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ANNUAL REPORT OF CORRUPTION IN VENEZUELA 2017

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The most important event that undermined justice, the fight against corruption, and worsened impunity in 2017 was the creation of the Constituent Assembly by Maduro's government, a parallel legislature that ended up destroying the independence and autonomy across branches, an indispensable condition to guarantee equity and the rule of law.

While Latin American countries are working to improve plans and implementation of open governance and the fight against corruption, Venezuela returned to the pre-democratic state of defenselessness under a powerful group that uses the state and its institutions at their discretion, tailoring laws and even the Constitution to their power needs.

Venezuela's drama is that corruption has become institutionalized. Against this backdrop, of an undermined structure of justice and oversight agencies in our country, a huge commitment is necessary, as government decisions at local, regional, or even national level are simply not enough. We need an international effort.

It is not just about shady dealings or petty scams which may also take place in many countries of the region. It is much more than those little ploys that convinced Venezuelans they must pay a "little extra" for a procedure at a government agency. It is much worse than this "small-time corruption," although this makes the relationship with the state very expensive and creates distrust in the democratic system as a political model that guarantees the rule of law with freedom, equity and respect for rights.

INTRODUCTION

"Large-scale corruption" has taken hold in Venezuela. In fact, the nation meets all the defining criteria: 1. Top government officials at different agencies are involved; 2. Cases of corruption impact large sectors of the population because people do not receive the expected benefits, cannot access services, lose their jobs or are victims of repression and injustice; 3. Corruption mechanisms cross borders and are linked to international networks to laundry monies and assets resulting from corruption or because international companies or groups are involved in different ways; and 4. They act with absolute impunity thanks to their control over the justice system.

In this report, we present a selection of cases from 2017, some notable areas with the greatest risk of corruption during the period, which show how opacity, impunity, and political control operates, especially over branches of government that should be autonomous and independent, and how these impact the lives of Venezuelans. In the next 12 chapters we present the most outstanding cases, based on the high profile of the people involved, the impact on society, the whopping amounts, or the political cost of each dealing. We included an analysis of the National Armed Forces (FAN), because the military has expanded its control over government entities, in dealings where there is an increased risk of corruption, such as the food sector – production, manufacturing, distribution, import and social programs – and the mining and hydrocarbons sector.

Odebrecht is an emblematic case where there have been accusations – with no proceedings and no ongoing investigation – of bribery of top government officials, all the way up to the President, for millions of dollars, probably involving many more people than those who confessed in a New York court, seeking favorable deals in public procurement. It is the shady dealings network with the greatest impact not only in the nation, but also in the hemisphere, because of the amount of money involved in each contract and the high profile of the people involved. The damage caused to Venezuelans is evident, not only based on bribes and over-prices, but on the major works that were never built.

We also present an analysis of the weakness in budgetary matters. The 2017 budget, which completely disregarded the control exercised by the Constitution through the National Assembly, went from 8 to 56 trillion bolivars with the indiscriminate “approval” of additional appropriations, without any sort of control.

The Judiciary, as an instrument of impunity, is the main subject of this analysis. An autonomous, independent system of administration of justice, with resources and capabilities, would enable the necessary sanctions and the recovery of misappropriated funds. As long as corrupt officials are not afraid of prosecution and are able to enjoy ill-gotten assets, corruption will find a breeding ground.

We have focused our attention on the social and political subjugation exercised through social programs, which finds its clearest expression in the use of the “Carnet de la Patria” ID card as an instrument of citizen control. Another branch that requires autonomy and independence, and is also the subject of this report, is the Electoral Branch, due to its use of public funds and its endorsement of the per-

verse relationship between votes and the right to receive benefits from the State. Similarly, this entity is responsible for the loss of public trust in voting, especially after the regional elections of October 15, 2017, where Tomás Guani-pa and Andrés Velázquez were stripped of their rightfully won governorships of Zulia and Bolívar, respectively.

We invite you to read the chapters on the actions of the Prosecutor’s Office, the Comptroller’s Office, the National Assembly, which has been stripped of its parliamentary powers, and opacity as a state policy. These chapters provide evidence to understand the extent of corruption in Venezuela. There are many cases, many sectors, many corruption mechanisms not mentioned here, as this report does not pretend to be exhaustive, but to shed light on what we consider most shocking cases of corruption in 2017. We are sure that readers could think of their own experiences as victims or witnesses of abuse of power, where a few benefit from that which belongs to all.

Not surprisingly, the Corruption Perceptions Index ranks Venezuela last among countries of the Americas. An effective anti-corruption strategy requires a huge effort by the government, citizens and the international community, in order to identify the network of accomplices and international collaborators who have concealed the product of corruption under a blanket of legality, accounts, assets, and privileges, receiving great benefits in return, but at the cost of the misfortune, hunger and death of thousands of Venezuelans.

It is time to think of an anti-impunity and anti-corruption agency in Venezuela with a close relationship with the international institutions that oversee areas where money is

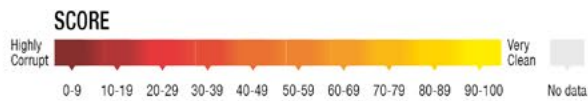
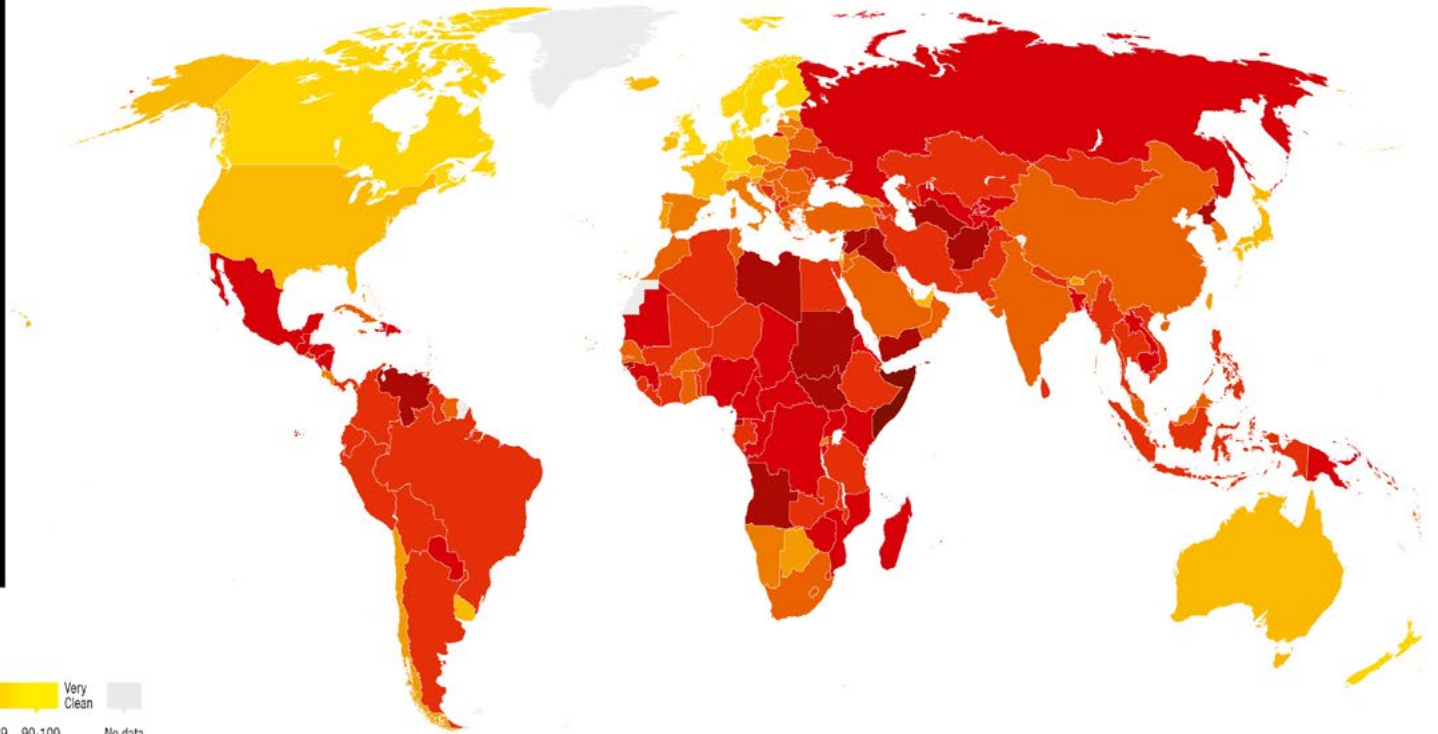
handled. It is a herculean task that requires re-engineering of the justice, general comptroller and policing system, to achieve autonomy, independence, resources and the participation of the most capable individuals. The crisis in Venezuela requires efficiency and clarity in the distribution of spending, so that the benefits reach those who need them most. If we fail in the fight against corruption, we will not be able to access loans, negotiate debt, or receive humanitarian aid, which is vital at the moment.

CORRUPTION PERCEPTION INDEX 2017

2017 Rank	Country	2017 Score	2016 Score	2015 Score	2014 Score	2013 Score	2012 Score	Region
169	Venezuela	18	17	17	19	20	19	Americas

CORRUPTION PERCEPTIONS INDEX 2017

The perceived levels of public sector corruption in 180 countries/territories around the world.



RANK	COUNTRY/TERRITORY	SCORE	RANK	COUNTRY/TERRITORY	SCORE	RANK	COUNTRY/TERRITORY	SCORE	RANK	COUNTRY/TERRITORY	SCORE	RANK	COUNTRY/TERRITORY	SCORE	RANK	COUNTRY/TERRITORY	SCORE
1	New Zealand	89	21	Estonia	71	59	Romania	48	86	Thailand	37	135	Russia	29	161	Congo	21
2	Denmark	88	21	United Arab Emirates	71	62	Cuba	47	96	Zambia	37	143	Bangladesh	28	161	Congo	21
3	Finland	85	23	France	70	62	Malaysia	47	103	Bahrain	36	122	Djibouti	31	143	Guatemala	28
3	Norway	85	23	Uruguay	70	64	Montenegro	46	103	Côte D'Ivoire	36	122	Kazakhstan	31	143	Kenya	28
3	Switzerland	85	25	Barbados	68	64	Sao Tome and Principe	46	81	Turkey	40	122	Liberia	31	143	Lebanon	28
6	Singapore	84	26	Bhutan	67	42	Dominica	57	85	Argentina	39	103	Tanzania	36	122	Malawi	31
6	Sweden	84	26	Chile	67	42	Spain	57	107	Armenia	35	122	Mali	31	122	Nepal	31
8	Canada	82	28	Bahamas	65	46	Georgia	56	107	Ethiopia	35	122	Napal	31	122	Moldova	31
8	Luxembourg	82	29	Portugal	63	46	Malta	56	85	Kosovo	39	122	Mali	31	148	Comoros	27
8	Netherlands	82	29	Qatar	63	48	Cabo Verde	55	85	Benin	39	107	Macedonia	35	122	Nigeria	27
8	United Kingdom	82	29	Taiwan	63	48	Rwanda	55	107	Kuwait	39	107	Vietnam	35	130	Gambia	30
12	Germany	81	32	Brunei Darussalam	62	51	Saint Lucia	55	85	Solomon Islands	39	111	Philippines	34	130	Iran	30
13	Australia	77	32	Israel	62	52	Korea (South)	54	91	Albania	38	112	Algeria	33	130	Myanmar	30
13	Hong Kong	77	34	Grenada	52	52	Grenada	52	91	Bosnia and Herzegovina	38	112	Bolivia	33	130	Sierra Leone	30
13	Iceland	77	34	Slovenia	61	53	Namibia	51	91	Guyana	38	112	El Salvador	33	130	Ukraine	30
16	Austria	75	36	Poland	60	54	Italy	50	91	Sri Lanka	38	112	Maldives	33	135	Dominican Republic	29
16	Belgium	75	36	Slovenia	61	54	Mauritius	50	91	Timor-Leste	38	112	Niger	33	135	Honduras	29
16	United States	75	38	Seychelles	60	54	Slovakia	50	96	Brazil	37	117	Ecuador	32	135	Kyrgyzstan	29
19	Ireland	74	38	Costa Rica	59	57	Croatia	49	96	Colombia	37	117	Egypt	32	135	Laos	29
20	Japan	73	40	Latvia	58	57	Saudi Arabia	49	96	Indonesia	37	117	Gabon	32	135	Mexico	29
						59	Greece	48	96	Panama	37	117	Pakistan	32	135	Papua New Guinea	29
						59	Jordan	48	96	Peru	37	117	Togo	32	161	Cambodia	21



MOST RELEVANT CORRUPTION

Cases in 2017

CORRUPTION CORRODES PUBLIC ADMINISTRATION



Pdvsa, Cencorex, The Office of the Comptroller General of the Nation, the Judiciary, the Public Prosecutor's Office, the Saime and the Governor's Office of Aragua, are just some of the instances of the State that are immersed in the perversion of corruption in Venezuela. Processes and cases arise every day. Many more are those who are decked or uncovered

1. CORRUPTION INSIDE PETROLEUM INDUSTRY PDVSA

1.1. Case of acquisition of vehicles with surcharge

On July 10, 2017, the Public Ministry, PM, the former internal director of Pdvsa and former president of the Venezuelan Petroleum Corporation (CVP for its acronym in Spanish) , Orlando Enrique Chacín Castillo, was accused by the alleged irregular acquisition of two vehicles with surcharge, during his management as executive director of exploration of PDVSA.¹

According to Public Ministry's report, the two vehicles acquired transgressed the Public Procurement Law, specifically, by direct contracting when a public tender had to be held, a specific vehicle brand "Honda" was established in the contracting conditions and the payment in foreign currency, despite not settling that condition in the terms of contracting and finding vehicles in the domestic market.

