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COSTA RICA

Botched Bank Heist Leaves 9 Dead

After 28 tense hours, a stand-off between police and a bank robber near the popular tourist destination of Monteverde finally came to an end, but not before nine people were killed and 17 were injured in the normally peaceful mountain village of Santa Elena, near the popular tourist destination of Monteverde located in the Pacific coastal mountains. The dead included two bank robbers, one policeman and six others who were either bank employees or customers.

The botched bank robbery began on 8 Mar, when four heavily-armed men attempted to rob a branch of the National Bank in Santa Elena. However, a private security guard saw the armed men heading for the bank entrance and warned a guard inside the bank, who locked the main entrance and warned everyone to hit the floor. When the assailants discovered the locked door, they began shooting at it with automatic weapons, and in so doing killed several people and wounded others inside the bank. The thieves were armed with a stolen police assault rifle, an AK-47 and several pistols. Two of the robbers were shot dead in the street by bank security guards, while one robber entered the bank and another fled the scene on foot.

After the lone gunman entered the bank and took everyone hostage, he barricaded himself in an office with several bank employees and eventually began to negotiate with the police by telephone. During the night, 15 of the hostages managed to escape or were released by the robber while several others bled to death on the floor. The next day, police tactical units stormed the bank with guns blazing and were met with automatic gunfire from the bank robber, who wounded two policemen, one fatally. Because the gunman retreated to a back room with several hostages and threatened to kill them, the stand-off continued through the afternoon and into the early evening before the frustrated bank robber finally gave himself up to police without further injury to anyone.

While many tourists quickly left Santa Elena, Costa Ricans were riveted to their televisions as news crews broadcast live coverage of the events. After the saga ended, Minister of Public Security Rogelio Ramos gave a news conference to clarify some of the details, name the suspects, identify the dead and wounded, and defend the actions of his officers. Ramos stated that he believes this violent group of

bank robbers has committed a series of armed robberies and murders during the past year in Costa Rica, especially along the Pacific coast.

Second-Generation Forests

Although areas cleared for lumber or agriculture often bounce back and appear as healthy as virgin uncut forests, recent research suggests that the health of the forest may be only skin deep. According to a paper published in the influential magazine *Science*, researchers from the University of Connecticut studying in Costa Rica found evidence that many of the region's second-generation forests lack genetic diversity. In the 11 Feb report, ecologists using genetic sampling techniques, much the same as ones used in criminology and paternity tests, found a wide disparity between the genetic composition of palm trees growing in a recently cleared patch and those growing in a neighboring piece of land that has never been cut.

The group studied the DNA sequencing of the palm species *Iriartea deltoidea*, a wide-ranging species that makes up 5%-10% of rainforests throughout Central and South America. The study, which took place in the *La Selva* Biological Reserve, concluded that seeds from two of the possible 66 mature trees in the old-growth forest were the biological "parents" of more than half of the trees found growing in the neighboring second-growth forest. It is not immediately clear to the researchers why the two trees were able to populate so many offspring.

The professor leading the study, Robin Chazdon, stated that tree populations with low bio-diversity, like the ones found in the study, are more susceptible to the effects of disease, pests, drought and other climate changes. Chazdon went on to say that this lack of genetic diversity would take dozens of generations to create what is currently found in primary rain forests. In an era where more and more primary forests are being cut down and replaced by secondary forests, biologists have urged greater protection of the few remaining stands in Costa Rica, and around the world, to ensure genetic diversity.

Central Bank Defuses Budget Crisis

On 3 Mar, the executive president of the Central Bank of Costa Rica, Francisco de Paula Gutiérrez, dismissed allegations made by Social Christian Unity Party (PUSC) legislators that the Ministry of Finance had \$158 million more in its budget than it actually needed. Due to his expertise in financial dealings as head of the Central Bank, de Paula was called in by President Pacheco as an arbitrator to help solve the problem between members of his own PUSC party and the Ministry of Finance. After nearly two weeks of reviewing the budget for the Ministry of Finance, the Central Bank found that the ministry did not over-state its needs and there was not a \$158 million surplus. PUSC legislators hoped to use the supposed surplus to fund social programs.

After doing calculations on their own in Jan, PUSC legislators believed that a surplus was available. Soon after, the PUSC leader in the Legislative Assembly, Federico Vargas, demanded publicly that, if the Ministry of Finance was over-budgeted, the extra money should be immediately released to pay for social programs. Despite repeated assurances by the Ministry of Finance that its budget was sound, the PUSC legislators called for an official inquiry into the matter.

The main area of concern in the Ministry's budget was money allocated to pay government bonds. In its '05 budget, the Ministry of Finance calculated that it would need \$664 million to service the country's internal debt (which is mostly in the form of government bonds) at an interest rate of 19.8%. However, using previous budgets as guides, PUSC legislators believed the interest rate should be around 14%, resulting in a reduction of about \$506 million and leaving a \$158 million budget surplus in the Ministry of Finance, which legislators could use to fund the country's social programs.

The matter was further complicated by the sour relationship between the Minister of Finance, Federico Carrillo, and Legislator Vargas. Carrillo, the third Minister of Finance during Pacheco's mandate, has been accused of being too young and lacking political tact, while Vargas has been unrelenting in his efforts to find more money to fund the nation's cash-starved social programs.

ICE-Alcatel Corruption Dates to '91

Recent findings by the Costa Rican media suggest that the cozy relationship between the French telecommunications company Alcatel and the Costa Rican Institute of Electricity (ICE) date back to at least '91. Documents obtained by *Telenoticias*, a Costa Rican TV news program, show that in '91 Alcatel received drafts of proposed ICE projects in advance of other telecom companies and paid out commissions to ICE and government "insiders" (lobbyists, brokers and former officials) through smaller companies to win contracts.

The documents released by *Telenoticias* include correspondence and references to several men who are implicated in the current ICE-Alcatel scandal (Vol. 23, No. 10). Among the most notable are Alfonso Guardia Mora, cousin of former President Rafael Ángel Calderón and owner of the Eurocomer company, and Leonel Barrios, advisor to Alcatel, who was vice-president and owner of two telecom consulting firms, Tirnsa and Intelmar.

In the message released by *Telenoticias*, a manager of Tirnsa, Frank Fiore, wrote to Alfonso Guardia on 20 June '91 saying, among other things, that "... Intelmar will pay Eurocomer a commission of 5% of the total cost of the 25,000 telephone lines that ICE will acquire as an extension of our representative Alcatel." The multi-million dollar contract was eventually given to Alcatel, greatly due to the efforts of the then-Minister of Labor Carlos Manuel Monge Rodríguez, who also happened to be the vice-president and half-owner of Eurocomer, which received a 5% commission check from Alcatel. In all, four out of the five contracts mentioned in the communiqués were eventually awarded to Alcatel over the next six years.

For its part, ICE said that it would launch an investigation into the matter and had already activated security measures designed to protect its documents relating to Alcatel. In the past several months, Costa Rica has been racked by scandals involving "commissions" paid by Alcatel agents to former presidents Rafael Angel Calderón and Miguel Angel Rodríguez, ICE directors, and other lobbyists. However, these findings suggest that corruption among the higher echelons of ICE management and among influential political leaders was an institutionalized practice for much longer than was previously acknowledged.

—Cory Schott