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NICARAGUA

Extortion Scandal Revealed

A secretly tape-recorded extortion attempt by a high-ranking Sandinista official has turned into a massive scandal for the government of President Daniel Ortega.

The taped conversation was revealed 27 May by controversial property developer Armel González, who took his story to the weekly investigative TV news program *Esta Semana*, hosted by journalist Carlos Fernando Chamorro, son of former President Violeta Chamorro and legendary journalist Pedro Joaquin Chamorro.

On the tape, Gerardo Miranda, a former Sandinista congressman and current Nicaraguan consul to Liberia, Costa Rica, is heard telling González that he can help sort out his land problems for \$4 million. González, owner of the luxurious Arenas Bay development on the southern Pacific coast of Nicaragua, has had an ongoing dispute with a local Sandinista agricultural cooperative that claims he stole the land from them. González claims his group bought it properly from the cooperative in '04.

The cooperative invaded the developer's property late last year and three *campesinos* were shot in their legs by the private security forces for the property. The cooperative has since moved back in on part of the property, resulting in a tense standoff with the developers. The cooperative claims it is not taking orders from Sandinista higher-ups, but some are suspicious that they are being used to put the squeeze on developers such as González.

González said he happened to bump into Miranda last Apr and the former congressman said he wanted to talk to the developer about the land problems.

González, who apparently expected the shakedown, taped the conversation secretly on his cell phone and then went public with it. Miranda, when asked by a journalist from *Esta Semana* about the conversation, at first said he knew González and remembered the meeting. But he became sheepish when the journalist produced the tape, and denied it was his voice on the recording.

The Sandinista government's response to the scandal was to launch a counter-offensive against González and journalist Chamorro, while protecting Miranda. Several Sandinista lawmakers came out and blasted González as a "delinquent," and the Sandinista controlled media alleged that González, his business partner Alejandro Bolaños, and Chamorro were involved in a land-stealing mafia that could possibly be involved in international drug trafficking.

González left the country shortly after denouncing the extortion attempt and is currently hiding out in the US. President Ortega, on 3 June, ordered the Government Attorney's Office to thoroughly investigate an alleged extortion case, and then quickly got on a plane and left the country for 10 days.

The top Government Attorney, Hernán Estrada, announced that he would investigate the matter, but warned that certain investors were using "tourism investment" on the coast to mask drug-smuggling activities. "It is not a coincidence that the biggest drug busts have come in the southern Pacific region of the country," he said.

That allegation prompted a group of four lawmakers from the opposition Nicaraguan Liberal Alliance (ALN) to stage an "investigative mission"/ beach retreat to several of the southern Pacific beaches in the Tola region to ostensibly look for drug boats and secret landing strips. With police in tow, the congressmen walked up and down the beaches with binoculars. They didn't find any drug boats, but they did get some nice beach pictures on their digital cameras.

The ALN congressmen, headed by Pedro Joaquin Chamorro, brother of Carlos Fernando, requested that the National Assembly form its own special investigative commission to get to the bottom of the land extortion case, of which there are reportedly several cases, but other people are now afraid to come forward.

Ortega's Foreign Policy Questioned

Two US Republican congressmen from Florida are worried that President Ortega's efforts to strengthen relations with Iran will have a destabilizing effect on US-Nicaraguan relations.

Following Ortega's 3 June departure on a 10-day world tour—including stops in Cuba, Venezuela, Iran, Algeria and Italy—Rep. Ron Klein and Rep. Connie Mack issued a statement warning Ortega to be more careful about whom he chooses as his friends.

"We are disappointed that Mr. Ortega would seek to engage Iranian President Mahmoud Ahmadinejad at this volatile time," said Klein. "We expected more, especially considering the Nicaraguan Foreign Minister's statement just a few weeks ago that US-Nicaraguan relations were improving."

Rep. Mack added: "Mr. Ortega's trip shows the company he is choosing to keep, and it harkens a frightening reminder of the days when his Sandinista government terrorized the Nicaraguan people. Now, by aligning himself with Mahmoud Ahmadinejad in Iran and Hugo Chávez in Venezuela, a Triad of Tyranny has emerged with the resources and determination to disrupt freedom, security and prosperity in our hemisphere and around the world. This relationship must be stopped in its tracks."

Nicaraguan Foreign Minister Samuel Santos said that each country is free to choose its own friends. “We don’t object to the United States’ friendships with certain countries that we don’t like, but they, too, are clear that we have friendships with countries with which they don’t have good relationships,” Santos said. Government compliance with the accords signed in Aug ’05 with former banana workers poisoned by a hazardous pesticide, known as Nemagon.

Lawmaker Alejandro Bolaños, of the Nicaraguan Liberal Alliance (ALN), said the commission will start working next week.

Victorino Espinales, leader of the *campesino* group affected by Nemagon, said he was pleased by the formation of the commission. However, he said that the thousands of *campesinos* who marched more than 100 km to the capital 30 May will remain camped out there until the government delivers on its promises of healthcare and legal aid against the transnational companies that produced or employed Nemagon in the ’70s and ’80s, after the chemical had been banned in the continental US for health considerations.

The formation of the congressional commission comes on the heels of an unprecedented agreement earlier this year by a California chemical company that agreed to settle a lawsuit brought against it in the US by 13 Nicaraguan *campesinos* who claim they have become sterile from exposure to Nemagon.

The agreement, according to plaintiffs’ attorney, Juan Dominguez, calls for the company Amvac Chemical Corporation to payout \$300,000 in damages to 13 former banana workers, in individual amounts ranging from \$2,000 to \$60,000. The money, he said, will be deposited into a bank account in Chinandega and then distributed to the impoverished *campesinos*.

The settlement, the culmination of five years of work and more than two years of litigation, was the first of its kind in Nicaragua, where some 16,000 former banana workers claim to have been poisoned by Nemagon.

The *Los Angeles Times* reported that court papers showed that Amvac called the agreement “a compromise of disputed claims” and denied any wrongdoing.

The alleged settlement is not the first “victory” for Nemagón victims in Nicaragua. In a separate case in filed in ’05, a court in Chinandega ordered the transnational companies Dole Food Company (formerly Standard Fruit Company), the Dow Chemical Company and Shell Oil Company to pay 150 Nicaraguan *campesinos* \$97 million in damages.

But, like similar previous lawsuits won by former banana workers in Nicaraguan courts, the sentences fell flat in the US when it came to collecting on the settlements. The sentences cannot be executed in Nicaragua because the transnational companies do not have assets here that can be embargoed for indemnification.

—Tim Rogers

