Central America, Mexico and the Caribbean

Bahamas, Belize, Costa Rica, Cuba, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Trinidad and Tobago and other Caribbean island states.

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Overview

The emergence of anti-corruption initiatives in Central America, Mexico and the Caribbean in the last year has not generally been accompanied by appreciable improvements in government transparency. Aware of the power of the corruption issue, a number of candidates made pledges of honesty and presented anti-corruption platforms during the election campaigns of the last year. Voters, in turn, have come to expect that these promises – once broken – eventually provide fodder for accusations against elected governments. When accused of corruption, government parties have been less than eager to explore the issue; rather, they call for proof of misconduct. One consequence of this type of abuse of the corruption issue is the weakening of people's trust in a democratic regime and in the system of political parties.

The region continues to exhibit asymmetries in corruption. While corruption charges have been relatively infrequent in some countries, such as Costa Rica, other states – including Guatemala, Panama and Nicaragua – have seen a backward trend in recent years. Even though the 'culture of bribery'[2] is still strong in Mexico, this country is the only one in the region to have made important advances against corruption in the last year.

International and bilateral donors have put in place dedicated anti-corruption programmes in the region, yet their approach has become unduly tolerant, even when faced with clear cases of fraud or malfeasance. This attitude is evidenced by an unimpeded flow of assistance – on the part of such actors as the Inter-American Development Bank (IDB) and the Canadian International Development Agency (CIDA) – despite the lack of any appreciable improvement in transparency in the region's governments.

In the last year, the corporate sector has continued to express concern about corrupt activities. Besides declarations and public statements, however, the sector failed to present any substantial initiatives against corruption. Perhaps because businesspeople in the region often encounter corrupt behaviour, some have come to think of its effects as an inevitable operational cost.

Civil society has been quite active in denouncing corruption in the last 12 months – even though only incipiently in some cases. Anti-corruption organisations in El Salvador, Mexico and Panama, for instance, have raised public awareness about the issue, although the press continues to be the main medium for denouncing corruption throughout the region. In Cuba's case, severely curtailed freedom of expression precludes a civil society counterweight to governmental corruption.

Cuba apart, there is no doubt that more information on corruption in the region has become available in recent years. Together with exhaustive studies on corruption, the experience of international agencies working in the region today is allowing for well-informed policy and regulatory proposals.[3]

Although no marked progress has been made in the fight against corruption in the region since July 2001, the issue has certainly moved up the agenda and has gained greater prominence in public discourse and debates. Recent opinion polls show that people perceive corruption as one of the main ills afflicting their countries. One positive result of this trend is that incumbent governments may feel obligated to make management of public expenditure more transparent.

International and regional

In the last year, threats from international organisations and industrialised countries often had a greater effect on the adoption of internal measures to fight corruption than domestic calls for reform. Such pressure clearly influenced Panamanian law-makers in early 2002. After the international financial community responded obediently to a warning from the United States to pay 'special attention' when carrying out transactions in Panama, the country – an important banking centre – was forced to implement legal reforms to curb money laundering.[4]

International demands also brought about legislative change in Costa Rica. In response to the announcement that the Financial Action Task Force (FATF) on Money Laundering was considering the inclusion of Costa Rica on its blacklist, the country had to present evidence that progress had been made against money laundering.[5]

International agencies have also been making efforts to stem corruption in the distribution of emergency aid flows. After Hurricane Mitch wreaked havoc in Central America in 1998, the U.S. government – along with the governments and civil society organisations of Central America – were eager to adopt accountability and control mechanisms to ensure that aid would reach intended beneficiaries. The United States has since provided resources for an oversight programme that includes audits, investigations and risk assessment of projects within the ongoing reconstruction programme. In the last year, these accountability and monitoring efforts have allowed the United States Agency for International Development to identify questionable costs and respond with policy adjustments.[6]

In an effort to promote anti-corruption initiatives, the department of legal cooperation and information of the Organization of American States (OAS) established the Inter-American Anti-corruption Network. The network allows for virtual interaction between experts at the OAS secretariat and other individuals and institutions committed to the fight against corruption.[7] The World Bank – through the World Bank Institute – has also been active in promoting institutional reforms to combat corruption in the region. Over the last year, it played an active role in Honduras and helped in the development of an anti-corruption commission which is due to be established in Guatemala.

