrastructure works in Haiti after the earthquake."

> **"In the few instances in which the government has taken action, it has been due to international pressure."**
>
> **— Bernardo Vega**

Raymond A. Joseph, former Haitian presidential candidate and former ambassador of Haiti to the United States: "One shouldn't hurry to applaud Dominican justice for the arrests. Major interests may be at play. Traditional aircraft suppliers to the Dominican Republic may consider the purchase of Brazilian planes a threat to their captive market, as Brazilians allegedly paid bribes. This could also reflect intra-party conflict. The military officials indicted are protégés of former President Leonel Fernández, who is still eyeing the presidency after two terms that ended in 2012. A leading member of the ruling Dominican Liberation Party (PLD), Fernández must be kept in check. Of note, the Brazilian contract happened under his watch. If fighting corruption were an issue, powerful PLD Senator Félix Bautista would be in jail. In 2012, he was indicted for allegedly embezzling $100 million of public works contracts. But on March 27, a Dominican Supreme Court justice acquitted him and six co-defendants of all charges. (Last May, the senator was re-elected with 70 percent of the vote, more than President Medina received.) Recently, Bautista was cited by a Haitian Senate ethics and anti-corruption commission investigating bribes he allegedly paid high-ranking Haitian officials for his companies to obtain contracts valued at $354 million following the 2010 earthquake. That will go nowhere. In its annual report, released Jan. 29, Transparency International stated that corruption in the Dominican

Continued on page 4

Court Convicts 38 in Landmark Argentina Human Rights Trial

Thirty-eight people were convicted Thursday of human rights violations for their roles in kidnappings, tortures and killings during Argentina's 1976-1983 military dictatorship, The New York Times reported. The trial, which occurred in Córdoba, Argentina's second-largest city, packaged together some 20 cases of human rights violations that happened there during the dictatorship. The trial involved 716 victims and testimony from hundreds of witnesses over a period of four years. Twenty-eight of the defendants, including an ex-military general, received life prison sentences. Ten others were sentenced to prison terms of between two-and-a-half and 21 years. Five defendants were acquitted, and several other defendants died during the trial, including one who committed suicide.

BUSINESS NEWS

Puerto Rico Cannot Force Wal-Mart to Pay New Tax: Court

A federal appeals court ruled Wednesday that Puerto Rico cannot force Wal-Mart to pay a special corporate tax, Reuters reported. While the text of law did not mention Wal-Mart specifically, the company's lawyers argued that the tax was unconstitutional because it only applied to the retailer. The panel at the U.S. Circuit Court of Appeals in Boston agreed, saying in its decision that the tax is "facially discriminatory." The ruling reinforces a March decision by a federal judge who also decided in favor of Wal-Mart. The development complicates Puerto Rico's already troubled fiscal situation as officials grapple with a $70 billion debt load, persistently high poverty rates and stubborn unemployment.

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FEATURED Q&A / Continued from page 3

Republic is due to 'prevalent bribery, lack of punishment of corruption and public institutions that don't respond to citizens' needs.' Yet, the country remains a paradise for tourists. It's doubtful that investment in the Dominican Republic will be curtailed and that the PLD will suffer any setback."

Rafael Cox Alomar, assistant professor at the David A. Clarke School of Law at the University of the District of Columbia: "The recent arrest of the Dominican Republic's former defense minister, General Pedro Rafael Peña Antonio (barely five days before President Danilo Medina's second inauguration) is but the tip of the iceberg of what appears to be one of the most embarrassing corruption scandals in the Caribbean country's recent history. This latest episode of corruption and deceit at the highest levels of Dominican public life brings to the fore rather poignantly the systemic infirmities of a political landscape premised on the hegemony of only one political party with absolute control over the country's political and judicial branches. The utter absence of a checks and balances system, together with a pervasive absence of transparency (seen most acutely in the absence of campaign finance regulations), has bred in the Dominican Republic a subculture of perverse impunity. Both the office of the Dominican attorney general, as well as the local courts, have shown themselves incapable of successfully prosecuting those at the top of the corruption pyramid—as the Félix Bautista episode so eloquently showed. It remains to be seen whether the arrest of General Peña Antonio signals the charting of a new course. The Peña Antonio prosecution will test the backbone and moral fortitude of the Medina administration at a time when the arrest for corruption in Brazil of João Santana (President Medina's political advisor and head of the Lula's and Dilma's presidential campaigns), and the obvious links binding those closest to President Medina's circle to Odebrecht and Embraer, raise far too many questions for comfort. Without a doubt the so-called Super Tucanos saga holds the key to a Pandora's box many at the highest echelons of the Dominican political topography would prefer to keep tightly shut."

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> **— Rafael Cox Alomar**

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