According to the investigation carried on by the PM, surcharge was of 51.03%. In fact, the amount of the bill of each contract in national currency was the equivalent of Bs. 166,392,101.50 and a marketing suited showed that for the date of acquisition, the vehicles were sold for Bs. 84,918,887.50.



In the investigation, was also determined that in august of 2016, the vehicles were not in the name of Pdvsa, but of the company Petroequipos Sucre, C.A. Adding to this, one of the vehicles acquired was assigned to Chacín Castillo for his personal use.²

The imputed crimes are: intentional embezzlement, evasion of bidding processes and association to commit a crime

- [1 \[http://www.ministeriopublico.gob.ve/web/guest/contra-la-corrupcion?p_p_id=101_INSTANCE_DmE8&p_p_lifecycle=0&p_p_state=maximized&p_p_mode=view&p_p_col_id=column-2&p_p_col_pos=1&p_p_col_count=2&_101_INSTANCE_DmE8_struts.action=%2Fasset_publisher%2Fview_content&_101_INSTANCE_DmE8_urlTitle=PM-cito-en-calidad-de-iPMutado-un-director-de-petroleos-de-venezuela-por-hecho-de-corrupcion&_101_INSTANCE_DmE8_type=content&redirect=%2Fweb%2Fguest%2Fcontra-la-corrupcion\]\(http://www.ministeriopublico.gob.ve/web/guest/contra-la-corrupcion?p_p_id=101_INSTANCE_DmE8&p_p_lifecycle=0&p_p_state=maximized&p_p_mode=view&p_p_col_id=column-2&p_p_col_pos=1&p_p_col_count=2&_101_INSTANCE_DmE8_struts.action=%2Fasset_publisher%2Fview_content&_101_INSTANCE_DmE8_urlTitle=PM-cito-en-calidad-de-iPMutado-un-director-de-petroleos-de-venezuela-por-hecho-de-corrupcion&_101_INSTANCE_DmE8_type=content&redirect=%2Fweb%2Fguest%2Fcontra-la-corrupcion\)](http://www.ministeriopublico.gob.ve/web/guest/contra-la-corrupcion?p_p_id=101_INSTANCE_DmE8&p_p_lifecycle=0&p_p_state=maximized&p_p_mode=view&p_p_col_id=column-2&p_p_col_pos=1&p_p_col_count=2&_101_INSTANCE_DmE8_struts.action=%2Fasset_publisher%2Fview_content&_101_INSTANCE_DmE8_urlTitle=PM-cito-en-calidad-de-iPMutado-un-director-de-petroleos-de-venezuela-por-hecho-de-corrupcion&_101_INSTANCE_DmE8_type=content&redirect=%2Fweb%2Fguest%2Fcontra-la-corrupcion)
- [1 \[http://www.el-nacional.com/noticias/sucesos/ministerio-publico-cito-director-pdvsa-por-caso-corrupcion_192380\]\(http://www.el-nacional.com/noticias/sucesos/ministerio-publico-cito-director-pdvsa-por-caso-corrupcion_192380\)](http://www.el-nacional.com/noticias/sucesos/ministerio-publico-cito-director-pdvsa-por-caso-corrupcion_192380)
- [2 <https://informe21.com/actualidad/PM-cita-como-iPMutado-por-corrupcion-a-directivo-de-pdvsa-orlando-chacin>](https://informe21.com/actualidad/PM-cita-como-iPMutado-por-corrupcion-a-directivo-de-pdvsa-orlando-chacin)

1.2. The Monobuoys case:

The East and West monobuoys (species of floating docks that allow tankers to be loaded through underwater pipelines) of José Antonio Anzoátegui complex, TAECJAA, they were reached its useful life and presented insecure functioning conditions, which implied a serious danger of sinking of the equipment, just like risk at the time of connections with oil tankers. Additionally, the monobuoy's telemetric system, which measures the amount of crude shipped, was out of service.

In February 2012, the highest authorities of Pdvsa, Rafael Ramírez, Eulogio del Pino and Pedro León, agreed to the procurement of two monobuoys, Bluewater brand, as well as the removal, installation and technical training of them, for an amount of US \$ 76.2 million, in order to increase the capacity and safety in the crude oil cargo.

Pedro León Rodríguez, who exercised the position of executive director of the Orinoco heavy crude belt and Jesús Osorio Virgüez, general manager of improvement division of TAECJAA, they subscribed the direct contracting of supply, replacement and start-up of two monobuoys, Bluewater brand.

On August 15, 2012, the subcommittee of operations of the Orinoco heavy crude belt approved the direct adjudication to the company Bluewater Energy Services (Dutch transnational company responsible for the manufacture of



monobuoys), for the amount of US\$ 49,970,000.00 plus an amount for technical training.

The two monobuoys' purchased order was issued in 2012, but the strategy of the General Management of TAECJAA was to replace the monobuoys one by one, so only the installation service of the East Monobuoy was generated for an amount of 19.5 million euros (approximately US \$ 26,000,000) all through Bariven, PSBV. The replacement of the West Monobuoy was not done, even though it was contemplated in the authorized project.

The replacement of the Monoboya was made between July 31 and September 8, 2014. It is noteworthy that on October 15, 2013 a 100% payment was made in advance for installation service to the company Bluewater Energy Services. However, according to the report of the PM, there was no evidence to support the cancellation of technical training in the amount of US\$ 150,000.

Bluewater Energy Services, BV sub-hired the company Consultoría de Ingeniería y Proyecto NF, C.A. Ingeproyec NyF, by Jaime Camargo for the installation of the monobuoy and 11 marine cargo arms. However, no authorization was shown by Pdvsa for the subcontracting of such company.

The Unitary Federation of Venezuelan's Oil workers, FUTPV, formulated since 2013, several public complaints about the operative situation of TAECJAA, because it was affecting the dispatch of crude from those facilities.

The alleged payment of bribes to Jesus Osorio by Catillomax and Oil & Gas was also reported. Apparently, the representative of those companies, Miguel Ángel Castillo Lara through the company a Guevara Trading Company, He gave gifts to Jesús Osorio, among them: a boat house in Anzoátegui, an apartment in Panama, a van and pleasure trips made by the company Members Tours and travel, among others.

The investigation against Osorio started in 2015, after a complaint made by officials of the state of hydrocarbons itself, who informed that there were alleged irregularities in the acquisition, uninstal and installation of two surcharge monobuoys in the storage and shipping terminal of the complex.³

In 2016, the FUTPV complaint to El TiePMo that Pdvsa it would stop selling 11.4 million barrels of oil due to the problems with the West monobuoy, which was running at 30% of its capacity and did not allow the normal loading of crude to ships. This became, according to the directors of the Federation, a loss of 400 million dollars a month for the nation.⁴

By February 2017, the West Monobuoy had not yet been installed, as PM prosecutors could verify in inspections. In addition, the equipment purchased suffered serious deterioration.

On February 4, 2017, PM released arrest warrant against Jesús Osorio and Pedro León. On February 7 of the same year, the presentation hearing of Jesús Osorio was held, at which the prequalification of the crime was decided, as a measure of deprivation of liberty and of securing assets.

With regard to Pedro León, it is emphasized that after the arrest warrant against him, he left the country by sea and arrived in the Dominican Republic. In his search, it was known that at least 15 raids and registrations were practiced in the urbanization Las Villas, Lechería, Nueva Barcelona, Bolívar Municipality and in the south of the Anzoátegui State.

However, on September 2, 2017, with Tarek William Saab in charge of the PM, he came back to the country and he was detained by the Bolivarian Service of National Intelligence, Sebin, in the International Airport Santiago Mariño, Porlamar, Nueva Esparta State, after his arrival in the flight from Dominican Republic.⁵

The other workers of the industry with arrest warrant are: Ramón Antonio Castillo Vargas, superintendent of Engineering and Specialty, actually arrested; Jaime Enrique Camargo, Director of the company Consultoría de Ingeniería y Proyecto NF; Miguel Ángel Castillo Lara, director of the company Catillomax Oil and Gas, arrested; Hernán Ernesto Pastarán, director of Catillomax Oil and Gas, arrested; Ramiro Fart Rodríguez Rodríguez, former manager

3 <http://contrapunto.com/mobile/noticia/metieron-la-lupa-a-viejas-denuncias-de-malos-manejos-de-pdvsa-en-la-faja-124253/>

4 <http://runrun.es/rr-es-plus/324060/informe-del-ministerio-publico-descubre-como-la-corrupcion-inundo-la-faja-petrolifera-del-orinoco.html>

5 <http://efectocucuyo.com/principales/detiienen-en-aeropuerto-de-porlamar-a-exjefe-de-la-faja-petrolifera-del-orinoco>

of Procure in Bariven 4.029.882, arrested; Nery Abraham Magdaleno, former manager of Pdvsa Services SV; Javier Alvarado, president of Bariven; and Ower Emilio Manrique Ramírez, former president of Bariven, requested with red alert by the Interpol.

On February 17, 2017 a measure to prohibit sell and encumbering and blocking of accounts was issued to the company Consultoría de Ingeniería y Proyecto NF, C.A. (Ingeproyec).

1.1. Cuferca Case

The Constructora Urbano Fermín, C.A, between 2010 and 2016 was benefited with 14 PDVSA contracts, 5 of them with Petrocedeño.



On September 19, 2017, the general manager of the company Cuferca, Carlos Esteban Urbano was arrested and give to the criminal court. Currently, he is deprived of freedom and his two brothers, Carlos Eduardo Urbano and Carlos Enrique Urbano, have arrest warrants and are at large.

Saab, in a press conference held on September 22, he pointed out that those implicated in the Cuferca case are charged with 4 alleged crimes: Intentional embezzlement,

On February 10, 2017, the president of the Integral Socialist of South Foundation (Fundisur) and former legislator of Anzoátegui State, Giovanni Urbaneja, declared that at least 35 companies linked to Pedro León received contracts without a previous tend in the oil belt.⁶

The exposed facts are summarized in irregular contracting, breach of contract, payment of bribes, absence of maintenance, lack of installation of the monobuoy and a consequent patrimonial damage to which must be added the estimate of the decrease in production.

association to commit a crime, legitimization of capital and arrangement with contractor.

He manifested that in only 8 years, the entrepreneurs formed the following companies: Constructora Urbano Fermín, Diario El Norte, Transporte Urbano Fermín, Agropecuaria la Fundadora, Concremix Oriente, Premezclado y Agregado Los Llanos, Distribuidora de Madera Hermano Fermín, Dimasfuca, Estacionamiento Taller in Los Potocos, Meditotal, Centro Médico Total Lecherías.⁷

6 <https://elpitazo.com/investigacion/las-10-claves-del-caso-corrupcion-involucra-pedro-leon-director-la-faja-petrolifera-del-orinoco-buscado-sebin/>

7 http://www.mp.gob.ve/web/guest/actuacion-procesal-2?p_p_id=62_INSTANCE_9Eyg&p_p_lifecycle=0&p_p_state=maximized&p_p_mode=view&p_p_col_id=column-2&p_p_col_pos=1&p_p_col_count=2&_62_INSTANCE_9Eyg_struts_action=%2Fjournal_articles%2Fview&_62_INSTANCE_9Eyg_groupId=10136&_62_INSTANCE_9Eyg_articleId=17417925&_62_INSTANCE_9Eyg_version=1.0

He also affirmed that in those years, entrepreneurs acquired the following assets: three luxury houses in the Canals of Puerto La Cruz, estate La Urbanera, estate La Panchita, one apartment, one fleet of 653 vehicles and 229 machines.⁸ Such possessions, according to Saab's declarations, they will be administered by the National Office against Organized Crime and Terrorist Financing.