Yet international agencies do not always adopt a consistent attitude against corruption. In Guatemala, a representative of the IDB defended the government of President Alfonso Portillo despite many reports of corruption.[8] He dismissed the criticisms voiced by the press and civil society: 'The level of governance is a perception that reaches the people through the media of the country. In the case of IADB, we have the opportunity to see the actions of the government objectively.'[9] In Nicaragua, cooperating agencies continued to support the administration of President Arnoldo Alemán despite frequent reports of corruption.[10] A study published in November 2001 argued that CIDA provided more bilateral development aid to highly corrupt countries than to less corrupt ones; the study called for a reassessment of aid policy.[11]

Bilateral diplomatic relations between the region and the United States became strained after the U.S. State Department decided to deny entry visas to corrupt current and former officials.[12] Days after the announcement in March 2002, the United States cancelled the visas of seven people linked to the Guatemalan government, among them Francisco Alvarado, a personal friend of President Portillo and main financial backer of his campaign, and the retired general and presidential adviser Francisco Ortega.[13] The U.S. embassy subsequently cancelled the visas of two former ministers of the current Guatemalan administration, sending a clear message to the Portillo administration: Washington would not be complacent about corruption.[14]

National

In the last year, government leaders in the region continued to promise to combat corruption. In his inaugural address in January 2002, Honduran president Ricardo Maduro said: 'I shall combat every form of corruption energetically!'[15] In Haiti, President Jean-Bertrand Aristide echoed Maduro's call with a similar rallying cry: 'Zero tolerance of corruption, as well as of waste and abuse.'[16] Despite these declarations, rampant corruption continues to plague Haiti.

To the frustration of citizens, leaders who run on anti-corruption platforms often face allegations of corruption themselves. The governor of Puerto Rico, Sila Calderón, pledged to combat the widespread corruption that had come to characterise the previous administration. By spring of 2002 she was defending herself

Election campaign monitoring in Costa Rica

The issue of campaign financing in Costa Rica has developed into one of the most important issues in electoral politics. Loopholes in party finance regulations, combined with the weakness of official regulatory agencies responsible for enforcing the rules, have allowed corruption to surface in what had hitherto been considered a clean system. Campaigns have become commercial activities, resulting in popular disillusionment with democracy and general apathy. The public increasingly suspects that political campaigns and political parties direct their efforts more towards obtaining funds than winning the confidence and support of the electorate.

Concerned that the authorities had become too lax about the transparency of the electoral process, Transparencia Costa Rica launched a programme to monitor campaign finances during the February 2002 presidential elections, drawing on a technique developed by Poder Ciudadano, Transparency International's chapter in Argentina. In August 2001, the eight presidential candidates were invited to sign a transparency agreement in which they agreed to provide detailed information on their election campaign finances on a regular basis. One candidate refused to sign the agreement and subsequently attempted to discredit the proposed procedures, which included independent monitoring of the candidates' expenses and contributions.

The programme received support from the Costa Rican press from the outset, beginning with an editorial in *La Nación*, the country's leading newspaper, and continuing through the second round of the elections. The monitoring programme revealed that parties undervalued their expenses and failed to declare the full amount of contributions.

It also revealed that one of the leading political parties had made an expense claim that was 22 times higher than the amount of contributions reported in the same period. The party was forced publicly to correct the figures and provide an explanation for the differences. Another influential party was compelled to explain why its list of reported contributors included people who later denied that they had made any contributions at all.

Transparencia Costa Rica renewed its invitation to the two final candidates in the second electoral round to provide information about their sources of income and expenses. Since no public funding is provided to second-round candidates, it was important for the monitoring to continue. The candidate who had initially refused to sign the transparency agreement readily agreed to cooperate during the second round. Monitoring of the advertising costs during this round found that expenses were significantly reduced as a result.

