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## FEATURED Q&A

# Is Corruption in Uruguay Shaking the Public's Trust?



Uruguayan President Luis Lacalle Pou's government is facing a scandal that began over fake passports. // File Photo: Uruguayan Government.

**Q A scandal that began with an investigation into fake passports in Uruguay has expanded to accusations that Alejandro Astesiano, a bodyguard to President Luis Lacalle Pou, used his official contacts to sell information obtained through government-developed spy software to business executives. Astesiano denies the accusations, but the developments have dented Uruguay's reputation as a country of little corruption. How much of a test is the scandal for Uruguay's institutions, and how well are they performing? To what extent do the developments cause problems for Lacalle Pou's government? How should his government respond to the scandal, and what additional actions should it take in order to prevent and fight corruption?**

**A John Polga-Hecimovich, associate professor of political science at the U.S. Naval Academy:** "While there is a worry that the breadth and depth of the Astesiano scandal—which is still unfolding—may weaken domestic perceptions of the quality of Uruguay's democracy and transparency, the country's institutions are well-positioned to withstand its fallout. Uruguayan trust in democracy is the highest in Latin America, and corruption perceptions are the lowest. These tendencies don't change overnight. Moreover, the public prosecutor's office has already taken swift action against Astesiano, demonstrating its institutional autonomy and probity as well as intolerance for this type of public corruption. Internationally, the scandal's effect on Uruguay's reputation will probably be muted given the level and scope of other corruption scandals in the Americas. With that being said, the accusations are embarrassing for the Lacalle Pou government, which was elected on

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## TODAY'S NEWS

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## Trial of Former Mexican Security Chief Starts in U.S.

Former top Mexican security official Genaro García Luna went on trial Tuesday in the United States on charges of accepting bribes in exchange for helping the Sinaloa drug cartel.

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### BUSINESS

## Petroecuador CEO Among 12 Fired in Ecuador

Ecuador's government on Tuesday fired the heads of 12 state-run companies, including state oil company Petroecuador, in response to corruption allegations.

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### POLITICAL

## Brazil Charges 39 in Connection With Brasília Riot

Authorities in Brazil charged 39 people in connection with the Jan. 8 riot in which supporters of former President Jair Bolsonaro attacked government buildings. Current President Luiz Inácio Lula da Silva also removed 40 troops tasked with guarding the palace.

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Lula // File Photo: @LulaOficial via Twitter.

## POLITICAL NEWS

## Brazilian Authorities Charge 39 in Riot by Bolsonaro Backers

Prosecutors in Brazil have so far charged 39 people in connection with the Jan. 8 riot in the country's capital, in which thousands of supporters of former President Jair Bolsonaro broke into and ransacked the buildings housing the country's Congress and Supreme Court as well as the presidential palace, the Associated Press reported Tuesday. The office of Brazil's prosecutor-general has also requested that the defendants be imprisoned for preventative reasons and that authorities freeze 40 million reais (\$7.7 million) of their assets in order to help pay for the damages. The defendants stand charged with armed criminal association, engaging in a violent attempt to subvert the democratic state of law, causing damage to public property and staging a coup, the AP reported, citing a statement from the prosecutor-general's office. The people charged "attempted, with the use of violence and serious threat, to abolish the democratic rule of law, preventing or restricting the exercise of constitutional powers," alleged a statement included with the charges, the AP reported. The rioters were not charged with terrorism because Brazilian law requires such a charge to involve xenophobia or prejudice that is based on race, ethnicity or religion, the wire service reported. The names of the people charged have not been released. Also this week, Brazilian President Luiz Inácio Lula da Silva removed from their posts 40 troops tasked with guarding the presidential palace, Reuters reported, citing the government's national gazette. Most of the military members who guard the palace belong to the army, though some are members of the navy and air force as well as a militarized police force, Reuters reported. Last week, Lula said some members of the palace's security force were complicit in allowing rioters to enter the government buildings. "The events that transpired in Brasília are a strong reminder that Lula must navigate the next four years with a

limited popular mandate in a deeply polarized country," Cecilia Godoy, an analyst at FrontierView, told the Advisor in a [Q&A](#) published Jan. 13. "If Lula's economic and social promises do not succeed, his new government may face serious legitimacy difficulties not only among the far-right voters but also with a more centrist electorate," Godoy added.