The Cuferca group is also a partner of the mixed company, Servicios Logísticos Petroleros Orinoco, established in October 2014. In a report of 2015, emanating from the Vice Presidency of the Republic on 28 irregularities in the Orinoco Belt, the company Cuferca is mentioned in two complaints.

In the aforementioned report it is maintained that during the inspection, inoperative equipment and complaints of irregularities were observed by the workers, who mentioned a direct link between the company and the mayor of the Guanta municipality, Jhonnathan Marín. Likewise, they also reported on the assignment of continuous service orders to the company Cuferca, without complying with the provisions of the Law on Public Procurement and internal regulations of PDVSA.

Inner conflicts

between members of the government's party have contributed to who are in power positions reveal what they knew from a long time, but now but now they are taking their toll on those who have evidenced their differences with the Government of President Maduro.

- 8 http://www.mp.gob.ve/web/guest/noticias?p_p_id=101_INSTANCE_0rLq&p_p_lifecycle=0&p_p_state=maximized&p_p_mode=view&p_p_col_id=column-2&p_p_col_pos=1&p_p_col_count=2&_101_INSTANCE_0rLq_struts_action=%2Fasset_publisher%2Fview_content&_101_INSTANCE_0rLq_urlTitle=detenido-propietario-de-empre-sa-senalada-de-desfaltar-faja-petrolifera&_101_INSTANCE_0rLq_type=content&redirect=%2Fweb%2Fguest%2Fnoticias
http://www.mp.gob.ve/web/guest/legitimacion-de-capitales?p_p_id=101_INSTANCE_1I6p&p_p_lifecycle=0&p_p_state=maximized&p_p_mode=view&p_p_col_id=column-2&p_p_col_pos=1&p_p_col_count=2&_101_INSTANCE_1I6p_struts_action=%2Fasset_publisher%2Fview_content&_101_INSTANCE_1I6p_urlTitle=privan-de-lib-ertad-a-dueno-de-cuferca-e-incautan-sus-bienes&_101_INSTANCE_1I6p_type=content&redirect=%2Fweb%2Fguest%2Flegitimacion-de-capitales
http://www.mp.gob.ve/web/guest/actuacion-procesal-2?p_p_id=62_INSTANCE_9Eyg&p_p_lifecycle=0&p_p_state=maximized&p_p_mode=view&p_p_col_id=column-2&p_p_col_pos=1&p_p_col_count=2&_62_INSTANCE_9Eyg_struts_action=%2Fjournal_articles%2Fview&_62_INSTANCE_9Eyg_groupId=10136&_62_INSTANCE_9Eyg_articleId=17417925&_62_INSTANCE_9Eyg_version=1.0

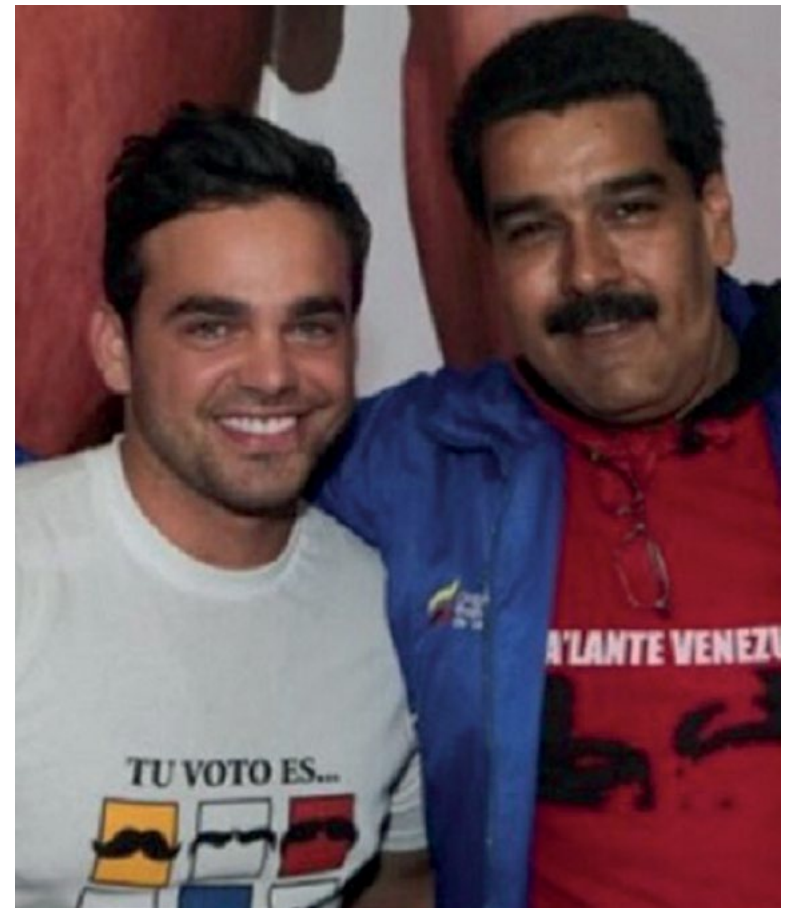
1.4. Suministro Gramal Case:

Among the cases of acquisition of goods and provision of services with surcharge, evasion of laws, rules and procedures of public procurement, including the Manual of Rules and Procedures of Pdvsa and its subsidiaries, is the case of the company Suministros Gramal, Sumig, AC, presided by Manuel Sosa, Venezuelan soap opera actor who was the fiancé of one of the daughters of the deceased president of Venezuela, Hugo Chávez. The vice-president of the company is Alí José Ramos.

The PM's report, issued in mid-2017, it is noted that the mixed company Petropiar, in 2016 acquired from the company Suministros Gramal, two HP Color Laserjet CP5525 Series printers at a total cost of US \$ 312,888.88; each one with a value of US\$ 156,444.44. However, it's presumed that the acquired equipments are different from those requested.⁹

It's important to highlight that the Petropiar company, not just receives different equipment to the require, but with a surcharge up to US\$ 300,000, figure with which more than 80 printers with similar characteristics could be acquired.

The PM report also states that the hiring does not have a physical or digital file, and several officials claimed to be unaware of the process, so the destruction of the documents, the evasion of bidding processes and irregularities in the awarding of the contract are presumed.



The procurement manager of Petropiar, Humberto Sarti and the general manager of the company, Edward Pérez, approved the payment agreement and the corresponding purchase order.¹⁰

According to PM'S report, prosecutors got information from the finance management of the mixed company Petropiar, which reflects that Suministros Gramal was paid the amount of Bs. 26,253,405.00 and US\$ 13,044,499.51, in contracting made during 2015 and 2016.

⁹ <http://runrun.es/rr-es-plus/324060/informe-del-ministerio-publico-descubre-como-la-corrupcion-inundo-la-faja-petrolifera-del-orinoco.html>

¹⁰ <http://runrun.es/rr-es-plus/324060/informe-del-ministerio-publico-descubre-como-la-corrupcion-inundo-la-faja-petrolifera-del-orinoco.html>

1.5. Wespro Spare the Oil Industry Corp Case:

In a report emanated from PM in Mid-2017, were observed irregularities in the contract which object is the “Specialized Maintenance to compression system 46-ME-001 A/B/C Pdvsa Petropiar José Antonio Anzoátegui Cryogenic Complex”, from 2015 by the amount of US\$ 6,394,290.59 and a one-year execution period, signed with the company Wespro Spare the Oil Industry Corp, presided by Oval Moreno.

The PM’S report, shows that the company had financial qualification to contract with the State by amounts between 400 and 500 U.T, which represents Bs. 600.000 and Bs. 750.000, well below the amounts in which the agreements were made. In addition, it displayed irregularities in some of its papers and in the conformation of files, which did not have chronological nor numerical order.¹¹

The report points out that the offer in dollars of the company, not only results in a deviation of 8% (US\$ 473,760.86) over the base budget. It was also the highest bid and the one that required the longest execution period among the companies invited to bid.¹²

In this case, the crude oil improver manager of the mixed company, Francisco Javier Velásquez, was accused of committing crimes of intentional embezzlement, evasion of bidding processes and association. He is being held at the headquarters of the General Direction of Military Counterintelligence DGCIM, located in Barcelona, Anzoátegui state.



The general manager of the aforementioned company, Edwar José Pérez and the manager of Procurement, Humberto Francisco Sarti, were also charged, as well as the supervisors of Purchasing Analyst and Plant Stop Materials, Carlos Armando Bello and Abraham Valentino Lezama, respectively.

The superintendent of Procurement of the oil improver, Juan Tabasta, was also summoned to the headquarters of said office.¹³

- 11 <http://runrun.es/rr-es-plus/324060/informe-del-ministerio-publico-descubre-como-la-corrupcion-inundo-la-faja-petrolifera-del-orinoco.html>
 12 <http://runrun.es/rr-es-plus/324060/informe-del-ministerio-publico-descubre-como-la-corrupcion-inundo-la-faja-petrolifera-del-orinoco.html>
 13 http://www.el-nacional.com/noticias/sucesos/cito-presidentes-contratistas-petropiar-por-corrupcion_196806

1.6. Constructora Conkor Case:

In July 2017, PM accused the president and vice president of Constructora Conkor C.A, Alejandro Josue Ruíz Mazzeo and Elías Ramón Koury Guevara, respectively, for allegedly being linked to irregularities registered in contracts with PDVSA and other joint ventures in the Anzoátegui state.

The report indicates that Conkor was benefited with the granting of more than 50 contracts with Pdvsa during the management of Pedro León Rodríguez as director of the Orinoco Oil Belt, some for amounts of more than one billion dollars, reasons why the company was being investigated by Ortega Díaz.¹⁴

According to the journalist Maibort Petit, the former governor of Anzoátegui state, Tarek William Saab, appears supposedly linked to Constructora Conkor C.A.¹⁵ Between 2005 and 2012, works and services contracts required by the Government under the management of Saab were awarded to Conkor, granted through the Corporación de Vialidad e Infraestructura del Estado Anzoátegui, Covinea, presided by Isidro Acosta Mayz.

A note published in Noticias Candela, wrote by the journalist Zuly Pérez, assures that Conkor did not complete the rehabilitation works on the Zaraza road (Guárico state) to Onoto (Anzoátegui state), in which asphalt left different details to be repaired.¹⁶

14 <http://runrun.es/rr-es-plus/324060/informe-del-ministerio-publico-descubre-como-la-corrupcion-inundo-la-faja-petrolifera-del-orinoco.html>

15 <http://www.elimpulso.com/noticias/nacionales/mp-imputara-a-directivos-de-constructora-conkor-por-irregularidades-con-pdvsa>

16 <http://www.antilavadododinero.com/antilavadododinero-casos-articulo.php?id=233&title=denuncian-contratos-fraudulentos-de-empresas-ligadas-al-defensor-del-pueblo-de-venezuela>

1.7. Fueling Case

On March 23, 2017 Marco Antonio Malavé, former PDVSA International Trade Manager, was deprived of his freedom because of his presumed links with irregularities in the procurement of fuel.

Malavé was imputed for the crimes of boycott and concert of official with contractors. The manager was denounced by officials of the Executive Direction of Integral Security of PDVSA, who reported a series of irregularities in the contracting protocol of companies with ships for the supply of hydrocarbons to the Venezuelan market.¹⁷

Such situation affected in a direct way the distribution of fuel in Aragua, Carabobo, Lara, Anzoátegui, Sucre, Miranda y el Distrito Capital.

The 41st Court of Control of the Metropolitan Area of Caracas AMC ordered the detention against Malavé, which will comply in the DIGCIM, located in Boleíta and agreed to block the bank accounts of the accused.¹⁸



MARCO ANTONIO MALAVÉ
PDVSA'S FORMER INTERNATIONAL TRADE MANAGER

17 <http://runrun.es/nacional/venezuela-2/302695/detienen-a-gerente-de-pdvsa-por-irregularidades-en-contrataciones-para-abastecimiento-de-combustible.html>

18 <http://noticialdia.com/2017/03/tan-comodo-que-estaba-marco-antonio-malave-como-gerente-de-comercio-internacional-de-petroleos-de-venezuela-pdvsa-y-pelo-pedal/>

1.8. Traffic of strategic material Case

In February 2017 were deprived of freedom Carlos Castillo Puerta, industrial protection operator of the Paraguaná Refining Center in Falcón state, as well as Eduyn Castro Ulacio and Nelson Marquina Briceño, employees of a company that provides service for said refining center, for their alleged involvement in the traffic of strategic material belonging to PDVSA.

