

# Graft in Latin America

## *Corruption threatens nascent democracies*

by Bart Jones

CARACAS, VENEZUELA  
**D**uring a strip-search of a Venezuelan judge suspected of taking a bribe, police find the money stuffed in her panties.

In Mexico, the head of a state anti-kidnapping squad is arrested for running a kidnapping ring himself. The brother of the country's former president reportedly amasses \$100 million while holding a \$39,000-a-year government job. His "com-missions" earn him the nickname of "Mr. Ten Percent."

A decade after the region's last dictatorships fell everywhere except Cuba, corruption has become one of the main threats to democracy in Latin America. It undermines the credibility of public officials, thwarts economic development, scares off foreign investors and diverts badly needed funds from schools, hospitals and highways.

Latin American countries consistently show up as among the world's most corrupt, says Transparency International, a private Berlin-based group that studies corruption worldwide. In last year's survey of 52 nations, five of the 11 worst were in

Latin America: Venezuela, Argentina, Mexico, Colombia and Bolivia.

For decades, corruption was tacitly accepted in Latin America. Military regimes gave citizens little leeway to address the problem. But now that democracy has swept the region, the press is freer to root out illegal practices and voters are holding officials more accountable.

Angry citizens in Venezuela, Ecuador and Brazil have helped oust unpopular presidents accused of corruption. Raul Salinas de Gortari, the brother of former Mexican President Carlos Salinas de Gortari, is under arrest for reportedly amassing a fortune through graft.

Still, those high-profile cases are exceptions.

In Venezuela, many people think someone who passes up the chance to steal is a "fool," said Gustavo Coronel, head of Quality of Life, a private group that conducts anti-corruption workshops.

Venezuelan police say they discovered about \$900 of bribe money in the panties of the judge who minutes earlier had demanded a payoff from the lawyer handling a real estate dispute.

Payoffs help Venezuelans cut through mind-boggling bureaucracy to obtain driver's licenses, passports, telephone hookups, business permits, even operations at crowded

hospitals.

Free-market economic reforms implemented across the region as democracy took hold were supposed to reduce corruption by making business and government more open.

But the selloff of state airlines, banks, steel mills, telephone companies and other businesses was itself mired in corruption, says Eduardo Gamarra, director of the Latin America-Caribbean Studies Program at Florida International University.

Venezuelan corruption spiraled out of control during oil booms in the 1970s and early '80s when tens of billion of dollars flowed into the oil-rich country. Politicians, government workers and businessmen all grabbed their shares.

Former President Jaime Lusinchi once commented on national television that "only fools pay taxes." By official estimate, 60 percent of workers, executives and businesses are tax evaders.

At least on paper, Latin American governments are taking the problem seriously.

President Ernesto Zedillo of Mexico recently announced that fighting corruption will be a top priority.

Ecuadorean President Fabian Alarcon is investigating allegations of graft by his ousted predecessor, Abdala Bucaram — but Mr. Alarcon's administration is itself accused of wrong-doing, including the reported theft of international donations meant for El Nino flood victims.

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