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## FEATURED Q&A

# Have Corruption Issues Weakened Mexico's President?



Rather than presenting clear evidence denying any conflict of interest, President Andrés Manuel López Obrador has attacked journalists reporting on alleged corruption in Mexico, Alma Caballero writes below. // File Photo: Mexican Government.

**Q Mexican President Andrés Manuel López Obrador has faced questions recently about his eldest son's rental of a luxury home in Houston that was owned at the time by an executive of a main contractor of state-oil company Pemex. López Obrador's son and his partner said they rented the home at fair-market value and deny any wrongdoing. But the revelations have led critics of the president to question his image as an anti-corruption crusader, and López Obrador has lashed out at journalists who have been covering the story. How is the case affecting López Obrador's agenda and public support? How well has the Mexican president handled questions about the case? More than halfway through his six-year term, how well has López Obrador fought corruption in his own administration?**

**A Andrés Rozental, member of the Advisor board and president of Rozental & Asociados:** "Given that López Obrador was elected president largely on his anti-corruption promises, and that he has proven to be largely ineffectual in actually reducing or ending corruption in the public sector, it shouldn't be surprising that any evidence of conflicts of interest or misdeeds among his own family or those close to him would be singled out and duly publicized by media and other civil society organizations. AMLO's image as an anti-corruption crusader had already been damaged by two of his brothers receiving bags of unregistered cash for political campaigns and by family members having close ties to public sector projects, as well as by other government officials seen as corrupt but who are not being investigated or prosecuted. In the case of his eldest son's rented house in Houston, instead of simply

Continued on page 2

## TODAY'S NEWS

### POLITICAL

## Nicaragua Sends More Political Prisoners to Trial

Former Nicaraguan presidential hopeful Cristiana Chamorro and one of her brothers were among five people formally placed on trial Thursday.

Page 2

### POLITICAL

## United States to Resume Some Visa Services in Cuba

The U.S. government on Thursday said that it would resume some processing of immigrant visas in Cuba more than four years after halting that service locally.

Page 2

### ECONOMIC

## Argentina's \$45 Bn Deal With the IMF Heads to Congress

Just weeks before a deadline to make scheduled debt payments, Argentina has secured a \$45 billion deal with the IMF to restructure debt from its 2018 bailout. The IMF team, led by Julie Kozack and Luis Cubeddu, called the agreement a "pragmatic and realistic program."

Page 3



Kozack // File Photo: IMF.

## POLITICAL NEWS

## Nicaragua Sends More Political Prisoners to Trial

Former Nicaraguan presidential hopeful Cristiana Chamorro and one of her brothers were among five people formally placed on trial Thursday, the Associated Press reported. Chamorro, 68, was arrested June 2 and prevented from campaigning for the Nov. 7 vote, which helped clear the way for President Daniel Ortega's re-election in what international observers called a sham election. She was taken under heavy guard to the El Chipote prison in the capital, according to the Nicaraguan Center for Human Rights. Chamorro, her brother Pedro Joaquín Chamorro and three former employees of the Violeta Barrios de Chamorro Foundation will be tried for money laundering and other alleged crimes. She denies wrongdoing and is the daughter of former President Violeta Barrios de Chamorro, who governed the Central American country from 1990 to 1997. Ortega's government has jailed more than 150 Nicaraguans on "false charges and without due process," according to a recent Inter-American Dialogue [event](#), and more than 170,000 Nicaraguans fled the country last year, more than half for the United States. In November, Ortega's government announced its withdrawal from the Organization of American States,

which has condemned "the persecution and arbitrary detention" of Nicaraguans and urged the immediate release of all political prisoners, Confidential reported. Last month, Hugo Torres, 73, a former ally of Ortega and political prisoner, died in detention after concerns were repeatedly expressed about his wellbeing.

## U.S. to Resume Some Visa Services in Cuba

The U.S. government on Thursday said that it would resume some processing of immigrant visas in Cuba more than four years after halting that service locally, the Associated Press reported. Most U.S. diplomats were withdrawn from Cuba in 2017 after the administration of then-President Donald Trump accused the country of targeting some staff at the embassy with weapons that caused lingering and sometimes serious brain injuries. Cuba denies the allegations, and U.S. medical authorities have yet to come to agreement on the cause of the illnesses, which have been reported by government employees elsewhere in the world. The Havana embassy's chargé d' affaires, Timothy Zúñiga-Brown, announced that the consulate would begin processing some immigrant visas for which documentation already is complete, though a statement did not give a date, and the service in Havana will be limited in scale. "As we work toward this goal, Embassy Georgetown in Guyana will remain the primary

## NEWS BRIEFS

## Jamaican Opposition Calls for Action on Fuel Prices

Jamaica's opposition party on Thursday called on state-run oil refinery Petrojam to suspend its market-oriented pricing practices in order to ease the burden of higher costs on local consumers and businesses, the Jamaica Gleaner reported. Global oil prices have risen past \$100 per barrel in the wake of Russia's invasion of Ukraine last month. However, Minister of Science, Energy and Technology Daryl Vaz responded by saying the proposal would have to be discussed at the cabinet level instead of the company's, as any change to Petrojam's pricing model would have fiscal implications.