Approximately at 6:30 in the morning of February 1, 2017, a commission of the Dgcim, which carried out patrol work on the intercommunal avenue Punto Fijo - Punta Cardón, He observed a heavy load vehicle, Iveco brand, that left the facilities of the state company and was escorted by a truck. In the loading unit, they located 15 sections of 6-meter-long pipes, which are owned by PDVSA. The officials of the Dgcim requested the documentation that will prove the exit of the material. However, the men claimed not to possess it, which is why they were apprehended.¹⁹

1.9. Tradequip and Ovarb Industrial Case

On September 22, 2017, Saab issued statements in which he indicated that he will demand repatriation for corruption cases in Pdvsa and that one of the presumed parties is Roberto Rincón, owner of Tradequip and Ovarb Industrial, accused of paying more than US \$ 1 billion between the years 2008 and 2014.

In an investigation carried out by the National Assembly for alleged administrative irregularities against public property by citizen Rafael Ramírez, which occurred during the exercise of his position as president of PDVSA, it is mentioned that Roberto Rincón and Abraham José Shiera Bastidas admitted before the US courts that from 2009 they committed to pay bribes Pdvsa's officers to ensure that their companies are placed in the bidding panels of the aforementioned company and obtain lucrative energy contracts with the state.

The amount paid for bribes ascends to US \$ 1 billion, according to the order issued by Judge Nancy K. Johnson to keep Rincón in custody after the detention hearing held on December 18, 2015. The Justice Department also published that former officers José Luis Ramos Castillo, 38 years old; Christian Javier Maldonado Barillas, 39 years old; and Alfonzo Eliezer Gravina Muñoz, 53 years old, admitted to have accepted bribes from Venezuelan entrepreneurs Roberto Rincón and Abraham José Shiera Bastidas.

1.10 Petrozamora Case

On September 7, 2017 Saab issued declarations in which he pointed out that a measure of deprivation of liberty was dictated to 8 managers from División Occidente of Pdvsa, and it was ordered preventive seizure of assets, prohibition to sell and encumber, and blocking and immobilization of bank accounts of those involved, for alleged link to sabotage and corruption cases which affected production in the mixed company Petrozamora.

The measure fell on: Gustavo José Malavé Buccé (Executive Director of Producción Occidente), Juan Carrillo Martínez (Deputy Director of Producción Occidente), Héctor Roque Ramírez (Manager of Plants Integral Operation), Cesar Valera Villarroel (Business Manager of Producción Occidente), Adolfo Torres Vargas (General Manager DSI Producción Occidente), Henry Sánchez Mora (Executive Director DSI Costa Oriental del Lago), José Manuel Marín (Regional Manager DSI Occidente) and Juan Barreto Ramos (COO of Producción Occidente). Saab in his declaration added that it was dictated an arrest warrant against the former deputy director of Producción Occidente, Bernardo Atencio, who is fugitive from justice.

The imputed crime are:

- Illicit trafficking of strategic material with aggravating circumstances.
- Association to commit a crime, obstruction of freedom of commerce.
- Deceitful embezzlement, use embezzlement and torts to the oil industry with loss.

The PM started this investigation after receiving a complaint of several irregularities detected by the said mixed company, among it was mentioned: the breach of agreements, sabotage, decrease in gas supply, excessive increase in the rate of thefts that affected production, irregularities in the Inner Security Department, in charge of guarantee oilfields' security and delay in the execution of preventive maintenance and correctives.

At his judgment, the object of these practices were affected the production of the company to demand extortion payments and to guarantee gas supply that allows to continue with the production.

He said that in addition, it was alleged the illegal subtraction and commercialization of oil, that it would've been sent to the Caribbean Islands, as well as the purchase of additives to process oil to a company linked to those imputed, evading the public contracting procedure.



1.11 Bariven Case

On November 2, 2017 Saab declared that the president of Bariven Francisco Antonio Jiménez was arrested, for alleged acts of corruption.

Saab affirmed that between January and September 2017, in the company Bariven occurred 1.317 alerts due to surcharge in Bolívares and 76 in dollars, which oscillates between 100% and 98,000% over its real value.²⁰ “The amounts exceed 10 billion bolívares and 119 million dollars in contracts with companies, which many of them don’t even qualify because they don’t have fiscal registration: those are the companies called coin purse companies or koala companies”.

He pointed out that the imputed were secluded in head-quarter of the General Direction of Military Counterintelligence, Dgcim, for association to commit a crime, deceitful embezzlement, Official arrangement with contractor and evasion of bidding procedures.

He affirmed that in the company has been used indiscriminately, the figure of direct adjudication, that reach 12% of the procurements. “This has generated huge economic damages to the country and a serious impact on the operations of the industry”.



Francisco Antonio Jiménez
President of Bariven

1.12 Citgo Case

On November 21, 2017, Saab reported that the President of Citgo, José Ángel Pereira Ruimwyk, was arrested; the Vice President of Refining Operations, Tomeu Vadell Ralcalde; the vice president and general manager of the refinery Corpus Cristi, Alirio Zambrano; the Vice President of Supply and Marketing, Jorge Toledo; the vice president of Strategic Relations, Gustavo Cárdenas and the Vice President of Shared Services, José Luis Zambrano; for alleged crimes of corruption.

Saab noted that Citgo's top management signed an international agreement with two financial companies to refinance the 2014 and 2015 debt programs. In these contracts, loans of up to US \$ 4,000 million were requested under unfavorable conditions for the Venezuelan oil industry. In addition, offer as a guarantee to the company itself, compromising the heritage of the Republic.

He affirmed that "Citgo is the main petroleum refining and marketing company of gasoline, lubricants and petrochemicals that Venezuela has in the United States", for what the top management exposed the subsidiary of Pdvsa "to a possible situation of criminal nature for breach of the different contracts signed".

In an investigation carried out by the journalist Meibort Petit, in the minutes corresponding to the N-2017-17 meeting held on June 14, 2017, the board of directors of PDVSA met the alternative proposal of restructuring the debt of Citgo-Citgo Holding, presented by the firms Apollo and Frontier. In that meeting, all the members of the board of the oil company were notified and the agreement was authorized, after review by the Legal Department of Pdvsa, for the purpose of beginning the negotiations of the private alternative

proposal of debt restructuring Citgo-Citgo Holding presented by the two aforementioned firms and within the parameters of the proposal.²¹

Petit reports that the board of directors at that time was made up of the following people: Eulogio Del Pino (president); Maribel Parra (VP-Executive); Delcy Eloina Rodríguez (Vice President); Mariany Gómez (VP); César Triana (V.P); Nelson Ferrer (VP); Yurbis Gómez (External Director, Wils Rangel (External Director), Ricardo Menéndez (External Director), Rodolfo Marco Torres (External Director), José Pereira (International President of Citgo), Vicky Zárate (Legal Consultant of PDVSA).

The journalist adds that the minute reads that once the negotiations are concluded, the final terms must be presented to the Pdvsa board of directors for approval. According to the investigation journalist, evidences show that the board of directors of the state company knew the restructuring terms.

Who once was the strong man of Pdvsa for more than ten years, today, he hinders the government leadership that has decided to remove him from the field of play and neutralize him so that he does not count all that he knows. It is a war of thrones of its own that is beginning its first stage.

21 <http://maibortpetit.blogspot.com/>

1.13 Rafael Ramírez Case

On December 29, 2017, Saab declared that irregular contracts were signed from the Office of Marketing Intelligence and Petroleum Policy, a subsidiary of Pdvsa in Vienna, in which allegedly Rafael Ramírez is involved, which apparently generated losses of at least US \$ 4.8 billion.

Saab stated that “in 2009 the state company signed service contracts with JBC Energy, which would be in charge of providing monthly price evaluation services for the different formulas of its various products quoted on the international market.”

He pointed out that, according to recent research, since 2009 until today; the data about estimates of the real

value for the commercialization of crude oil supplied by JBC Energy have been modified. “These alterations were intentionally made to favor individuals and companies that made oil purchase and sale transactions with PDVSA.”

He added that in the case were imputed: Bernard Mommer De Grave (General Manager of the Office of Marketing Intelligence and Petroleum Policy); Irama Zulene Quiroz De Mommer (General Manager of the Office of Marketing Intelligence and Petroleum Policy); Mariana Teresa Zerpa Morloy (legal consultant); and, Nelida Iris Izarra Espinoza (General Director of the Office for the determination of crude oil for export), for the alleged crimes of intentional embezzlement, officer arrangement with contractor, legitimation of capital and association.



Nicolás Maduro and Rafael Ramírez

2. CENCOEX CASE

Between September and October 2017, the PM reported 14 cases of alleged crimes of illicit obtaining of foreign currency, use of false public documents, association to commit crimes and legitimization of capital.

The reports reveal the investigation against 13 companies in the private sector and only against a public officer with the position of analyst, Carlos Eduardo Rivas Torres, for allegedly modifying data of blocked people to request currency in the technological platform of Cencoex.

The companies mentioned are: Corporación Bates Hill C.A, owned by Juan Miguel Lozano Espinoza and Andrés Daniel Lozano Espinoza, for the alleged irregular acquisition of foreign currency for the purchase of raw material with over-invoicing that ranges between 14,000 and 130,000%.

The company received US\$ 17.2 million between 2005 and 2014 to import chemicals, needed in the elaboration of funeral plaques and to decompose ferrous materials, which were quoted at US \$ 650 and US \$ 724 per kilo, although their price on the international market ranged between US \$ 0.5 and US \$ 5 per kilo. It was determined that the Lozano brothers obtained 15.56 million dollars in the period from 2011 to 2014 through the modality of “Productive Enterprises”, in order to make use of the simplification of procedures enjoyed by companies that work with basic necessities. It was known that they have a company in Panama, where they placed the money extracted and that they are shareholders of at least 25 other companies.



MAGMA MINERAL GROUP INC,

Owned by Walter Eduardo Jaramillo Rivas, for the alleged acquisition of US \$ 8.94 million preferential between 2008 and 2011, without complying with the necessary requirements.



COOPERATIVA FORTEZZA DA BRASSO R.L,

Property of Eli Saúl Tejada, José Rosal, Laura Muñoz, Paolo Ganeza and Saberio Porta, for the alleged irregular acquisition of US \$ 27.96 million, between 2005 and 2013, for obtaining items such as phosphoric acid, leather prepared from pigs and goats and benzolo peroxide.



AZUCARERA RIO TURBIO C.A,

Property of Gabriela Peña Riera and María Margarita Sila de Muñoz, for the alleged irregular acquisition of foreign currency for the purchase of raw material with over-invoicing. The sugar company received US \$ 156 million, between 2004 and 2017.



CENTRAL LA PASTORA, C.A,

Property of Miguel Ángel González Zambrano, for the alleged over-invoicing of 230% in raw sugar imports in bulk. The company received US \$ 1.3 million, forging weighing records.



IMPORTADORA SIDELES C.A,

Owned by Belkis Josefina Hurtado Reyes for the alleged simulation of import processes. The company received US \$ 12.3 million with over-invoicing, between 2012-2013.



CASA DE FACTURACIÓN FARMACÉUTICA,

Owned by Felix Jiménez Silva and Rafael Heraldo Carrasquero, for allegedly overbilling 300% refined. The company received US \$ 2.4 million.



ACCIÓN MERCANTIL, C.A,

Property of Saida Cohen, for the alleged simulation of imports. The company received US \$ 212 thousand.



BIODANICA C.A,

Property of Esbeir Ghali Doumat, for the alleged over-invoicing in more than 19,000% for the import of Titanic Dioxide. The company received US \$ 11.2 million.



ENVASADORA AGUAS DEL ORINOCO, C.A,

Property of Luz García Martínez, José Figuera García, Leonardo Solórzano García and Luis Romero, for the alleged over-invoicing of more than 16,000% for the import of phosphoric acid. The company received US \$ 15 million.



IMPORTACIONES MYA, C.A,

Property of Alexa Gómez de Ardila and Carmen Montero, for the alleged over-invoicing for the import of calcium lactate. The company received US \$ 6.3 million.



CORPO-MEDICA, C.A,

Property of Evaristo González, for the alleged over-invoicing of more than 100,000% for the acquisition of sodium chloride. The company received US \$ 1.9 million.



