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## FEATURED Q&A

# Is the DR Making Progress in Anti-Corruption Efforts?



President Luis Abinader vowed to continue efforts to fight corruption following a series of raids and arrests this month. // File Photo: Facebook Page of Luis Abinader.

**Q** Security forces carried out more than 80 searches across the Dominican Republic on Sept. 8 as a part of Operation Falcón, resulting in the arrests of more than 20 people. The effort, aimed at dismantling a money laundering and drug trafficking network, implicated several government officials, including the head of the government-run organization combating poverty. In response, Dominican President Luis Abinader vowed to continue fighting impunity and corruption. How big of a problem is graft in the Dominican Republic? What are the political consequences of Operation Falcón for Abinader's government and its allies? How serious are his efforts to fight corruption and impunity?

**A** Elías Wessin Chávez, Quisqueyano Christian Democratic Party member of the Chamber of Deputies of the Dominican Republic: "Administrative corruption in the Dominican Republic has reached unexpected limits. The corruption scandals that have occurred in recent years have transcended the parties that have held power in recent decades, as well as Dominican borders. The international media has covered the scandals, which affects the image of any country and pushes away large and medium-sized international investments, harming economic confidence in the country. Administrative corruption negatively affects public investment in goods and services, as well as industrial and economic development, further diminishing the people's confidence in their authorities. Corruption deprives citizens of benefiting from public goods and services as they should. The series of irregular and illegal acts committed by public officials, often in complicity

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## TODAY'S NEWS

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## Venezuelan Gov't, Opposition Conclude Latest Round of Talks

Representatives of Venezuela's government and the country's opposition concluded their latest round of talks after government delegates' arrival was delayed over a dispute with Norway, which is mediating.

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### ECONOMIC

## Puerto Rico Lawmakers Eye Debt Legislation

Puerto Rico's House of Representatives began considering a debt-restructuring bill.

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### POLITICAL

## Haiti Again Postpones Vote, Fires Electoral Commission

Haiti's government postponed its long-delayed elections into 2022 and fired its electoral council.

Prime Minister Ariel Henry said a process to replace the election officials was underway.

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Henry // File Photo: United Nations.

## POLITICAL NEWS

## Haiti Indefinitely Postpones Elections, Fires Electoral Body

Haiti's government on Monday issued a decree firing the country's entire electoral council, a move that in effect indefinitely postponed the country's long-overdue elections, CNN reported. Prime Minister Ariel Henry, who has been in office for just more than two months, said the electoral council members were dismissed because they "cannot organize elections," adding that the process to replace them was proceeding. "We have made the decision today to stop this electoral council and form another one, one that will be more consensual and one that will be accepted by all of society," said Henry. Elections would occur after a review of the country's constitution, Henry added. "We will review the constitution in the first months of the coming year and the elections will be held immediately after." At the beginning of this year, Haitian elections officials had set presidential and legislative elections for September. However, after the assassination of President Jovenel Moïse in July, elections were postponed until November. Since Moïse's assassination, Haiti has also been hit by a hurricane, an earthquake and the mass expulsion of thousands of Haitian migrants from the United States back to the Caribbean country. "Any effort by Henry or a successor to govern and prepare the country for meaningful elections will be doomed if the international community doesn't get serious," Fulton Armstrong, a senior fellow at American University and a former U.S. National Intelligence Officer, told the Advisor in a [Q&A](#) published July 29.

## Venezuelan Gov't, Opposition Conclude Latest Round of Talks

Venezuela's government and the country's opposition on Monday concluded their latest

round of talks in Mexico City following a delay due to government representatives' late arrival at the discussions, the Associated Press reported. The round of talks had been scheduled to start last Friday, but delegates from President Nicolás Maduro's government did not arrive until Saturday, due to an apparent disagreement with Norway, which is acting as a mediator. Jorge Rodríguez, the leader of the government's delegation, said comments about the human rights situation in Venezuela by Norwegian Prime Minister Erna Solberg at the U.N. General Assembly led to the conflict. Norwegian mediator Dag Nylander issued a statement assuring Norway's impartiality in the talks. In the discussions, the two sides "drew closer in the search for solutions to the challenges in social, economic and political matters," said Nylander.