## Brazil Posts Strongest Trade Balance in Five Years in February

After registering a deficit in January, Brazil's trade balance in February recovered to its highest monthly surplus in five years, state news agency Agência Brasil reported Thursday. Last month South America's largest economy exported \$4.5 billion in goods more than it imported. Both imports and exports hit a record in February. One of the main factors for the gain was the appreciation of commodities prices, according to the report.

## SoFi Technologies Buys Technisys for \$1.1 Billion

San Francisco-based personal finance company SoFi Technologies said Thursday it had acquired Technisys, a digital banking platform. Together, the companies have 100 million enabled customer accounts across the United States, Mexico and Colombia, and more than 60 established bank, fintech and non-financial brands in Latin America and the United States, the companies said in a statement. Forbes reported last month that the previously announced all-stock transaction was valued at approximately \$1.1 billion.

## FEATURED Q&amp;A / Continued from page 1

proving with documents that there was no conflict of interest, López Obrador took it as a personal attack and even accused the United States of harboring a conspiracy against him. Corruption is still rampant in Mexico's public sector, and AMLO's so-called Fourth Transformation of the country hasn't made much of a difference. López Obrador has himself never been transparent about how he funded his previous political campaigns, or how he lived '...without a bank account, credit cards or formal income' after he left his job as Mayor of Mexico City in 2005 and

during his two unsuccessful presidential campaigns in 2006 and 2012. Together with his promise of high economic growth for Mexico during his six-year term, López Obrador's anti-corruption rhetoric will be just that: lots of speeches, with little or no results."

**A** **Alma Caballero, director at McLarty Associates:** "The case regarding President López Obrador's son, José Ramón López Beltrán, has become one of the biggest crises of his term, and has led

Continued on page 4

processing location for Cuban immigrant visa applicants,” the embassy said in a statement. Zúñiga-Brown, who was appointed to run the embassy in July 2020, said “immigrant visa services serve as a safe and legal pathway for family reunifications.” As Cuba’s economy struggles with currency problems and shortages of essential goods, migration has been on the rise, according to authorities. On Thursday, 36 Cubans who were apprehended this week in the waters off Key West, FL, were repatriated by U.S. Coast Guard enforcement officers, the Miami Herald reported.

## ECONOMIC NEWS

### Argentina’s \$45 Bn Deal With the IMF Heads to Congress

Just weeks before a deadline to make scheduled debt payments, Argentina on Thursday secured a \$45 billion deal with the International Monetary Fund (IMF) to restructure debt from its 2018 bailout, the Financial Times reported. The IMF team, led by Julie Kozack and Luis Cubeddu, said the agreement is a “pragmatic and realistic program, with credible economic policies to strengthen macroeconomic stability and start to address Argentina’s deep-rooted challenges to sustainable growth.” The amount is equivalent to 1,000 percent of the IMF’s quota, the Fund said in a statement, which added that the plan seeks to address persistently high inflation and allow the country to return to the international capital markets, as well as strengthen investment in key strategic sectors of the economy. Argentina’s congress still needs to sign off on the deal, which involves reducing energy subsidies that may prove unpopular with voters. Electricity and gas prices could rise 150 percent for some consumers under the terms of the new deal, a government spokeswoman said. If approved, Argentina would start paying back the IMF starting in 2026, with full repayment by 2034, according to the report. [Editor’s note: See related [Q&A](#) in the Feb. 24 issue of the Advisor.]

## SUBSCRIBER NOTICE

### María José Cortés Joins the Weekly Energy Advisor Board

We are pleased to announce that María José Cortés has joined the Board of Advisors of the Dialogue’s weekly [Energy Advisor](#).

María is the head of ESG for Atlas Renewable Energy, where she leads the environmental, social and governance aspects of Atlas’ business globally and the company’s sustainability approach, both at the corporate level and across its projects.

She is a faithful believer in two premises: that progress is not progress if it is not for everyone, equitably, and that the renewable energy industry can be a force for good.

She was responsible for creating the company’s ESG Department, positioning it as a benchmark in the renewable energy industry. Since then, she and her team have launched initiatives that have been recognized with multiple awards.