IMPORTACIONES CONSTRUCTORA B JL,

Owned by Wolfgang Báez, Lendy Báez and Cirabel Medina, for the alleged simulation of the import of hexadecanol. The company received US \$ 3.2 million.

3. TSE ARIETIS, C.A. CASE

Luisa Ortega Díaz denounced on Wednesday, August 23, as part of its participation in the Mercosur Prosecutor's Summit, which took place in Brasilia, that "a Spanish company" called TSE Arietis, received from Odebrecht at least US \$ 100 million. Ortega said that the evidence that is in the hands of the official "will deliver to the Governments of Spain, Colombia and the United States".

TSE Arietis, C.A, Rif: J-29541492-7 (Arietis Group) is made up of Agroser Arietis, C.A and Inversiones Oportunidades y Negocios C.A. According to the records that appear in the Bolivarian Republic of Venezuela, the members of this economic group, as members and directors are Luis Alfredo Campos Cabello, Jerson Jesus Campos Cabello and Alfonso Perez Cabello, presumably relatives of Diosdado Cabello.

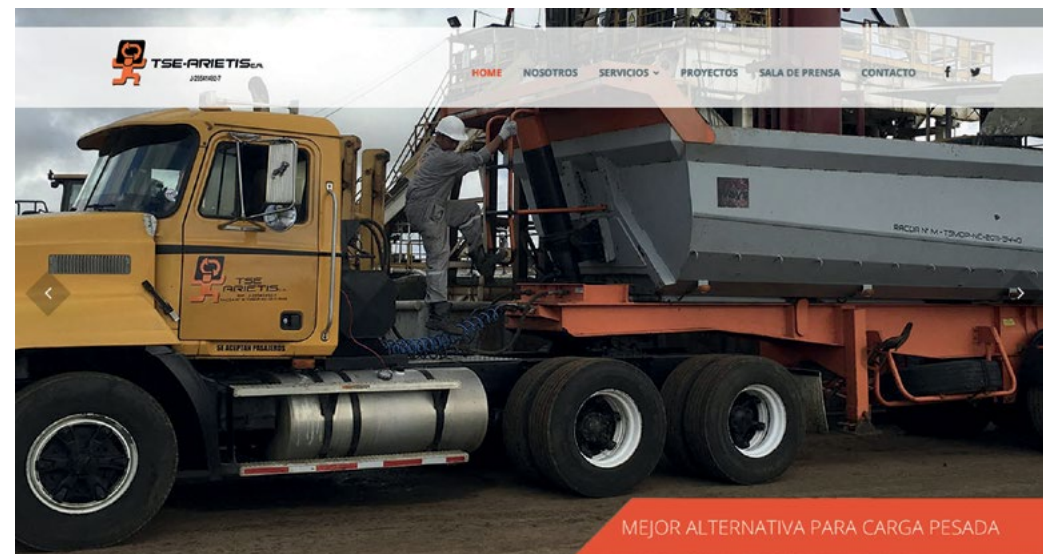
Among the investigations carried out, it is mentioned that during the construction of Line II of the Los Teques Metro, there were contracts between Arietis Group and Odebrecht, related to MLTE 012-06, work planned for 13.8 kilometers that would allow the connection of the Mirandinos Highlands with Caracas.

Investigations have also determined that Luis Alfredo Campos Cabello serves as the owner of three companies in Madrid, established in the last 6 years: Bengoechea Inversiones and Patrimonios, S.L, Depósito y Stockage JJ, S.L, and Inversiones Oportunidades y Negocios, S.L.²²

- 22 http://www.abc.es/internacional/abci-empresas-espanolas-primo-diosdado-cabello-201708250227_noticia.html
- 23 http://www.abc.es/internacional/abci-empresas-espanolas-primo-diosdado-cabello-201708250227_noticia.html

When the war between the different sectors of the ruling party is declared, the names of strong men of the regime begin to come out and, for the time being, they will remain hidden in a drawer that at any moment can be opened.

As for the biography of Luis Alfredo Campos, it was known that he was the head of the office of the Governor of Miranda, when Diosdado Cabello was in command of the regional executive. He is also the brother of who was the Superintendent of Public Property, Ramón Rafael Campos Cabello, accused of embezzlement by the ex-attorney of Miranda, Rafael Guzmán.²³



4. CASO NERVIS VILLALOBOS

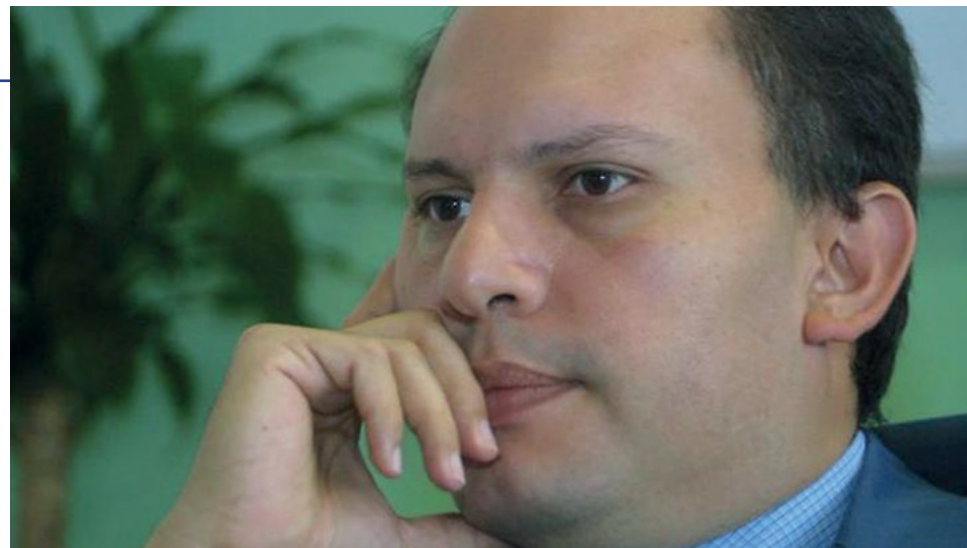
Nervis Villalobos, former vice minister of Electric Energy between 2001 and 2006, is investigated for the payment of commissions in foreign currency and handed out contracts, money laundering, criminal association, financial crimes and millionaire accounts in Andorra.

Villalobos was arrested in Spain, in a procedure carried out on October 26 and 27, 2017, with Luis Carlos De León Pérez, Pdvsa's former attorney and former vice president of Legal Affairs of Electricidad de Caracas. It was also informed about the detention of César David Rincón Godoy, attorney and psychologist of Bariven, dependent of the State Oil Company, in which he became the representative of purchase of assets and services of Pdvsa Gas.

The Spaniard authorities' procedure also yielded the arrest of Rafael Reiter, Protection, Control and Losses Manager of Pdvsa, who was chief of Rafael Ramírez's bodyguards, former president of the State Oil Company and responsible by the State security.

Venezuela's UN ambassador in 2017, Rafael Ramírez, is the point where the four detained former officials converge, since they are told to be part of their closest environment.

In this case, it must necessarily refer to the sudden silence of the Venezuelan justice, which gave the green light at the end of 2016 to Nervis Villalobos to evade, in his own country, an investigation for the collection of US\$ 50 million to the Spanish company Duro Felguera for the execution of the work Combine Cycle of Thermoelectric Central (Termo Centro Plant), located in the Valles del Tuy, Miranda state.



Nervis Villalobos
Exviceministro de Desarrollo Eléctrico

The operation that would have been carried out during Villalobos' administration gave rise to a criminal investigation that began on March 30, 2015 at the request of the 25th National Prosecutor's Office, following the denunciation of Incary Guerra Torres, national manager of Litigation of Corpoelec. It was proceed in the same way in Spain, for money laundering.

The Public Ministry's action, under the conduction of Luisa Ortega Díaz, was direct at the beginning against Nervis Villalobos and Javier Alvarado Ochoa, former vice minister of the Energy and Oil Ministry.

They both were pointed by the crimes of intentional embezzlement, money laundering and crime association. But they were favored by the 37 Control Court of Caracas, instance which left without effect the deprivation of liberty and freezing of assets measures dictated against the former officers.

A year and a half of investigation had gone against these officers, when the PM of Luisa Ortega Díaz, today in exile after being dismissed by the so-called National Constituent Assembly, denounced before the Criminal Chamber of TSJ that the trial courts had favored two people accused of corruption, arguing that the facts denounced “are considered of Lesa Patria and would be directly linked to the power rationing throughout our nation.”

The Prosecutor’s Office -in the request for assuming jurisdiction over the case- maintained that the measure in favor of the accused was taken leaving aside the danger of flight. The Public Ministry representatives said that is prohibited to give preventive substitute for freedom measure to people accused of committed crimes against public treasury, according to the Constitutional Chamber’s jurisprudence.

But surprisingly The Public Ministry said “loss of interest” before the Criminal Chamber on August 5, 2016, few days after its complaint. Pero de manera sorpresiva el PM alegó “pérdida de interés” ante la Sala Penal el 5 de agosto de 2016. Without further explanation, the Prosecutor representation was based on article 431 of the Organic Code of Criminal Procedure and requested the file to be filed.

The Criminal Chamber La Sala Penal validated the criteria of the Public Ministry on February 13, 2017. (Judgment No. 002 of February 13, 2017)

The Constitutional Chamber of the higher Court, also intervened in the issue from an action of protection filed by the Prosecutor’s Office and even decided before the Criminal Chamber on December 9, 2016 (Judgment number 1,061).

In its decision, the Chamber approved the withdrawal of the Prosecutor’s Office, favoring Nervis Villalobos and Javier Alvarado Ochoa.

In a presentation by magistrate Calixto Ortega, it was made clear that the acts of corruption, which according to the initial criteria of the General Prosecutor’s Office accentuated the electricity crisis, “does not affect public order” and may be abandoned.

Two of seven Magistrates from the Constitutional Chamber were opposed. Thus Carmen Zuleta de Merchán said, in her dissenting vote, that “impunity is encouraged,” while her colleague, Luis Fernando Damiani Bustillos, underscored the strange change in the criteria of Luisa Ortega Díaz’s office, while at the same time attempting against “the good customs or the values and principles that inspire our legal system”.

While the highest court of the country validated the measure that favored them, Villalobos and Alvarado Ochoa, left Venezuela, heading to Spain, where they were apprehended.

Villalobos is also required by an investigation in the US due to corruption, in which Pdvsa pops up.

5. GENERAL COMPTROLLER OF THE REPUBLIC. SERSACON CASE

The General Comptroller of the Republic, Manuel Galindo, accountable to exercise the control, watch and inspection of the incomes, expenses and public assets of the Nation from 2015, has appointed to his daughter, Mayra Galindo León in the position of President of Sersacon, entity subscribed to the CGR which object is to give medical attention to workers and retired workers of that organ, as it appears from the followings official documents: G.O. 40.688 of 6/23/2015, G.O. 40.763 of 10/8/2015, G.O. 40.975 of 8/26/2016 y G.O. 41.119 of 3/22/2017, G.O. 41.176 of 6/20/2017 y G.O. 41.230 of 9/6/2017.

Mayra Galindo as President of Sersacon, appointed by her father, has the power of “agree expenditures, approve expenses, sign contracts or agreements, authorize and acquire financial commitments, make payments and mobilize funds without quantity limit, when the Management of Administration or the Public Procurement Commission of the Foundation submits it for consideration and approval”.

NEPOTISM

understood as the favoritism deployed by public officials who enjoy power and authority, to enter or influence the entry of family and friends in public administration, violates the Venezuelan legal system

The Comptroller also gave Mayra “The decisions related to adjudication, declaration of deserted process or direct contracting in every contractor selection modalities; thus the beginning, suspension or ending of contractor procedures”.

To the irregularity is added that in 2015, contract's commission of Sersacon, was integrated by some relatives and friends of the Comptroller, they were members of contracts commission Haydelin Yajaira Villegas León (Galindo's nephew) and Marinely Trinidad Gervazzi Cañizález (Mauricio Eduardo Galindo Bermúdez's girlfriend,

grandson of the high Officer). Gervazzi Cañizález was also, alternate directive of the Institute of Higher Studies of Fiscal Control and State Audit “Fundación Gumersindo Torres”, Cofae, entity also attached to the CGR.

In the Sersacon board of directors also joined Marinely Trinidad Gervazzi Cañizález, Suhei Araque (wife of the daughter of the Comptroller) and Numidia Rocío Flores, cousin of the President Nicolas Maduro's wife, who was head of Human Resources of the NA.

Even she's in front of Sersacon since 2015, Galindo León appears in the register of Venezuelan Social Insurances Institute, IVSS, as an active worker of NA, where his father performed as equal Consultant during the former Deputy and first Lady of the Republic, Cilia Flores.

