# Mexico in the Grip of Corruption - The 2004 video-scandals

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# MEXICO'S LEFT OF center Party of the Democratic Revolution (PRD) has been shaken by a scandal that could well reshape the nation's political life.

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Videotapes broadcast on national television show PRD elected officials close to Mexico City mayor Andres Manuel Lopez Obrador taking payoffs from a wealthy businessman. The PRD scandal could transform Mexican politics, destroying the left-of-center party and leaving voters without a left alternative. The ramifications are many.

First, Lopez Obrador, who had been the leading candidate for president in national polls, has seen his ratings drop precipitously, making it seem, at least at the moment, that he would be a long shot to win the presidency in the 2006 election.

While Lopez Obrador himself has not been tainted, he has been accused of bad judgment, as two of the other PRD leaders involved in the scandal were handpicked by him for high-ranking posts, including his former chief-of-staff. For this reason, the scandal could destroy his reputation.

Second, the PRD could be irreparably damaged and even destroyed by these developments, meaning that Mexican voters would no longer have an option on the left.

U.S. and Mexican political elites have long sought to establish in Mexico a conservative system such as exists in the United States, where voters must choose between two parties both of which are dominated by corporations and the wealthy. With the revelation of the PRD leaders' corrupt behavior, this goal could well be accomplished.

Third, the independent labor federations such as the National Union of Workers (UNT) and the Authentic Labor Front (FAT), as well as peasant organizations, women's groups and environmentalists who have depended upon PRD legislators to advance their political agenda, could now find themselves without a political voice—or may have to turn to and become dependent upon the more conservative party.

Finally, and perhaps most serious of all, with all three Mexican parties now implicated in financial chicanery, Mexican voters could fall back into the political cynicism that dominated the country for

decades during the heyday of the corrupt one-party rule of the Institutional Revolutionary Party (PRI).

### \_The Videotapes

The videotapes that first appeared in early March showed two PRD leaders accepting money from businessman Carlos Ahumada Kurtz. The most damaging shows Rene Bejarano, the former chief-of-staff (secretario particular) of Mayor Lopez Obrador and leader of the PRD delegation in the Mexico City Legislative Assembly (ALDF), accepting US\$45,000, supposedly from Carlos Ahumada Kurtz of Grupo

Quart.

Another PRD leader, Calos Imaz, appears receiving money in another tape. Gustavo Ponce Melendez, former secretary of finances of the Government of the Federal District (GDF) also appears in tapes gambling in Las Vegas with money provided by Ahumada. Ponce had been fired by Lopez Obrador because of his links to Ahumada.

Rosario Robles Berlanga, former national president of the PRD, and Ramon Sosamontes Herreramoro, former secretary of alliances, both resigned from the party in the wake of the revelations. Robles denied that she had been involved in any wrong doing.

The videotapes were reportedly made by the godson of a former State's Attorney (PGR) during the administration of Carlos Salinas de Gortari of the PRI. Salinas, who returned to Mexico from his self-imposed exile in Ireland several months ago, is seen by many as the gray eminence behind the scandal.

Fernendez de Cevallos, former presidential candidate of the National Action Party (PAN), helped to arrange the making of the videotapes and he has been advising Ahumada. Thus to some, the whole operation appears to have been manufactured by Salinas and Cevallos, former leaders respectively of the PRI and the PAN, in order to discredit and destroy the PRD.

It has also been alleged that CISEN, the Mexican government intelligence agency, was involved in the making the videotapes.

Ahumada, the businessman involved in making the payoffs, at first claimed that he was the victim of extortion by Bejarano, though few credit his claim. Later Bejarano said that he had been ordered by a higher up in the party, presumably Lopez Obrador, to ask for money, though he later changed his mind about that story.

Lopez Obrador has denied that he ever told anyone in the PRD or the Mexico City government to ask for money or to commit an illegal act.

Ahumada was already under investigation for his role in US\$3 million in paving contracts awarded to him during the administration of Robles, the previous mayor of Mexico City and former head of the PRD.