As a result of Transparencia Costa Rica's efforts, transparency in political party financing became a significant issue in the campaign and politics in general. Parties were compelled to discuss their finances openly and make public commitments towards greater transparency in their accounting. The possibilities for illegal or improper financing were significantly reduced. But the programme also exposed loopholes in current regulations governing party finances, as well as the relative inability of officials to enforce them.

Without effective sanctions or proper controls in place, uncontrolled spending is likely to continue in the financing of Costa Rican electoral campaigns. Civil society organisations have begun to discuss how to promote party finance legislation reform with a view to limiting improper finance mechanisms and guaranteeing transparency in party financing. The aim of the initiative would be to reduce overall campaign expenses and increase the involvement of citizens in the monitoring process.

Roxana Salazar

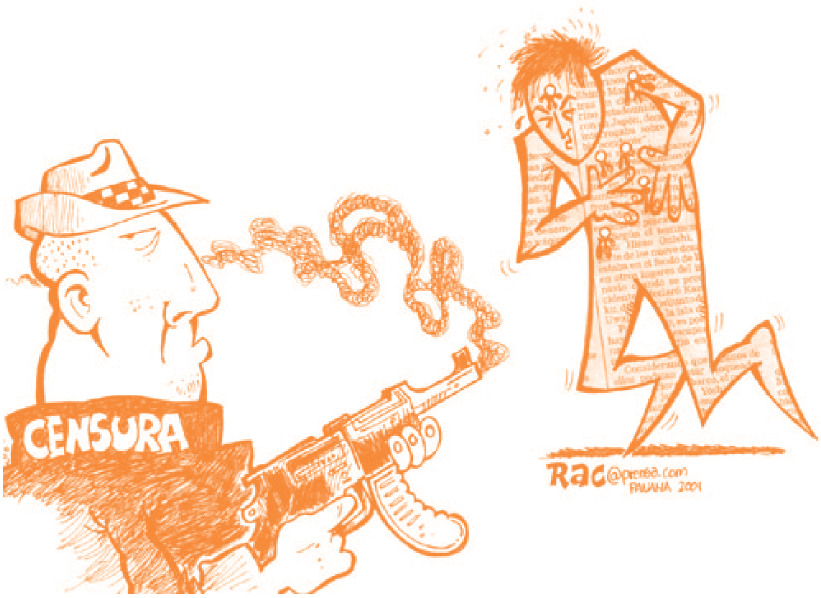
against corruption charges, including allegations that she used public funds to finance her gubernatorial campaign when she was mayor of San Juan.[17]

In Costa Rica, corruption was an important issue in the campaign of Rolando Araya, presidential candidate of the National Liberation Party (PLN), who announced a frontal attack on corruption in September 2001. Five months later, the PLN itself came under attack for not faithfully declaring its campaign funds.[18]

Throughout the region, accusations and counter-accusations of corruption were also tossed between governments and opposition parties in the past 12 months. In February 2002, the Jamaica Labour Party (JLP) announced that it would launch a campaign against corruption in the People's National Party government. Prime Minister P.J. Patterson denied the charges and accused the JLP of having engaged in corrupt behaviour when it was in government.[19]

Similar accusations were made in Trinidad and Tobago, where the government called in a forensic investigator to examine alleged corruption in three public projects: the Inncogen power plant, the desalination plant and the airport expansion project (see box, p. 97). The United National Congress, the main opposition party, likened the investigations to a witch-hunt.[20] In Mexico, the government of President Vicente Fox has drawn attention to deep-rooted corruption in the public entity Petróleos Mexicanos (PEMEX), implicating the Institutional Revolutionary Party in the siphoning of PEMEX revenues to fund an electoral campaign.[21]

The misappropriation of public funds is also at the heart of accusations levelled recently at Guatemalan President Portillo, Vice-President Juan Francisco Reyes and



Rac, Panama

other government officials. Guatemala's *Siglo Veintiuno* and Panama's *La Prensa* accused the officials of creating 'cardboard' companies and opening bank accounts in Panama to divert public funds.[22]