The Comptroller also appointed to the husband of his daughter Mayra, David Burguillos Atencio in the position of Director of the Control System, through resolution published in G.O. 40.576 el 8/1/2015.

Public Ministry reported in its web site, that it started an investigation for the alleged crime of influence peddling, just like the personal use of materials and inputs of the CGR.



Manuel Galindo,
Comptroller General of the Republic

13 RELATIVES OF THE GENERAL COMPTROLLER of the Nation

work in his office. Transparencia Venezuela asked to the National Assembly commission of Comptroller to investigate and, eventually sanction the comptroller, but to date the Parliament has not responded.

6. CSES IN THE JUDICIAL BRANCH

During 2017, the Public Ministry issued details about three investigations for alleged corruption acts against lawyers and members of the Judicial Branch.

In the first case, Public Ministry accused to Vargas Yorgenis Vicente Linares, sheriff subscribed to the Judicial Circumscription of Vargas State, for allegedly issued false documents.

A lawyer denounced that Linares pretended to be a “gestor” and falsified a signature to issue a supplementary title, a procedure for which he allegedly charged Bs. 500,000. The investigation of the PM showed that the file number of the documents processed by the sheriff did not correspond to the court or to the applicants.

Public Ministry accused to Linares for the crimes of influence peddling and public document falsehood, and required a deprivation of liberty measure.

In a second case, the Public Ministry accused Glenn David Morales, Labor Judge in Caracas and the lawyers David Villamizar and Nergan Pérez for the alleged crimes of aggravated extortion, valuation assumption and association to commit a crime.

The citizens, allegedly, requested US \$ 1,000,000 from a citizen to solve a criminal situation related to an international red alert. This circumstance was denounced on 5/21/2017 by relatives of the victim and the Public Ministry started the investigation, agreeing on a controlled delivery.



On 8/24/2017, the Judge and the two lawyers went to a restaurant in Caracas to meet the victim, whom they asked for the amount US\$ 100,000 to solve the issue related to a red alert. During the process, it was achieved the detention of Morales, Villamizar and Pérez. The Judicial instance agree deprivation of liberty.

In a third case, Public Ministry accused Cándido Ramón Ramírez, analyst of the Executive Direction of the Magistracy, DEM, for the alleged crime of corruption induction. The Public Ministry required on november 7, 2016 a warrant of arrest, which was agreed by the judicial instance.

Ramírez was accused for allegedly offers money to a Municipal Judge of Civil, Mercantile and Transit of Caracas Metropolitan Area, AMC, in Exchange of the non-execution of an eviction in a restaurant located in the Baruta Municipality of the Miranda State.

7. CASES IN THE PUBLIC MINISTRY

In statements of August 7, 2017, Saab mentioned the alleged charge in dollars of prosecutors of the Public Ministry to charge or not to a citizen. He also mentioned that this same practice is applied for accusations and dismissal of cases.

Public Ministry accused the former prosecutor Rudy Pérez, and the lawyer Jairo Acosta, for the alleged crime of own corruption. Once evaluated the conviction elements exposed by the representative of the Public Ministry, the Control Court dictated deprivation of liberty measure against both men.

The investigation started, after August 16, 2017, date in which Diosdado Cabello, in the middle of his TV show, mentioned a phone conversation between Pérez and Acosta in which they coordinate the request of the amount of money to a person, for not to be involved in an alleged criminal investigation for the subtraction of materials from Bermudez Municipality.

In other case, Public Ministry accused the former prosecutor Xohiris Seijas, her husband and the lawyers Josman Silva and Jonathan Castro, for the alleged crime of aggravated own corruption, association to commit a crime and falsification of documents. Once evaluated the conviction elements exposed by the representative of the Public Ministry, the Control Court dictated deprivation of liberty measure against both men.

In the case, is narrated that on February 10, 2016 a man went to the prosecutor's office headquarter to require the devolution of a vehicle of his alleged property, which was retained for another prosecutor, due to modified serials.



The lawyer Castro went to the former prosecutor's office, who required the payment of Bs. 300,000 to solve the issue. Castro informed to the victim the conditions and he asked for Bs. 800,000. To receive his client's money, he did the transference of the required figure to the bank account of the ex-prosecutor's husband.

On July 17, 2016, the victim went to the parking lot Neomar, located in Ocumare del Tuy, Miranda State, for the purpose of removing his car and he was informed that the procedure could not materialize because the documents are of dubious origin. The victim contacted to CICPC to denounce what happened and start the investigation under the supervision of Public Ministry.

When CICPC officials executed a handwriting test, it was determined that Seijas faked the signature of the holder prosecutor to liberate the vehicle.

In a third case, the PM accused ex-prosecutor Marvelys Dorian Golindano, for allegedly using her investiture as a public officer to coerce a woman and force her to leave her home for personal reasons. At the presentation hearing, the PM charged the ex-employee as co-author in the crimes of degrading treatment, illegitimate deprivation of liberty,

house rape, influence peddling and prevarication. In the fact of the elements of conviction presented by the Public Prosecutor's Office, the Court of Control of Puerto Ordaz issued the custody measure against Golindano and his apprehension was carried out.

The irregularities date from 2014, the year in which the victim goes to the office of Golindano to report acts of physical, psychological and patrimonial violence committed by her husband; all these causes were dismissed by the ex-prosecutor, given the sentimental relationship he had with the man. In August 2016, the victim again went to the institution guarantor of legality in the country to denounce that five officials of the Caroní municipality police had entered his house without a search warrant and stole the sum of US \$ 5,700, a ring of diamonds and a gold chain.

In the case, the PM also accused police officers Gerson Maiz, Andreina Soles, Francisco Tovar, Argenis Contreras and Peter Perez, who claimed to have received a telephone call from Golindano to force the victim to leave their home.

In a fourth case, PM accused Moisés Camacho Sánchez, ex-secretary of the 24^o prosecutor office of the Caracas Metropolitan Area, CMA, for allegedly requesting for money to remove a vehicle from the office of the prosecutor.

8. SAIME CASE

On June 23, 2017 the PM accused Omar de Jesús Núñez Andrade, Officer of Saime, for allegedly ask Bs. 1,000,000 to a person to accelerate the delivery of her visa.

In another case, PM, accused Tulio Alberto Godoy Coraspe, Jethaimet Wiher Blanco, Isamar Gutiérrez Campos, Chery Del Carmen Perdomo, Lilian Irene Castillo, Marianys Peña Rivera and Yamilet Galvis Chacón, officers of Saime, for allegedly issued fraudulently, Venezuelan identity card and passports to Syrian citizens.

In a third case, the PM accused Jhonny Mendoza, Franklin Carreño and Michael Mendoza for allegedly fraudulently issuing a Venezuelan identity card and passport to a Cuban citizen.



SERVICIO ADMINISTRATIVO
IDENTIFICACIÓN
MIGRACIÓN Y
EXTRANJERÍA

MINISTERIO DEL PODER POPULAR PARA
RELACIONES INTERIORES, JUSTICIA Y PAZ

During an interview conducted by the Inspectorate of General Services of Saime, the man reported that he had completed the procedure to get the identity card in the offices of that entity, located in Plaza Miranda, Caracas, where he had requested an amount of US \$ 2,000 to process the identity documents.

In a fourth case, report on December 22, 2017, PM accused Franklin Bello, for allegedly request for money to a person in Exchange of accelerate the process related to the Passport extension.

9. GOVERNMENT OF ARAGUA CASE

On December 19, 2017, a presumed act of corruption in the governorship of Aragua was reported for an amount exceeding Bs. 14 billion. The fact has been pointed out as the biggest embezzlement against a government.

According to statements made by the PM, the amount stolen was transferred to 7 companies from the month of November, through an electronic user that granted full access to the management of the account owned by the government. The user belonged to the citizen, Sinamay Linares, Secretary of Finance, Administration and Finance of the Government.

Linares and her daughter, Omaira Cabrera, who served as her assistant, in total violation of the rules that prohibit the conflict of interest, were presented on December 31, 2017 before the 4th Court of Control of Aragua and charged by the alleged commission of the crimes of electronic fraud, legitimation of capital and association to commit a crime.

The money received by the companies was transferred to dozens of accounts of legal and natural persons, which, according to Saab statements, are identified and blocked.

Additionally, the PM required another ten arrest warrants, among which are those made against Harold Bernal and Yaritza Vásquez, of the companies Bernal Zeis Construcciones C.A. and Yaris Fashion C.A, and against Carmen Elisa Navas.



ODEBRECHT

A Company That
Builds Corruption

Las Obras Civiles del METRO
están siendo realizadas con la participacion de las Empresas:

ODEBRECHT

Construtora Norberto Odebrecht, S.A.
Centro Empresarial Torre Humbolt, Piso 10 Oficina 10-13
Avenida Rio Caura.
Sector Parque Humbolt, Prados del Este
Caracas - Venezuela

Ing. Euzenando Prazeres de Azevedo (Presidente)
Ing. Antonio C. Daiha Blando (Director de Obra)
Arq. Hector Gimenez (Ingeniero Residente)



ODEBRECHT

A COMPANY THAT BUILDS CORRUPTION







A company sheltered by senior government officials managed to build arguably the largest web of corruption in the world through construction activities.

In early 2017, after certain actions by Venezuela's Prosecutor General, we were hoping legal proceedings could be initiated in the Odebrecht case, arguably the largest corruption scandal known in Venezuela. But the illusion soon vanished. First, Venezuelan prosecutors were charged after they traveled to Brazil in February to interview defendants who were willing to inform on individuals involved in corruption activities in Venezuela. Then, we witnessed the removal of and harassment against the Prosecutor General in August 2017.

Operation Lava Jato (Car Wash) was so named because of the use of a network of laundries and gas stations to move assets of illicit origin. It is also the largest anti-corruption operation deployed by Brazil's Federal Police, the Curitiba prosecutor task force and Judge Sérgio Moro. The operation involving Petrobras, the largest state-owned company in Latin America, and more than ten large Brazilian private companies apparently led by Odebrecht, was made public on March 17, 2014, after more than a hundred law suits and subpoenas were filed against businessmen, politicians and public officials.

TABLE 1:
BRAZILIAN COMPANIES INVOLVED



	ACTIVITY	ACTIVITY IN VENEZUELA
	Engineering and construction	More than 30 major works contracts for an approximate amount of \$30 billion
	Engineering and construction	The contracts signed for the execution of major works include: the Tuy IV project contract, the rehabilitation of the Guapo company, the construction of the Santa Lucía-Kempis highway under the responsibility of <i>Corporación de Desarrollo de la Cuenca del Río Tuy</i> , the works on the Cuira dam and its ancillary works, roads, pumping station and power lines.
	Engineering and construction	The contracts signed include the assembly of a shipyard in the state of Sucre (north-east coast), the start-up of José Abreu De Lima steel mill and Phase II of the Cumaná thermal power station.
		Signed a contract for the execution of the Socialist Integral Development Project for Agricultural Production in the Quibor Valley

These companies replicated a corruption model throughout the world, although there is only evidence or admission to crimes in ten Latin American and two African countries. But the most prominent case is Odebrecht, except in Chile, where it did not operate. And Venezuela is undoubtedly its most active ground.

The corruption model can be summarized as a massive scheme of bribes paid to officials and politicians by these large Brazilian engineering and construction companies in order to favor the Brazilian firms in bidding processes. The amount of bribes ranges between one and five percent of the project budgets.

The corruption model can be summarized as a massive scheme of bribes to officials and politicians by these large Brazilian engineering and construction companies in order to favor the businessmen in the bidding processes.

The methods used to run the corruption ring include the submittal of bids with off-the-record surcharges, which would not to be accounted for in the company's statements, and self-insuring operations, among others. The money was received in cash or via wire transfers through one or more offshore entities, using fictitious contracts and small banks, located in countries with strict laws regarding protection of bank secrecy and exchange of information.

To ensure cooperation of the banks, Odebrecht paid higher remuneration fees and rates to institutions and a percentage of every illegal transaction to a number of bank executives.

Once the funds were obtained, the money was reinjected into the system through hotels, laundries and gas stations in order to be laundered and then transferred abroad, through shell companies created in countries like Antigua and Barbuda, Austria, Belize, Monaco, Panama, Switzerland and Uruguay.

This criminal scheme was ultimately run by top company officials, who required the endorsement of former President

Lula Da Silva to replicate the bribery ring in other countries and sign bilateral agreements that would allow them to sign the directly awarded contracts. This was accomplished with great success in Venezuela with frequent visits from President Chávez to Brazil, and from President Lula to Venezuela, but also with a close relationship between Euzenando Prazeres de Azevedo, Odebrecht director in Venezuela (and for a while also in the US), and Chávez and other top government officials.