## Trial of Former Mexican Security Chief Starts in U.S.

Mexico's former top security official, Genaro García Luna, went on trial Tuesday in the United States over charges that he accepted millions of dollars in bribes in exchange for helping the brutal Sinaloa Cartel move drugs and its members avoid capture, the Associated Press reported. García Luna, who has pleaded not guilty, served as the equivalent of the FBI director in the United States, under ex-President Felipe Calderón, who declared war on

**García Luna is accused of accepting bribes in exchange for helping the Sinaloa drug cartel.**

the country's cartels in his term between 2006 and 2012. Prosecutors accuse García Luna of accepting tens of millions of dollars, often stuffed in briefcases, and allege that he continued to live off ill-gotten proceeds even after he moved to the United States, where he was arrested in 2019. García Luna's defense claims he was working as a legitimate businessman. Jury selection is scheduled to continue today in the trial, which is expected to take place over the next eight weeks, according to the report. García Luna, 54, is the highest-ranking Mexican official to face trial in the United States on drug-trafficking charges, the Los Angeles Times reported. While U.S. prosecutors see the case as a landmark, the judicial proceedings could also spotlight shortcomings in the bina-

## NEWS BRIEFS

## Nearly a Quarter-Million Migrants Crossed Darién Gap Last Year

Nearly a quarter-million migrants crossed the Darién Gap between Colombia and Panama in 2022 on their way north, the Associated Press reported Tuesday, citing data from the International Organization for Migration. That figure is nearly double the number of migrants estimated from a year earlier, the U.N. agency said. The number of Venezuelans following the route increased over 50 times last year, compared to 2021, reaching 150,327. Nationals of Venezuela were followed by Ecuadoreans (29,356), Haitians (22,435) and Cubans (5,961).

## Glencore Mine in Peru Operating at 'Restricted' Capacity Amid Unrest

Glencore's Antapaccay copper mine in Peru is operating a "restricted" capacity amid violent anti-government protests, Reuters reported Tuesday, citing an unnamed source at the company. The facility sustained an attack last week during a protest. More than 40 people have been killed in protests in recent weeks in Peru, following Congress' removal last month of President Pedro Castillo.

## Cubico Sustainable Investments Acquires Brazil Solar Project

London-based Cubico Sustainable Investments, a privately owned renewable energy company, said Tuesday it has acquired Project Sobral, a 1 gigawatt solar photovoltaic project under development in Brazil, from ZEG Energias Renováveis. Located in the state of Ceará, Project Sobral is one of the largest solar development projects in the country and is expected to generate more than 2,000 GWh per year, or enough energy to power approximately a million Brazilian homes, the company said in a statement.

tional fight against organized crime groups and embarrass U.S. government officials responsible for narcotics cooperation at the time of the alleged crimes, according to a report from InSight Crime on Tuesday.

## BUSINESS NEWS

# Petroecuador CEO Among 12 Executives Fired by Government

Ecuador's government on Tuesday fired the heads of a dozen state-owned companies, including Hugo Aguiar, the chief executive of state oil firm Petroecuador, in response to graft allegations, Bloomberg News reported. Although none of the executives have been directly accused of wrongdoing, the overhaul is aimed at restoring trust amid local media reports of employees abusing their roles in government-owned firms for private benefit. The executives were ordered to step down in a letter signed by Joaquin Ponce, who heads EMCO, the holding company that controls the nation's state-owned enterprises, according to the report. Meanwhile, legislators in Ecuador's National Assembly on Tuesday called for an investigation into corruption in President Guillermo Lasso's administration, suggesting they may call a special commission to investigate the matter. Audio recordings released last week revealed officials at state-run companies allegedly asking for money in exchange for granting positions in the firms, El Universo reported. The president's brother-in-law, Danilo Carrera, is one of the individuals allegedly identified in the leak, according to the report. The president has defended Carrera's reputation. A number of the companies involved in Tuesday's reshuffle operate in the Andean nation's important energy sector. The country currently produces oil at an average of 482,000 barrels per day (bpd) of oil, according to the central bank, a figure that will need to rise by 35,000 bpd to meet the state budget's expectations for next year. [Editor's note: See related [Q&A](#) in the Dec. 2 issue of the weekly Energy Advisor.]

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a law-and-order platform, and they weaken the president's political capital. The extent to which developments ultimately affect governance depends on what other details emerge. Although leaked messages from Astesiano's phone may implicate members of Lacalle Pou's cabinet, the president has done his best to distance himself from those involved and, so far, the scandal hasn't dented the unity of the government's right-wing coalition. Right now, the president appears content to let justice play out. That is a smart decision. To help restore public trust, the public prosecutor's office and others must determine the full nature and extent of the illegal activities related to Astesiano and clarify any additional government involvement—and then hold those responsible to account.”