## ECONOMIC NEWS

## Lawmakers in Puerto Rico Examine Debt Restructuring Bill

Puerto Rico's House of Representatives began examining a bill on Monday that supporters say will allow the U.S. territory to exit bankruptcy while protecting pensioners and municipalities, Bloomberg News reported. House Speaker Rafael "Tatito" Hernández introduced the debt-restructuring bill, touting it is at the end to the island's 15-year economic slump after federal manufacturing incentives were phased out. The proposal allows the restructuring of some \$18.8 billion in debt through the issuance of new bonds. If approved, it would slash annual debt payments from \$3.3 billion to \$1.3 billion, Hernández said. The legislation also includes public pensions cuts, which the Federal Oversight and Management Board of Puerto Rico requires as part of the bankruptcy process, the news service reported. On Monday, the oversight board said it had agreed not to reduce public pensions of less than \$2,000 per month if officials approve the issuance of new debt. It had previously set a limit of \$1,500. Passage

## NEWS BRIEFS

## At Least 10 FARC Dissidents Killed in Colombia Bombing

At least 10 dissidents of the former Revolutionary Armed Forces of Colombia, or FARC, rebel group were killed in a military bombing in Colombia's southeastern jungle in the department of Guainía, General Luis Fernando Navarro, the head of the armed forces, said on Monday, Reuters reported. Most members of the FARC demobilized following the 2016 peace accord with the government, but some former militants have rejected the pact. The government has accused dissidents of illegal mining, drug production and other crimes.

## Cuba Begins Exporting Homegrown Vaccines Against Covid-19

Cuba has started exporting its homegrown Abdala vaccine against Covid-19, the Associated Press reported Monday. The three-dose vaccine was sent to Venezuela and Vietnam. During a visit to Cuba last week, Vietnam's president, Nguyễn Xuân Phúc, toured the laboratory that produces the vaccine and said his country would buy at least five million doses.

## Venezuelan Agents Arrest Seven Oil Workers Following Refinery Outage

Venezuelan counterintelligence officers have arrested seven oil workers following an outage at a unit of state oil firm PDVSA's Cardón refinery, Reuters reported Monday, citing eight sources familiar with the situation. The arrests occurred last week after employees tried to restart a reformer unit, which failed and damaged one of the plant's compressors, the sources said, adding that those detained may face terrorism charges. "It's the same formula they use for everyone: terrorism and sabotage," an unnamed worker at the Paraguaná Refining Center told the wire service.

of the proposal is a key step before U.S. District Court Judge Laura Taylor Swain begins confirmation hearings in early November on the island's debt adjustment plan. Legislators and Gov. Pedro Pierluisi, who has voiced his opposition to any pension cuts, have an Oct. 4 deadline to pass the bill. "I'll make my case before the court when the time comes, arguing in favor of not having any pension cuts," Pierluisi told Bloomberg News last week.

## BUSINESS NEWS

# Brazil's Petrobras Evaluating Possible Price Increases

Brazilian state oil company Petrobras is evaluating hiking fuel prices as the cost of some products is out of line with the global market, Cláudio Mastella, the logistics and sales director at the company, said on Monday, Reuters reported. CEO Joaquim Silva e Luna was reportedly in Brasília on Sunday to discuss the possible measure with government officials, two sources told the wire service. The former chief executive of Petrobras was ousted earlier this year for carrying out a series of price hikes, which President Jair Bolsonaro staunchly opposed. The move sparked controversy over what critics said was political meddling in company policy. Petrobras shareholders remain concerned with price controls, which has forced the government to consider other plans for softening the blow of rising gasoline prices for consumers, Reuters reported. Mastella said the hikes would be made within the company's pricing policy. Oil prices have been steadily rising for weeks, with Brent crude prices reaching their highest point since October 2018, at nearly \$80. Still, the price of Brazilian diesel has stayed below the global market at 14 percent, with gasoline 10 percent lower in Brazil based on data from Sept. 24, the Brazilian Association of Fuel Importers said. "We are looking with more care, with caution, at a possible readjustment," Mastella said. He also said Petrobras focuses on structural fac-

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with the private sector, means less quality and quantity of public services for the population. The recent Operation Falcón undoubtedly helps the government's image, as it demonstrates commitments to the persecution of organized crime and corruption. The president is doing the right thing by separating himself from any member of his government singled out for corruption. It is no less true that the fight against corruption and organized crime, which has on countless occasions pointed to the government, affects powerful economic interests, demonstrating how people guilty of corruption have managed to penetrate the political sphere and gain power. President Abinader has certainly shown that he is taking firm steps against corruption, and he has fought organized crime in a similar way. An example of this is his appointment of a person without partisan or political ties as attorney general. Another signal that President Abinader has sent is the fact that he does not cover up or interfere in the investigations of the Public Ministry. This effort will only bear fruit, however, if the government continues not to interfere, and the mafia networks that damage society are disarmed."