For the processes of negotiation and payment of bribes, Odebrecht set up a clandestine business unit in its organizational structure, called "Structured Operations Division," which operated with its own communications system, separate from the rest of the company and outside the corporate network, using code names and passwords in order to protect the anonymity of intermediaries and other members of the corruption network, using secure emails and instant messaging.

The following graph shows the elements of the corruption scheme run by Odebrecht in various countries, which include major contracts, private relationships with regional leaders, funding of political activities and election campaigns, as well as complex administrative and financial management:



SUPPORT

From President Lula da Silva and his advisers in the relation between the company and the governments of the region



NEGOTIATIONS

Of major works with overprices



FUNDING

Of political parties and candidates during election campaigns



AGREEMENTS

Between countries to endorse direct awarding



PAYMENT

Of bribes to top officials



DELAYS

In projects



CLOSE RELATION

between company representatives and top officials



CONTROL

Of the operation from the company's Structured Operations Division



OPACITY

In the entire operation



PAYMENT OF BRIBES

The year 2017 began with fresh news about Odebrecht bribes. On December 21, 2016, Odebrecht and Braskem (its petrochemical subsidiary) reached an agreement with US judicial authorities, pleading guilty of the payment of

bribes equivalent to \$349 million in Brazil and \$436.9 million in other countries in Latin America and Africa, of which \$98 million—they admitted—were paid to Venezuelan officials and politicians.

COUNTRY	PERIOD	BRIBES PAID TO OFFICIALS (IN MILLION USD)	BENEFITS OBTAINED BY ODEBRECHT (IN MILLION USD)
ANGOLA	2006-2013	50.0	261.7
ARGENTINA	2007-2014	35.0	278.0
BRASIL	2003-2016	349.0	-
COLOMBIA	2009-2014	11.0	50.0
DOMINICAN REPUBLIC	2001-2014	92.0	163.0
ECUADOR	2007-2016	33.5	116.0
GUATEMALA	2013-2015	18.0	34.0
MÉXICO	2010-2014	10.5	39.0
MOZAMBIQUE	2011-2014	0.9	-
PANAMÁ	2010-2014	59.0	175.0
PERÚ	2005-2014	29.0	143.0
VENEZUELA	2006-2015	98.0	-
TOTAL		785.9	1259.7

Source: Plea agreement signed by Odebrecht and Braskem, its petrochemical subsidiary, with US judicial authorities, when pleading guilty before the US District Court for the Eastern District of the State of New York in December 2016.

<https://www.justice.gov/criminal-fraud/file/920096/download>

The agreement with the United States Justice Department, published on social networks, implied the payment of a \$3.5-million fine (\$2.5 million by Odebrecht and around \$1 million by Braskem) to Brazil, Switzerland and the U.S. Odebrecht obtained a 25-percent reduction in the penalty and Braskem received a 15-percent reduction for cooperating.

This penalty is the highest fine paid by a company accused of corruption under the Foreign Corrupt Practices Act of 1977.

However, the information about Venezuela does not seem plausible. Although not all contracts signed between Odebrecht and the Venezuelan state have been disclosed, the announcements, works started and other information suggest there were huge sums of money involved in contracts for major projects. Prosecutor General Luisa Ortega Díaz,

who claims to have copies of the contracts, said in July that these amount to \$30 billion. If Odebrecht paid bribes in Venezuela in similar ratios as in the rest of the world (between one and five percent of the contract amount) we are talking about bribes ranging between \$300 million and \$1.5 billion. This is a long way from the \$98 million that Odebrecht declared before the New York Court to obtain its penalty reduction agreement.

CHÁVEZ AND ODEBRECHT LEFT US DEEP IN DEBT

Brazilian Development Bank (BNDES) collaborated by financing Brazilian companies, in an effort to increase their chances of being awarded contracts. According to the information detailed in the table below, Venezuela became the Latin American country that received the largest amount of BNDES funds, which ushered in a resurgence of the participation of Brazilian construction companies in Venezuela.



By 2017 there was still no information on how much is the debt with BNDES, which at some point reached \$3.23 billion.

PROJECT FINANCING AMOUNTS DISBURSED BY BNDES

COUNTRIES	LOANS (MILLION DOLLARS)
ANGOLA	3.990
ARGENTINA	2.061
COSTA RICA	44
CUBA	846
ECUADOR	227
GHANA	215
GUATEMALA	280
HONDURAS	145
MÉXICO	90
MOZAMBIQUE	445
PERÚ	698
DOMINICAN REPUBLIC	2.597
URUGUAY	9
VENEZUELA	3.231

2017: DELAYS BECAME STOPPAGES

Odebrecht's presence in Venezuela began in 1992 with the construction of a shopping center in the city of Maracaibo, Zulia state. This was a contract between private entities.

In 1998, the Brazilian giant was awarded a concession for the works of Line 4 of the Caracas metro system (1999-2007).

In the period between 2005-2011, 47 agreements of understanding were signed in various areas of support and col-

1	Civil construction of Line IV of the Caracas metro system
2	Execution period extended until 06/30/2012, in order to complete outstanding activities signed with the Line IV consortium, which include civil construction works, relocation of basic services of the Capuchinos-Plaza Venezuela section and the remaining activities to be executed under contract MC-2932
3	Civil construction of Line III of the Caracas metro system
4	Construction of the civil works of the El Valle-La Rinconada section of Line III – composed of sections VRZ-01, VRZ-02 and RZ-03
5	Execution of the civil works and ancillary systems required for the implementation of the Metrocable (cable car) system in San Agustín del Sur, and the installation of mechanical and electrical equipment required for this system

By 2017, at least 32 contracts were yet to be executed, including necessary major works that Venezuelans have been awaiting for decades. By 2017, the rescheduling of the works had been approved, and other projects that should have been completed in 2009 were postponed several times, first to 2011, then to 2016.

By the end of February, after the worldwide scandal caused by the Odebrecht case in the New York court and the

laboration, from agriculture, music orchestras, diseases, etc. (see Annex) and between 2003-2010, 36 meetings (16 in Venezuela and 20 in Brazil) were held between President Hugo Chávez and Luiz Inácio Lula da Silva. Odebrecht has been involved in at least 43 major projects throughout the nation, of which only 11 were completed.

TABLE 2:
COMPLETED CONTRACTS



6	Civil construction of Las Adjuntas-Los Teques metro line
7	Water treatment plan built by Odebrecht in the El Tablazo Complex
8	Second bridge over the Orinoco River at Puerto Ordaz
9	Crude supply and shipping terminal at Jose (TAEJ)
10	“El Chorrito” water treatment plant, on the right bank of the San Pedro River, in El Tambor
11	Socialist Agricultural Project in the Maracaibo lowlands

actions of the Prosecutor who ordered the freezing of the assets and issued a ban on leaving the country against Euzenando de Azevedo and three directors, President Maduro declared on his Sunday TV program “*Los domingos con Maduro*” that he would terminate all contracts with Odebrecht, which led to work stoppage and subsequent freezing of assets issued by the Second Administrative Court.

ONGOING CONTRACTS

TABLE 3:
ONGOING CONTRACTS

ONGOING CONTRACTS	
1	Rehabilitation and optimization of main runway 10-28, remote northern international platform, loading platform, drains, expansion of domestic terminal, with the addition of two new gates (1-A and 1-B), and supply and installation of 3 chillers, as well as the repair of cooling towers and air conditioners at the Maiquetía airport
2	Contract No. MC-4748, signed on 12/18/2012 for the civil works relating to the implementation of the Metrocable (cable car) systems in Petare Sur and Antímamo, supply and installation of the systems required for their operation and the study, design, supply and installation of system equipment
3	
4	Contract No. MC-3750, signed on 12/21/2006, for civil works, relocation of public services and ancillary works of the section between Miranda II station and the eastern workshop yard in the eastern terminal, including the Warairarepano modal interchange station, at km 4. The entire line consists of 4 stations: Montecristo, Boleita, El Márques, Warairarepano and one workshop yard.
5	Contract No. MC-3751: “Miranda II Warairarepano”
6	Contract MC-3753: Construction of civil works of the Caracas-Guarenas-Guatire Line of the Caracas Metro
7	Contract MC-3753-1: Construction of yards in Guarenas and workshops in Guatire
8	Contract MC-4894: Caracas-Guarenas-Guatire System (integral system)
9	Contract No. MC-4119, signed on 12/03/2008 between contractor Doppelmayr Seilbahnen GmbH and the Venezuelan state-owned company Metro de Caracas, C.A., for the construction of the La Dolorita cable car system
10	Construction of the Mariche cable car system
11	Construction of an overpass system consisting of a 2.1-kilometer viaduct, divided into two phases. Phase 1 with a 1.0-km long line and three elevated stations: Petare 2, 19 de Abril and 5 de Julio. The first allowed the interchange of users with Line 1 of the Caracas metro (Petare Station). It was opened in August 2013, and was at the time the only Automatic People Mover in Latin America and the eighth in the world. Phase 2, with a 1.1-km length and two elevated stations: 24 de Julio and Warairarepano; the latter will allow the connection to the Caracas-Guarenas-Guatire mass transport system and Line 5 Phase 2 (Warairarepano Station), currently ongoing.
12	Contract No. MC-4893, signed on 10/28/2013, between <i>Consortio Sistema Integral Línea 5</i> , (Construtora Norberto Odebrecht S.A., Alstom Transport S.A., Alstom Venezuela, S.A., Colas Rayl, S.A., and Colas Rayl Sucursal de Venezuela) and Metro de Caracas, for the revamping of the old-generation train fleet taken off Line 1 of the Caracas Metro.

Continue

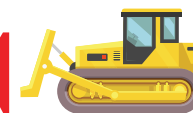
ONGOING CONTRACTS	
13	Contract No. MC-3211, signed on 09/25/2002. Construction of civil works of La Rinconada of the Line III of the Caracas metro and the Zoologico Station in Line II of the Caracas metro.
14	Contract No. MLTE/012-06, signed on December 21, 2006, construction of Line II - El Tambor-San Antonio de los Altos.
15	Development of the Project for basic engineering, detail and construction of the second crossing over Lake Maracaibo in Zulia.
16	Project and construction of Roadway System of the third bridge over the Orinoco River.
17	“Integral socialist project for technology development and transfer in soybean cultivation” (Anzoátegui State), in 2 phases.
18	Construction of main concrete structures, supply and installation of hydromechanical equipment. Final Construction of left dam.
19	Construction of 760 housing units to be built in the area adjacent to the Guarenas-Guatire inter-communal avenue and the Casarapa overpass of the Gran Mariscal de Ayacucho highway in the Bolivarian State of Miranda
20	Contract MC-4749: construction of 2,400 housing units to be built in Mariche, Petare-Santa Lucia road, Las Tapias sector, adjacent to Brisas del Marichal, Sucre municipality, Miranda state.
21	Contract MC-3750-1, for the construction of civil works, relocation of public services and ancillary works of the section between Miranda II Station and workshop yard in the eastern Terminal, including the Warairarepano Modal Interchange Station
22	Construction of 900 housing units in the multi-family housing development of El Chorrito, in the context of the Great Housing Mission Venezuela
23	Integral System of Ayacucho Station and yards and workshops in El Chorrito
24	Civil, mechanical and instrumentation works for the construction, installation and assembly of the four agroindustrial complexes for sugar cane by-products (Cadca), of the first stage (Trujillo, Portuguesa, Cojedes and Barinas)
25	Civil, electrical, mechanical and instrumentation works for the construction, installation and assembly of the distillery and torula yeast plant for the agroindustrial complex of sugarcane by-products Ospino Morador sector, Portuguesa, as part of the first stage.
26	Civil, electrical, mechanical and instrumentation works for the construction, installation and assembly of the distillery and torula yeast plant for the agro-industrial complex of sugarcane by-products in Anzoátegui sector, Cojedes state, as part of the first stage
27	Civil, electrical, mechanical and instrumentation works for the construction, installation and assembly of the distillery and torula yeast plant for the agroindustrial complex of sugarcane byproducts, Jirajara Monay Carache sector, Trujillo state
28	Civil, electrical, mechanical and instrumentation works for the construction, installation and assembly of the distillery and torula yeast plant for the agroindustrial complex of sugarcane byproducts, Rojas Caño Hondo sector, Barinas state
29	Completion of the construction of the operational center and collection system of the Santa Rosa field
30	Completion of the construction of the operational center and collection system of the Zapato Mata field
31	Framework agreement for the development of the Deep Conversion project of the refinery in Puerto La Cruz (engineering, procurement, construction and support in commissioning or startup required for the deep conversion project)
32	Construction work for the Agricultural Development project in the area of influence of the Guanare-Masparro rivers, Barinas and Portuguesa.