High levels of perceived corruption have accompanied such scandals, as well as the deliberate use of corruption allegations by opposition politicians to win public approval. While Costa Rica is generally perceived to have low levels of corruption, such developments may have contributed to national disenchantment. The results of one survey indicate that Costa Ricans perceive corruption as a phenomenon that reaches across all spheres of society, though it is felt to be most rampant in the ministries.[23]

A survey conducted in Honduras shows that numerous public entities are perceived as corrupt: the judiciary, the traffic administration, the National Autonomous University of Honduras, municipal governments, the army, trade unions, congress and the police. Justifying this mistrust, statistics show that in 2000 and 2001 the police department dismissed or discharged an average of four officers per day, totalling 2,500 for the two-year period.[24] By contrast, the study identified as honest institutions the Central Bank of Honduras, the ministries of security and finance and the National Agricultural Development Bank.[25]

In Mexico, a survey conducted by Transparencia Mexicana found that states were ranked unevenly in terms of corruption, with the Federal District perceived as most corrupt and the state of Colima seen as least corrupt.[26] At the federal level, the UN estimates that 50 to 70 per cent of judges are involved in corrupt activities.[27]

In some cases, officials have been unabashedly complicit in matters of corruption and conflicts of interest – anchoring the public's resignation to corruption in government. After Panama's Anti-corruption Commission made recommendations to eliminate nepotism in March 2002, President Mireya Moscoso blatantly defended the practice: 'If persons who worked on a campaign ask you for a job just because they are relatives in the third degree of consanguinity, you can appoint them if they really need the work.'[28] After only 100 days in government, Nicaragua's president Enrique Bolaños was accused of having more than 25 relatives on the government payroll; the appointment of nephews, cousins, grandchildren and in-laws contradicted the 'moral restoration' promised in his inaugural speech in January 2002.[29]

Despite such discouraging developments, there is some evidence of progress in the fight against corruption. Mexico undoubtedly leads the region in the implementation of anti-corruption measures. Legislation passed during the last year broke a considerable degree of banking secrecy. Other laws concerned the execution of precautionary seizures in connection with officials suspected of involvement in corruption networks; provisions were also made for the investigation of accounts or goods registered under the names of relatives or third parties.[30] The new law on the administrative responsibilities of public servants strengthens Mexico's national programme to combat corruption and extends the statute of limitations for punishing acts of corruption.[31] Of equal importance is a new federal law on access to public information and the introduction of the Tramitanet and Declaranet e-government systems, which add to the existing Compranet (see the box on access to information, p. 98). These measures may help limit the destabilising effects and significant cost of corruption. The World Bank holds that corruption costs approximately 9 per cent of Mexico's gross domestic product, exceeding the country's entire spending on education.[32]

Numerous judiciaries in the region began displaying a great interest in prosecuting former presidents last year. In Honduras, former president Rafael Callejas faces charges that he transferred US $11 million into the secret account of the presidency during his term of office.[33] Former president Leonel Fernández of the Dominican Republic was investigated for corruption during his rule from August 1996 to August 2000.[34] He was questioned about the irregular handling of US $84.3 million from a special account; no charges were brought against him in the end, though a number of his officials appeared in court.[35]

In April 2002, a judge filed charges against former Nicaraguan president Alemán and officials of his government for fraud, embezzlement and the misuse of public funds in connection with a television deal.[36] Despite popular backing for the judge's decision, Alemán has thus far been able to avoid prosecution thanks to his congressional immunity. Since he still controls the ruling Constitutionalist Liberal Party and its congressmen, he remains president of the national assembly, yet he risks losing ground if investigators can demonstrate that he transferred around US $20 million to bank accounts abroad.[37]

As international agencies have begun to link the fight against corruption to the reduction of poverty, this theme has found resonance at the national government level. In Honduras, which the World Bank has numbered among heavily indebted poor countries since July 2000, the government approved a poverty reduction strategy with international support in 2001. In his inaugural address in January 2002, President Ricardo Maduro emphasised the connection between corruption and poverty: 'The corrupt person sins mainly against the poorest in all of our society. The resources he steals could and should be used to eradicate poverty.'[38] This encouraging shift in anti-corruption strategies has begun to take place in some countries of the region.