## \_The Grip of Corruption

The crisis of the PRD parallels that of the PRI and the PAN. For over a year the PRI has been dealing with charges that its presidential candidate in the last election, Francisco Labastida, received

millions of dollars from the government-owned Mexican Petroleum Company (PEMEX) and the Mexican Petroleum Workers Union (STPRM).

A federal magistrate issued indictments for embezzlement against Carlos Romero Deschamps, union leader at PEMEX last October, accusing him of involvement in a US\$50 million illicit donation by the union to the PRI during the party's 2000 presidential campaign.

President Fox of the PAN and his campaign organization "Amigos de Fox" have been charged with receiving illegal funds including from foreign donors.

Finally, a leader of the Mexican Green Ecological Party (PVEM), Jorge Emilio Gonzalez, was also videotaped asking for and agreeing to (though not receiving) millions of dollars in exchange for helping to get permits for a tourist resort. None of those corruption cases have been fully resolved.

#### \_What Does the Crisis Mean?

The corruption issue represents a greater challenge to the PRD, however, than to the other parties. The PRD arose in 1989 precisely, said its founders, to counter the corrupt one-party state of the PRI. The PRD put itself forward as party of democracy, responsibility, honesty and transparency.

The PRD's symbol, the "Sol Azteca," stood for the new day dawning, a bright future. Party leaders argued that citizens who cast a vote for the PRD cast a vote against corruption.

Now it appears that the PRD's politicians had become as corrupt as those of the PRI and the PAN, even if the quantities of money involved are not so great. The corruption of the PRI and the PAN surprises no one; the PRD's corruption comes as a disappointment to many.

The meaning and importance of the crisis facing the PRD has been the subject of debate throughout the country at every level. Various political leaders and intellectuals have offered their interpretations of the crisis of the left-of-center party and its meaning for the country.

Most tend to locate the PRD's problems in its political program and practices. The current corruption, involving officials taking bribes, grows out of an earlier political corruption in the PRD, according to Samuel del Villar, the president of the PRD's Commission for Legality and Transparency.

"First they stole the votes, then the money," he says, referring to the PRD's crooked primary election in the March of 2002 in which there were irregularities in sixty percent of the polling places. Says Villar, party president Rosario Robles, and the PRD's National council "failed to carry out the order of the national congress [of the party] and the corruption continued, with the consequences that we now see."

The election scandal of 2002 grew out of rivalries between the party's factions. Since its birth the PRD has been divided between rival tendencies, most of them with their origins in the small leftist groups that entered the party in 1989, though some were formed later and represent different political programs.

At the time of the scandal the PRD had seven factions: the Nueva 7 Izquierda led by Jesus Ortega and Jesus Zambrano; the Foro Nuevo Sol of Amalia Garcia; Los Civicos led by Mario Saucedo; the Red de Izquierda Democratica Revolucionaria of Camilo Valenzuela; the Grupo de Accion Politica of Higinio Martinez; the Izquierda Democratica Nacional formerly led by Rene Bejarano; and the Corriente Unidad y Renovacion, led by Rosario Robles and supported by perennial presidential candidate Cuauhtemoc Cardenas.

The factional struggles among these groups led to the ballot-box-stuffing of 2002. Now, of course, several of them are in their own crises, as their leaders have been implicated in the current financial corruption.

#### \_Dollar Democracy

The problem as seen by Pablo Gomez Alvarez, the coordinator of the PRD congressional delegation, is that when the country opened itself up to democracy, it also opened itself up to corruption. "After the country opened itself up to democracy, and gave the voter his right to choose, the politicians turned to the lords of the dollar. All politics in the democracy began to revolve around the dollar."

The politicians began to offer favors for money. Gomez called upon the PRD to reform itself and changes the norms of behavior in the party and exercise greater vigilance.

The famous essayist Carlos Monsivas finds the party's root problem in its electoral orientation. "The electoral obsession, more than corruption, has been the kiss of death for many opportunities presented to the PRD," he said. Monsivas called upon the PRD and Lopez Obrador to undertake a serious self-criticism, and to punish those responsible.