**A** **Cristián Vallejo, partner at Manatt, Phelps & Phillips, LLP:** "Graft has been an endemic problem throughout the Dominican Republic's history. Despite previous administrations' promises to fight and punish graft, it was not until the arrival of President Abinader that a serious effort toward that end seems to finally be occurring. The Odebrecht, OISOE and other corruption scandals that broke during the Medina administration and the grassroots movements that arose against them were significant factors that got President Abinader elected.

tors when assessing possible price hikes, such as the recent oil price rally or rising seasonal demand, Argus Media reported. Bolsonaro and some legislators have pushed for an alternative

Independence of the Public Ministry and the fight against corruption and impunity were key promises of Abinader's campaign. Soon after taking office, President Abinader made two key appointments aimed at fulfilling such promises: Miriam Germán (a former Supreme Court justice) as attorney general and Yeni Reynoso (a former prosecutor for



**Soon after taking office, President Abinader made two key appointments..."**

— Cristián Vallejo

the National District) as assistant attorney general. Both are highly regarded professionals with a history of independence and commitment to fighting corruption. As a result of such appointments, there are already various ongoing corruption cases against people associated with the former and current administrations, demonstrating the unprecedented seriousness with which the current administration is addressing the graft problem. Such cases include Operations Pulpo, involving relatives of former President Medina; Medusa, involving the previous attorney general; and Falcón, involving officials of the Abinader administration. I believe these cases are rendering political benefits for President Abinader and his allies. Dominican society has repeatedly demanded that corruption, regardless of the political affiliation or economic status of the parties involved, be investigated, fought and punished. As a candidate, Abinader promised he would do so, and as president, he is delivering on such promises and has made his zero tolerance for corruption clear. As long as his admin-

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solution, as the government seeks to ease double-digit inflation rates in the country. [Editor's note: See related [Q&A](#) in the March 5 issue of the Energy Advisor.]

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istration continues its current and unprecedented fight against corruption and impunity in an independent and nonpartisan manner, it is likely that President Abinader will be rewarded with a second term if he decides to run for re-election.”

**A** **Mary Fernández, partner at Headrick Rizik Alvarez & Fernández:** “Corruption in the Dominican Republic has deep roots. A study that nongovernmental organization Participación Ciudadana conducted in 2004 concluded that there had been near-complete impunity for corruption between 1983-2003, allowing the exponential growth of corruption at all levels. President Leonel Fernández, in his inaugural address in 1996, estimated that corruption cost the country \$30 billion annually. Operación

“**Operación Falcón is a significant, positive step for the Abinader government...**”

— **Mary Fernández**

Falcón is a significant, positive step for the Abinader government, as it serves as a demonstration that it does not protect the corrupt, regardless of their political party. This is further legitimized by the activities of an independent prosecutor who has initiated actions in various corruption cases against officers of the current and past governments. Nevertheless, due to the country’s expansive nature of corruption, there is uncertainty as to how this can permeate the present administration. President Abinader has demonstrated his seriousness in his efforts to fight corruption and impunity, and his designation of an independent attorney general is evidence of this, as he no longer controls the persecution of corruption cases as did prior administrations.”

**A** **Ernesto Sagás, professor in the Department of Ethnic Studies at Colorado State University:**

“Corruption has deep historical roots in Dominican politics and society, where lax campaign financing laws, a weak judiciary and a tradition of impunity have helped entrench corrupt practices. Moreover, widespread graft also distorts citizens’ trust in government institutions. According to a recent poll by Transparency International, 93 percent of respondents think that government corruption is a big problem in the Dominican Republic. During the 2020 campaign, opposition candidate Luis Abinader vowed to fight corruption if elected president, and Operation Falcón seems to be a major move by his administration to deliver on that promise. However, it remains to be seen how deep the police dragnet really goes. So far, it has ensnared several high-profile drug kingpins and a couple of politicians, but money laundering by Dominican drug cartels is extensive, and its corruptive effects permeate the Dominican political system. Despite President Abinader’s public assurances to the contrary, it is doubtful that the investigations will reach deeply into the Dominican political class, as all political parties stand to lose from airing their dirty laundry. But perhaps the Abinader administration does not have to go that far. Operation Falcón’s highly publicized arrests—and the swift deportation of detainees to the United States—may be enough to satisfy members of public who demand drastic government action against graft, show the country’s international partners that Abinader is taking corruption seriously and potentially serve as a deterrent to crooked Dominican politicians who now must weigh the possibility of serving lengthy terms in U.S. federal prisons.”

*The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at [gkuleta@thedialogue.org](mailto:gkuleta@thedialogue.org).*

## LATIN AMERICA ADVISOR

is published every business day by the Inter-American Dialogue ISSN 2163-7962

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**Latin America Advisor** is published every business day, except for major U.S. holidays, by the Inter-American Dialogue at 1155 15th Street NW, Suite 800 Washington, DC 20005

[www.thedialogue.org](http://www.thedialogue.org)

Subscription inquiries are welcomed at [ebrand@thedialogue.org](mailto:ebrand@thedialogue.org)

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