Yet while some anti-corruption efforts have indeed gained momentum, other measures against corruption produced ambiguous or discouraging results in the past year. In Jamaica, the government may reduce the number of public officials who must submit reports to the Corruption Prevention Commission, so that the work of the commissioners can be more manageable.[39] Proponents of the limit argue that it is not realistic to submit 200,000 annual integrity reports to the commissioners. In the Dominican Republic, a number of anti-corruption bills languished until late 2001, only to be dropped from the agenda. Legislators have not exhibited sufficient interest in these initiatives, in contrast to the speed with which they sometimes approve other bills.[40] In Costa Rica, three bills to combat corruption did not obtain the necessary votes and were filed away by September 2001.[41]

Trinidad and Tobago: from airport corruption to the collapse of government

The construction of Trinidad and Tobago's Piarco Airport terminal building was riddled with corruption allegations from the start. The controversy over an appropriate response to the charges essentially led to the collapse of the government. Investigations into the TT $1.6 billion (US $262 million) development project became a priority only after a new government had been installed.

Corruption charges nearly derailed the project to develop the 13-acre site after the first contract was awarded in March 1997, yet the government of former prime minister Basdeo Panday took no action. After several years of pressure from civil society organisations, the attorney-general launched an inquiry. Investigator Robert Lindquist uncovered evidence of a 'conspiracy to corrupt the contract selection process for the unjust enrichment of the "players" and of defrauding the various state agencies of considerable sums'. The probe's initial results indicated that the tendering system was corrupt, money had been diverted into unauthorised accounts and public funds were abused.

Panday kept the investigator's interim report secret for one year, while calling on the critics of corruption to 'produce the evidence'. In protest, the attorney-general and two cabinet colleagues called for the prime minister to set up a commission of inquiry to pursue the matter further. When that failed, the cabinet members refused to vote on a number of important budget-related bills before parliament.

Their actions brought about the collapse of the government in October 2001 and the ensuing elections in December ushered in a new government under Prime Minister Patrick Manning. True to his campaign promises, Manning called for the completion of the investigative report and appointed a commission of inquiry within a few months of coming to power.

The Lindquist report was finally published. It identified 11 examples of corrupt practices, running the gamut from price fixing and bid rigging to duplicate contract payments and false invoicing. The investigation led to 45 legal charges against two corporations and six influential members of society – including two former finance ministers – for fraud, money laundering and misbehaviour in public office. The cases are still before the courts.

Meanwhile, the ongoing commission of inquiry is engaged in a more comprehensive investigation into the breakdown of the tendering processes involved in the selection of consultants and suppliers. The government is also committed to investigating a series of other contract awards, including the construction of a desalination plant, a private power plant and a school.

In tandem with these developments, Transparency International's Trinidad and Tobago chapter and other non-governmental organisations have submitted proposals to the government for improving the tendering systems and related procedures. Their recommendations will be considered in the parliamentary debate on amendments to the Central Tenders Board Act. The goal is a reliable and transparent tendering process – one that fairly considers competing tenders and entails full public disclosure, unlike the one that made possible the massive frauds perpetrated on the Piarco Airport project.

Mary K. King

Access to information in Central America, Mexico and the Caribbean

Freedom of information legislation has been on the agenda in several countries in the region.

The senate passed Jamaica's Access to Information Act, which will give the public greater access to government information, in June 2002, after two weeks of heated debates. Although the opposition and independent senators withdrew support from two controversial clauses, the government finally secured their approval. One clause excludes from public disclosure documents that relate to the function of the governor-general and the courts, as well as operational or strategic intelligence gathered by the security forces; the other allows the prime minister to issue a certificate of exemption for documents he considers sensitive.[1]

In the Dominican Republic, congress is considering a proposed bill that would amend the Law of Expression and Dissemination of Thought. The initiative, which has been promoted by the local media, proposes to regulate access to official and some private sources of information.[2]

In Panama, a law on transparency in public management was approved in December 2001, granting citizens free access to information on government activities.[3] Only a few days after the legislation was approved, the opposition party denounced the government for refusing to disclose a full copy of the Complementary Arrangement 2002, which was signed with the United States and concerns joint patrolling against drug trafficking.[4] In January 2002, President Mireya Moscoso officially approved and signed the freedom of information act. The law makes provisions for penalising officials who do not comply with its requirements.