Under her management, Atlas’ ESG team has been recognized for its environmental activity to preserve and protect the howler monkey. This work has included the conservation of 300 hectares of secondary vegetation in an evergreen forest, the creation of biological corridors to connect forest patches that surround one of the company’s plants, and the conservation of the black howler monkey’s habitat in Mexico.

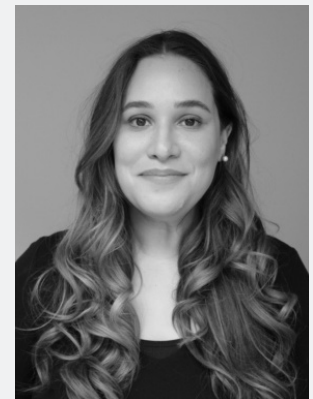
Her team’s vision also led to the creation of Atlas’ award-winning social program, “We are all part of the same energy.” The program aims to increase the participation of underrepresented groups by training and employing them in the region.

Most recently, the program trained 1,000 women across Latin America and elevated female participation in the renewable energy industry from an average of 2 percent to 15 percent. This program was also implemented to increase the representation of Afro-descendants in Brazil, reaching over 76 percent of the total labor hired during the construction of one of the company’s plants in the country.

Before joining Atlas, María worked for Engie Mexico, leading and supervising compliance with IFC Performance Standards and Equator Principles for the company’s renewable generation portfolio and oil & gas assets.

In her previous role, she oversaw the design and implementation of both the stakeholder engagement and social impact investment strategies for an 854-kilometer natural gas pipeline owned by PEMEX Holding, part of Mexico’s state-run petroleum company..

María holds a sociology degree from the National Autonomous University of Mexico and a specialty in Latin American and Latino Studies from the University of California.



Cortés // File Photo: Atlas.

## FEATURED Q&amp;A / Continued from page 3

many to question the credibility of AMLO's anti-corruption and austerity rhetoric. While the president and his son have sought to clarify the source of López Beltrán's income and deny any wrongdoing, their explanations have been weak and have prompted more scrutiny over existing links between AMLO's family and government contractors. Rather than presenting clear evidence denying any conflict of interest, AMLO has attacked Carlos Loret, the journalist who published the investigation, and illegally revealed disputed income data while asking tax officials to investigate him. The president's move against the media's reporting of possible conflicts of interest in his government came days after The Economist's 2021 Democracy Index downgraded Mexico to a 'hybrid regime' due in part to media attacks, with ten journalists killed in January and February alone. Recent survey results suggest that this scandal revelation may have significantly contributed to AMLO's 13-point decline in approval ratings in February (54 percent, down from 67 percent in December 2021)—the lowest rating of his presidency thus far. Unfortunately, corruption will continue to undermine democracy and human rights in Mexico as a growing number of scandals involving close associates of the president emerge and major corruption cases in the country go unpunished."

**A** **Jonathan Hiskey, professor in the Department of Political Science at Vanderbilt University:** "In considering the impact that recent reports of irregularities involving the rental of a house in Houston to the son of Mexican President López Obrador (AMLO), it is doubtful that at this point in his presidency such an incident will make much of a dent in AMLO's level of public support. From his attack on Mexico's widely heralded Transparency and Access to Information Institute (INAI) to the multiple scandals involving his family members

over the years, Mexicans have had ample opportunity to evaluate AMLO and his standing with regard to corruption. A recent Reforma poll (conducted in late November of 2021, prior to this incident), suggests that many do not view the fight against corruption as a strength of AMLO. Only 39 percent of respondents thought that he was doing a good job in combating corruption, while close to 50 percent said he was doing poorly. These numbers may indeed worsen in upcoming weeks on the heels of this most recent incident, but for the most part,

**“** **Mexicans have had ample opportunity to evaluate AMLO and his standing with regard to corruption.”**  
— Jonathan Hiskey

it seems that most in Mexico have made up their minds one way or the other regarding AMLO's anti-corruption bona fides. AMLO's overall approval ratings, however, continue to hover around 60 percent, suggesting that his supporters are willing to look past his policy and alleged personal failings in the area of corruption. Indeed, the occasional high-level incident of corruption involving AMLO or one of his family members does not appear to move the needle much in terms of the president's overall support. Rather, the focus of much of the Mexican public appears to be on the pervasive insecurity they confront on a daily basis and the country's faltering economy. It is in these areas where AMLO's lack of progress may ultimately undermine his public standing."

*Editor's Note: The Advisor invited Mexico's embassy in Washington to comment on the question above, but did not receive a response by the time the publication was circulated.*

## 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)

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