**A** **Martin Weinstein, professor emeritus of political science at William Paterson University of New Jersey:** “The scandal over President Lacalle Pou's security chief, Alejandro Astesiano, is a blow to Uruguay's reputation as the least-corrupt country in Latin America. He is accused of heading a criminal enterprise that sold Uruguayan passports for as much as \$100,000 each to anyone who could pay. The software misuse allegedly he may have facilitated involves the potential spying of businessmen on the country's politicians. There is another scandal that may have even wider implications. Sebastián Maset, the accused head of a drug smuggling ring in Uruguay and wanted by Interpol in connection with the smuggling of tons of cocaine from Paraguay to Europe via Uruguay, received a Uruguayan passport after being detained in Dubai with a false Paraguayan passport. He was thus able to avoid authorities by exiting through the United Arab Emirates. Deputy Foreign Minister Carolina Ache Batlle resigned over this incident, and the opposition leftist coalition (Frente Amplio) has called for the resignation of the minister of the interior and

the minister of foreign affairs. President Lacalle Pou has been slow to respond to these scandals and saw his approval rating decline five percentage points to 44 percent in December. The beginning of summer, with most Uruguayans on vacation or at the beach, has slowed down congressional and justice department investigations, but that will surely change come fall. The Frente Amplio is feeling much better about its chances in the 2024 elections and will surely investigate these scandals aggressively in the legislature. Lacalle Pou and his administration will have to be much more forthcoming in order to minimize the damage to his and Uruguay's image. While, it does seem that both will take a hit, Uruguay's democratic political culture—the strongest in Latin America—ensures that its institutions will weather the storm.”

**A** **Daniel Buquet, professor of political science at Universidad de la República in Uruguay:** “The arrest of President Lacalle Pou's chief of security generated a strong impact in various areas. Initially arrested on charges of participating in the forgery of passports, over the weeks, various criminal activities in which he allegedly participated became known. In the international arena, it was striking that such a high-level scandal occurred in a country with a long reputation for low corruption. To maintain the international image of Uruguay, it is very important that the investigation clearly determines the people responsible, especially those in the government. A second relevant impact has been observed in the drop in government approval, which was revealed through various public opinion polls in the context of the investigation into Astesiano's alleged crimes, along with the repercussions for issuing a Uruguayan passport to a drug trafficker arrested in Qatar. In this area, the government did not adequately handle the crisis. The first reactions showed surprise and some naïveté, and it became apparent

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that a proper crisis management operation was not put in place. Even in the case of government corruption being low, there appears to be, at least, a lack of foresight and professionalism to deal with this type of situation. Finally, the scandal created concern among the government coalition partners, who sought to blame the president's party, and led to the resignation of the undersecretary of foreign relations of the allied Colorado party. Until now, the government has not been able to put an end to the situation, which may worsen depending on the progress of the investigation."

**A** **Santiago Previde, Latin America analyst at FrontierView:** "Uruguay has long been considered a transparency stronghold in a region where corruption seems chronic and endemic. But what started as an investigation into passport falsifications has now expanded to an illegal espionage accusation at the highest levels of power, raising questions about the integrity of the Uruguayan president and his administration. Moreover, the Astesiano scandal bears resemblances with the Marset case, where one of Uruguay's top alleged drug traffickers, Sebastián Marset, obtained a passport and diplomatic assistance through the Uruguayan ministry of foreign affairs and escaped imprisonment in Dubai after local authorities had detained

him for traveling with fake documents in October 2021. In both cases, President Lacalle Pou distanced himself from the accusations, said he would not interfere with the investigation and forced high-profile resignations, including that of the vice minister of foreign affairs and the deputy director of the na-

**“What started as an investigation on passport falsifications has now expanded to an illegal espionage accusation at the highest levels of power...”**

— Santiago Previde

tional policy. While Lacalle Pou successfully contained the political situation, doubts on Uruguay's pristine reputation are naturally increasing. New cases of 'rotten apples' are likely to appear again, since Uruguay's criminal landscape has worsened in recent years amid higher levels of violence, the appearance of native gangs and the globalization of criminal networks. Actions like making the national police's intelligence capabilities and stronger anti-money laundering/countering financial crime policies more sophisticated would help to decrease Uruguay's corruption levels in the medium term."

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