In Mexico, congress approved the country's first federal law on access to public information, which is aimed at combating corruption, reducing the discretionary powers of public officials and democratising access to public information.[5] Of particular importance was the introduction of new Internet procedures for making the public administration more transparent.

Such inaction on anti-corruption legislation simply thwarts a country's ability to combat the problem.

Private sector

Only limited information is available on corruption in the private sectors of Central America, Mexico and the Caribbean. While private corruption often goes hand in hand with public corruption, the press, the political opposition and civil society tend to focus their attention on the public administration.

One identifiable trend in corruption that has affected a number of the countries in the region involves the collapse of banks and financial institutions. The Nicaraguan Bank of Industry and Commerce went into bankruptcy in connection with fraud involving more than US $14.1 million; some of the transactions were carried out through linked companies, some of them 'phantoms'. In Panama, savings account holders lost US $24 million when the owner of the investment company

Launched in January 2002, Tramitanet is a clearing house for a large number of federal government administrative procedures and permits, with many application forms available on-line.[6] It is the second major component of the e-México project following the introduction of Compranet, the Internet-based public procurement system that allows companies to bid for federal contracts on-line, making acquisitions open to public scrutiny and reducing opportunities for bribery. The government hopes that 50 per cent of all public tenders in Mexico will be carried out through Compranet by 2004.[7] In January 2002 Mexico also launched Declaranet, an on-line programme for public officials, who will be expected to disclose account details on the Internet.[8] The Organization of American States (OAS) aims to apply the e-government system used in Mexico to other Latin American countries, starting with Peru.

While progress is being made in the area of access to information, the last report from the special rapporteur of the OAS presented several cases of restrictions to freedom of expression.[9] Investigative journalists in particular face hostile and repressive environments, and at least three journalists have been murdered in the region since July 2001. In Costa Rica, Parmenio Medina was murdered in July 2001. He had aired reports on corruption on his popular radio programme *La Patada* (The Kick) on Radio Monumental in San José. Guatemala's Jorge Mynor Alegría, the anchor of an opinion programme on Radio Amatique in Puerto Barrios, was murdered after receiving death threats and being offered bribes to put a stop to his reports on corruption. In Mexico, Felix Fernández, editor of the magazine *Nueva Opción* in Ciudad Miguel Alemán, was murdered after publishing reports about corrupt government officials and their ties to narcotics traffickers. The murders remain unsolved.

1 *Jamaica Gleaner* (Jamaica), 30 June 2002.
2 *Listín Diario* (Dominican Republic), 3 March 2002.
3 *El Universal* (Mexico), 24 January 2002.
4 The new arrangement would allow indiscriminate overflights of the national territory by U.S. military aircraft and the forced boarding by U.S. forces of vessels in Panamanian waters. *La Prensa* (Panama), 8 February 2002.
5 *Reforma* (Mexico), 14 March 2002.
6 www.tramitanet.gob.mx.
7 *El Economista* (Mexico), 19 July 2002.
8 www.declaranet.gob.mx.
9 See www.cidh.org/Relatoria/English/PressRel02/PressReleaIndex02.htm.

Estrellamar transferred their money to the United States and then left the country.[42]

News of misappropriated aid also came to the fore in 2001. In El Salvador, fertiliser for small farmers, donated by the government of Japan, ended up in the hands of the principal importer in the country, Unión Nacional de Importadores de Fertilizantes, and two cooperatives.[43]

On a more positive note, business chambers have begun to play a greater role in the fight against corruption in the last 12 months. The Jamaica Chamber of Commerce, for one, spoke about the need to reduce corruption.[44] The Panamanian Association of Business Executives participated in public activities such as the human chain against corruption, organised by the Citizens' Anti-corruption Movement in March 2002.[45] In Nicaragua in April 2002, the Superior Council of Private Business offered economic support to the attorney-general's office so that it could continue its investigation into corruption.[46]