Javier Luis Garrido, author of several books on Mexican politics, professor at the National Autonomous University of Mexico, and newspaper columnist, argues that the party failed to recognize that Mexico was not in a democratic transition, but was rather undergoing the gradual legitimation of a new power representing "oligarchic sectors."

The problem in Garrido's view is that the PRD had no better model than that of European Social Democracy. The PRD, if it is to survive, he argues must re-found itself, put forward a new definition of principles and a new program that represents an alternative to neoliberalism.

The leaders of the Party of the Democratic Revolution, however, rather than talking about straightening up their own affairs, have suggested that they may call for a complete break with the federal government for its role in the scandal.

PRD leaders have argued that Federal prosecutors and police violated the law in their actions against Ahumada. They suggest that the whole thing has been a plot aimed at destroying their party. It may well have been—but their attempts to deflect blame to the PAN and the PRI only make it seem as if the PRD has no interest in cleaning its own house.

Meanwhile a group of PRD dissidents led by Marcos Rascon and Salvador Nava and 128 national council members announced that they would no longer recognize the authority of the current PRD national executive committee.

The dissident group argued that their action was based on the report of the commission that investigated the 2002 primary election irregularities and on the current corruption scandals. They called upon Cuauhtemoc Cardenas and Andres Manuel Lopez Obrador to join them in cleaning up the party.

Whether this represents the first step to refound the PRD or the beginning of its breakup remains unclear at this point. For his part, Cardenas has resigned from all his party positions over the PRD's

failure to fundamentally reform and reorganize itself.

### \_The Context: 1988's Stolen Election

Ironically, all this has taken place against the background of the publication of President Miguel de la Madrid's memoir acknowledging, however obliquely, that he stole the 1988 election.

In that election Cuauhtemoc Cardenas, founder of the Party of the Democratic Revolution, was declared to have lost to Carlos Salinas de Gortari of the Institutional Revolutionary Party after "the computers went down." Later the PAN and the PRI voted to burn the paper ballots, so that the theft of the election could never be proven.

Last month Cardenas and over a dozen other leading intellectual and political figures published a document calling for a new national project for Mexico. The sixty-page document published by the Rosenbluth Foundation, titled "A Mexico for All: We Construct a Political Alternative," calls for an alternative to the program of economic neoliberalism, for fundamental changes in the Mexican political system and for a new constituent assembly. [1].

Since the PRD scandal broke, Cardenas has argued that the current political crisis involving the four major parties calls for a "grouping of Mexicans" prepared to go beyond the political parties and seek answers to the enormous problems facing the country. "We have to begin to act now," he said, "we cannot afford to wait any longer."

#### \_The Zapatistas

Mexico's other political force, the Zapatistas, have not so far responded to this crisis, though they have for years declined to become a political party, arguing that all of the parties and the whole political process were corrupt.

Because they have not found a way to offer a political alternative, the Zapatistas have become increasingly marginalized. Whether or not the depth of the current crisis will lead them to take the initiative to make some proposal for a way forward remains to be seen.

The PRD, made up of pieces of the PRI and groups that had come from the Mexican old left (especially the Communist Party of Mexico and the Mexican Workers Party or PMT), remained a nationalist and populist party.

While some PRD members wanted to create a Social Democratic party, and others wanted to create a kind of labor party, it has never succeeded in making itself the expression of and leader of the social movements. Those like Mario and Paco Saucedo who attempted to represent a "social left" linked to the movements remained a minority.

The PRD will either have to refound, or the healthy sections of the PRD will have to seek new allies to found a new party of the left. Should that fail to happen, Mexico's political left, founded in the midst of the Mexican Revolution 100 years ago, will have suffered an historic defeat and likely disappear from the political scene, until the continuing economic crisis and a new social movement give rise to a new party of the left.

#### Dan La Botz

### **P.S**.

\* From Against the Current n°110, May-June 2004: <u>http://www.solidarity-us.org/site/node/412</u>

#### Footnotes

[1] The document, "Un Mexico para todos, construyamos un proyecto alternativo," can be found at: <u>http://www.jornadasinfronteras.com/propuesta%20nacion.html</u>