Civil society

NGOs and other civil society organisations – among them the El Salvador-based group Probidad and the national chapters of TI – have actively denounced acts of corruption over the past year and called for new reform measures.[47]

In Costa Rica, the National Liberation Party – whose declaration of campaign funds was challenged in February 2002 – called upon TI's national chapter to assist it in declaring its funding faithfully. There had been a discrepancy between the data monitored by TI and that reported by the party to the supreme election tribunal.[48]

Civil society has also been active in Guatemala. In response to media accusations that implicated President Portillo and senior officials of his administration in a money laundering scandal known as the 'Panama Connection', the Civic Movement for Guatemala demanded that Portillo and Vice-President Reyes resign from office. The movement – composed of business leaders, retired military personnel, former guerrillas, party members and NGOs – joined other civic organisations in collecting signatures for petitions demanding the president's ouster and in calling for the prosecution of implicated officials on corruption charges.[49]

Panama's anti-corruption organisations – led by the national chapter of TI – were instrumental in promoting a law on transparency in public management, which was approved in December 2001. The public also made its voice heard after a parliamentarian denied that he and his colleagues had received money to approve another law. In response to his announcement, groups of citizens in February 2002 demanded that all legislators waive their immunity so that the public ministry could investigate cases of bribery.[50]

In Mexico, where President Vicente Fox had vowed to submit freedom of information legislation within his first year in office, a group of civil society organisations known as Grupo Oaxaca proposed a draft bill in October 2001.[51] This draft marked the first time a civil society organisation had ever proposed legislation to the Mexican congress. After working on the bill with the group, the legislature unanimously approved a compromise bill in April 2002.[52]

Civil society groups in the region operate in a climate of general mistrust in public institutions. In the Dominican Republic, a newspaper survey published in December 2001 reported that 71 per cent of Dominicans judge the government of President Hipolito Mejía to be corrupt. The survey results are striking when compared with those obtained just a few months earlier, when Mejía took office: 73 per cent of those polled then believed that the president would combat corruption.[53] The reversal in public opinion shows that people did respond to the government's lack of will to combat corruption. A poll conducted in August 2001 in Jamaica revealed that 80 per cent of the population believed the government to be corrupt.[54] In Trinidad and Tobago, 75 per cent of those interviewed in a survey felt that corruption is a serious problem.[55] In Panama a poll revealed that nearly 87 per cent of those interviewed do not believe that the legislative assembly is interested in fighting corruption.[56]

Public awareness of corruption largely depends on investigative journalism, which continues to be an important monitoring tool in the region. In the last year, Journalists Against Corruption (PFC) – a network of more than 600 Latin American reporters – continued to promote investigations into corruption while defending the journalists who suffer from reprisals because of their reports.[57] In November 2001, the organisation was selected as a finalist for the Betinho Prize, an international award that recognises initiatives that have successfully used information and communication technologies to promote social justice and change.[58]

1 The author can be contacted on pablorodas@yahoo.com. He wishes to thank Luis Cifuentes for his assistance in navigating the Internet in search of documents.
2 TI survey of June and July 2001.
3 A case in point is the broad 2001 World Bank Institute study on Honduras, which has served to create a Commission against Corruption.
4 *Europa Press* (Spain), 3 July 2002.
5 The information was presented to officials of the FATF and the U.S. Department of the Treasury. In the same vein, Costa Rica immediately approved a reform of its drug law. *La Nación* (Costa Rica), 5 February 2002.
6 In pursuing oversight mechanisms, cooperating international agencies are still mindful of the experience following the Nicaraguan earthquake of 1972, when the corrupt use of assistance helped undermine the legitimacy of the country's regime. Timothy Cox, 'An Ounce of Prevention: Oversight of Disaster Reconstruction Activities in Central America and the Caribbean', *Journal of Public Inquiry* (fall/winter 2001).
7 See www.summit-americas.org/Quebec-Democracy/Corruption/mainpage-eng.htm.
8 The reports identify phantom contracts in the ministry of communications, overvaluation of licence plates, siphoning of funds by the officials of the ministry of the interior and millions in overdrafts at state banks. 'Latin American Corruption: The Most Outstanding Cases of 2001', Probidad, January 2002.
9 *Prensa Libre* (Guatemala), 25 October 2002.
10 *El Nuevo Diario* (Nicaragua), 17 September 2001.
11 Danielle Goldfarb, 'Who Gets CIDA grants?', *Backgrounder,* C.D. Howe Institute, November 2001.
12 *International Herald Tribune* (US), 13 March 2002.
13 *Prensa Libre* (Guatemala), 23 March 2002.
14 *Miami Herald* (US), 31 March 2002; *Prensa Libre* (Guatemala), 11 June 2002. In response, President Portillo asked the United States to cancel the visas of tax evaders as well. *Prensa Libre* (Guatemala), 13 June 2002.
15 *La Prensa* (Panama), 28 January 2002.
16 Haiti Press Network (Haiti), 7 February 2002.
17 The magnitude of the perception of corruption in Puerto Rico is reflected by the fact that the corruption investigations unit in the local FBI office is among the largest in the Bureau. *Financial Times* (Britain), 25 March 2002.
18 *La Nación* (Costa Rica), 13 September 2001 and 13 February 2002.
19 Cases cited include Jamaica's National Housing Development Corporation, where contracts worth US $74.1 million ended up costing US $381 million, and Netserv, from which funds were siphoned off to a Swiss bank account. *Jamaica Gleaner* (Jamaica), 26 February and 4 March 2002.
20 *Trinidad Express* (Trinidad and Tobago), 6 January 2002.
21 Business Week Online (US), 11 February 2002.
22 BBC News (Britain), 7 March 2002.
23 *Europa Press* (Spain), 29 June 2002.
24 *La Prensa* (Panama), 13 February 2002.
25 The study was supported by the World Bank Institute. *El Tiempo* (Honduras), 12 January 2002.
26 Results of the National Corruption and Good Government Survey, cited by José Vargas and Ramiro Rivero, 'Some Appreciations in Regard to Corruption in Mexico', *Probidad Magazine*, no. 17 (December 2001–January 2002).
27 *Crónica* (Mexico), 9 April 2002.
28 *El Universal* (Mexico), 1 March 2002.
29 *La Prensa* (Panama), 27 February 2002.
30 *Reforma* (Mexico), 14 March 2002.
31 *El Economista* (Mexico), 14 March 2002.
32 *El Universal* (Mexico), 16 April 2002.
33 *La Tribuna* (Honduras), 7 March 2002.

34 *Listín Diario* (Dominican Republic), 21 September and 8 November 2001.
35 Reuters (Britain), 7 September 2001.
36 Agence France-Presse (France), 24 March 2002.
37 *La Prensa* (Panama), 7 April 2002.
38 *La Prensa* (Panama), 22 October 2001.
39 *Jamaica Gleaner* (Jamaica), 17 January 2001.
40 *Listín Diario* (Dominican Republic),18 November 2001.
41 *La Nación* (Costa Rica), 13 September 2001.
42 'Latin American Corruption: The Most Important Cases in 2001', Probidad, January 2002.
43 Probidad, 'Annual Report: Salvadoran Corruption 2001', www.probidad.org.
44 *Jamaica Observer* (Jamaica),15 April 2002.
45 *La Prensa* (Panama), 15 March 2002.
46 *La Prensa* (Panama), 9 April 2002.
47 See www.probidad.org.
48 *La Nación* (Costa Rica), 13 February 2002.
49 Numerous paid announcements appeared in the press in March and April 2002.
50 *La Prensa* (Panama), 27 February 2002.
51 *Reforma* (Mexico), 14 March 2002.
52 See Kate Doyle, 'Mexico's New Freedom of Information Law', www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB68/index4.html.
53 *Hoy* (Dominican Republic), 5 and 6 December 2001.
54 *Jamaica Gleaner* (Jamaica), 17 September 2001.
55 *Trinidad Express* (Trinidad and Tobago), 10 September 2001.
56 *El Universal* (Mexico), 24 April 2002; *Panama News*, 23 February–8 March 2002.
57 PFC is managed by Probidad.
58 See www.portal-pfc.org/english/reports/200201.html.