Sources: Annual Report 2015; National Contractors Registry; Official Gazettes; Odebrecht Venezuela.

Of the 32 unfinished projects, Transparencia Venezuela managed to obtain data on 16, after a review of the annual reports available, information posted on social networks and some contracts contained in files in Venezuelan courts.

In the documents obtained we found the name of seven top government officials who signed million-dollar contracts with the company Norberto Odebrecht, C.A., including: Luis Gustavo Graterol Caraballo, Haiman El Troudi, Gustavo Enrique González López, Isidro Rondón Torres, Nelson Merentes, Ramón Carrizales and Hipólito Izquierdo.

TABLE 4: TRANSPARENCIA VENEZUELA SOLO LOGRÓ OBTENER DATOS DE 16 OBRAS



PROJECT NAME	OFFICIALS WHO SIGNED CONTRACTS	ODEBRECHT REPRESENTATIVES
Simón Bolívar International Airport	Luis Gustavo Graterol Caraballo (General Director of IAAIM)	Euzenando Prazeres de Azevedo and Sergio Ferraz de Campos (Odebrecht)
Antímano cable car/ Petare Sur cable car	Haiman El Troudi (President of Metro de Caracas)	Euzenando Prazeres de Azevedo and Alessandro César Dias Gomes (Odebrecht)
Caracas metro line 5		
Miranda II Warairarepano	Gustavo Enrique Gonzalez López (President of Metro de Caracas)	Line IV Consortium (Norberto Odebrecht: Eu- zenando Prazeres de Azevedo, Antonio Carlos Daiha Blando and CBPO Ingenieria de Venezuela:
Train revamping		
Caracas-Guarenas- Guatire metro system	Haiman El Troudi (President of Metro de Caracas)	Euzenando Prazeres de Azevedo / Alessandro César Dias Gomes (Odebrecht)
Yards and workshops in Guarenas, Guatire	Haiman El Troudi (President of Metro de Caracas)	Line V Consortium: Construtora Norberto Ode- brecht, Alessandro César Dias Gomes and Sergio Ferraz de Campos; Alstom Transport, Luis Monto Laporta; Alstom Venezuela Luis Monto Laporta; Colas Rail, Salim Hellel; Colas Rail Sucursal de Ven- ezuela, Salim Hellel
Line III La Rinconada	Contract 1: Gustavo Enrique González López (President of Metro de Caracas) Contract 2: Haiman El Troudi (President of Metro de Caracas)	Martin Schoffel, President of Doppelmayr Seilbahnen GMBH
Los Teques metro line II (El Tambor)		Euzenando Prazeres de Azevedo and Alessandro César Dias Gomes (Odebrecht)

Continue

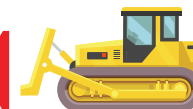
NOMBRE DE LA OBRA	FUNCIONARIOS QUE SUSCRIBIERON CONTRATOS	RESPRESENTANTES DE ODEBRECHT
Integral Agricultural Project “José Inácio De Abreu e Lima”	Gustavo Enrique González López (President of Metro Los Teques)	(Line II Consortium) Construtora Norberto Odebrecht: Euzenando Prazeres de Azevedo and Antonio Carlos Dahia Blando / Venezolana de Inversiones y Construcciones Clerico, C.A. VINCCLER, C.A: Juan Francisco Clerico Avendaño
Manuel Piar-Tocoma Hydroelectric Power Plant	Isidro Rondón Torres (Minister of People’s Power for Infrastructure)	Euzenando Prazeres de Azevedo and Marcos de Queiroz Grillo (Odebrecht)
	Nelson Merentes (Minister of Finance)/ Ramón Carrizalez (Minister of Infrastructure)	Euzenando Prazeres de Azevedo and José Claudio de Cerqueira (Odebrecht)
	Hipolito Izquierdo (President of Edelca)	Consorcio OIV Tocoma: Vinccler, C.A., Juan Francisco Clerico Avendaño; Euzenando Acevedo; Eduardo de Melo Pinto

PROGRESS OF ODEBRECHT WORKS BY 2017


By 2017, there was no information available on any other terminated contract. According to information disclosed by public entities and included in the file kept at the Second Administrative Court, at least 11 projects are halted. The construction of the Antímáno cable car is running more

than four years behind schedule and shows a percentage of physical progress of merely 6.21 percent. The third bridge over the Orinoco River is more than 7 years behind schedule and shows 50 percent of physical execution.

TABLE 5:
 AMOUNT PAID VS. PHYSICAL PROGRESS



PROJECT NAME	CURRENCY	LAST KNOWN CONTRACT AMOUNT	AMOUNT PAID	PERCENTAGE PAID	PROGRESS OR EXECUTION %
Simón Bolívar International Airport-Maiquetía	Bs. \$	972,038,021.57 150,619,984.50	S/I S/I	N/A N/A	34,38%
Antímáno Cable Car/ Petare Sur Cable Car	Bs. \$ €	1,323,226,552.81 366,031,116.91 179,194,000	870,688,499.26 204,361,147.91 10,214,058	66% 56% 6%	6,21%
Caracas Metro Line 5	Bs. \$	7,649,515,033.72 1,134,112,030.77	5,083,694,202.17 736,609,133.76	66% 65%	62,27%
Miranda II Warairarepano	Bs. \$	5,192,677,831.98 910,222,892.05	1,626,735,352.45 248,665,039.87	31% 27%	6,40%
Train revamping	Bs. \$	3,422,060,877 696,469,014.68	311,892,404.51 57,647,882.65	9% 8%	1,76%
Caracas-Guarenas- Guatire metro system	Bs. \$ €	17,074,853,015.16 2,355,692,013.92 1,842,271.20	14,134,272,980.57 1,231,983,293.73 1,565,930.58	83% 52% 85%	26,70%
Guarenas Guatire yards and workshops	Bs. \$	934,599,904.56 281,056,958.52	186,919,980.91 56,211,391.70	20% 20%	S/I
Caracas-Guarenas- Guatire system	Bs. \$	1,744,283,657.87 680,210,423.70	310,528,283.39 102,055,465.45	18% 15%	S/I
Mariche Cable Car/ La Dolorita Cable Car	Bs. \$ €	657,165,487.58 229,406,310.49 67,892,184.50	S/I S/I S/I	N/A N/A N/A	Civil works 76,39% Equipment 84,47%

Continue 

PROJECT NAME	CURRENCY	LAST KNOWN CONTRACT AMOUNT	AMOUNT PAID	PERCENTAGE PAID	PROGRESS OR EXECUTION %
Cabletren Bolivariano	\$	32,558,139.53	S/I	N/A	29%
Los Teques metro Línea II (El Tambor)	Bs. \$	970,889,542,218.99 527,847,703.67	S/I S/I	N/A N/A	76,98% 38,25% (different sections)
Nigale Bridge	\$	2,371,067,711.12	S/I	N/A	16,74%
Road system, third bridge over Orinoco River	Bs. \$	6,035,421,447.71 1,921,175,345.16	S/I S/I	N/A N/A	50%
Integral Agricultural Project "José Inácio De Abreu e Lima"	\$	600,000,000	S/I S/I	N/A N/A	First phase 100% Second phase 43,51%
Manuel Piar-Tocoma Hydroelectric Power Plant	Bs. \$	1,515,839,477,931.63 263,384,534.21	S/I S/I	N/A N/A	94,22%

In economic terms, these delays result in significant pecuniary damages, because a large part of the progress of the works are assumed to have suffered deterioration or loss; and in social terms, the lack of access for citizens to goods

and services that may represent an improvement in their quality of life, especially transport and electricity.

TABLE 6:
INITIAL DATE OF COMPLETION VS. PHYSICAL PROGRESS



PROJECT NAME	INITIAL DATE OF COMPLETION IN ORIGINAL CONTRACT	NEW COMPLETION DATE	% OF PHYSICAL PROGRESS
Simón Bolívar International Airport-Maiquetía	02/28/2015	NIA	34,38%
Antímano Cable Car/ Petare Sur Cable Car	02/06/2013	07/01/2016 (M&C 2015)	6,21%
Caracas Metro Line 5	09/16/2011	12/17/2015 (Modification of contract S.08)	62,27%
Miranda II Warairarepano	02/01/2018	NIA	6,40%
Train revamping	07/16/2018	NIA	1,76%

PROJECT NAME	INITIAL DATE OF COMPLETION IN ORIGINAL CONTRACT	NEW COMPLETION DATE	% OF PHYSICAL PROGRESS
Caracas-Guarenas-Guatire metro system	12/31/2013	NIA	26,70%
Caracas-Guarenas-Guatire system	01/12/2019	NIA	S/I
Mariche Cable Car/ La Dolorita Cable Car	04/12/2015	11/17/2015 (Modification of contract S.09)	Civil works 76,39% Equipment 84,47%
Cabletren Bolivariano	2011 (El Estímulo)	December 2012 (El Estímulo)	29% (El Estímulo)
Line III La Rinconada	09/31/2006	04/16/2016	S/I
Los Teques Metro Line II (El Tambor)	01/30/2013	NIA	76,98%, 38,25% (different sections)
Nigale bridge	07/31/2014	NIA	16.74%
Road system, third bridge over Orinoco River	06/21/2010	31/12/2017 (Complementary Document No. 5)	50%
Integral Agricultural Project "José Inácio De Abreu e Lima"	2011	December 2017 (El Estímulo)	First phase 100% Second phase 43,51%
Hydroelectric Power Plant Manuel Piar- Tocoma	First part: March 2010 Second part: February 2012 Third party: November 2011 Fourth part: June 2013	NIA	94,22%

TIMELINE OF LEGAL ACTIONS AND INVESTIGATIONS RELATED TO THE ODEBRECHT CASE IN VENEZUELA IN 2017

In spite of the significant number of works assigned to Odebrecht by government entities, delays in execution and statements made by company representatives on the alleged payment of bribes to politicians and public officials, as of this writing, the Prosecutor General has not made any public statement about the initiation of any investigation against one single public official.

In Venezuela, the actions of the Public Prosecutor's Office and judicial bodies have not been sufficient and can be summarized in a raid on the company headquarters and the issuance of precautionary measures against the company and some of its directors, such as asset freezes and bans on leaving the country.

There is also no information on initiation of any procedure of termination of contracts by government entities, despite the president's order to reassign the works to Venezuelan companies and to enact the Public Procurement Law. The grounds for termination are: influence peddling for securing the contracts, bribes or false information. Failure to comply with this order can lead public officials currently in charge of the entities responsible for the works to incur pecuniary damage as they would be waiving the corresponding compensation when the contract is terminated for a cause attributable to the contractor.

2017: INVESTIGATION SUSPENDED, INCREASING OPACITY

The investigation conducted by the General Prosecutor's Office under the responsibility of the team coordinated by Prosecutor Pedro Lupera was suspended and the team of prosecutors was dismantled after the removal of Prosecutor General Luisa Ortega and the issuance of an arrest warrant against Lupera. The prosecutor assigned by the Constituent Assembly has not reported any new progress on the Odebrecht case, and there is no information about the appointment of a new prosecutor for the case.

TIMELINE OF PROCEEDINGS IN 2017



JANUARY 10

Transparencia Venezuela requested the Public Prosecutor's Office for swiftness in the investigation in the Odebrecht case, as well as the punishment for officials who received the bribes and the reimbursement of the \$98 million to the Nation. The representatives of Transparencia Venezuela suggested to the Public Prosecutor's Office to work hand in hand with prosecutors in Brazil and other countries affected by Odebrecht's corrupt practices.²



JANUARY 26

The Prosecutor General Luisa Ortega Díaz reported that a petition was submitted to Brazil's Attorney General Rodrigo Janiot to send a certified copy of the statement made by the former president of Odebrecht, Marcelo Bahía Odebrecht. Similarly, she requested the necessary permits for the transfer of a prosecutor to Brazil to interview Odebrecht or someone else involved the case.

In addition, she requested Swiss authorities to provide a certified copy of the list of Venezuelan nationals who received deposits in Swiss banks made by Odebrecht or one of its representatives. She also stated that an arrest warrant and an Interpol Red Notice were requested to be issued against an unnamed person involved in the case.

Finally, she stated that the investigation of the Odebrecht case has been assigned to the 55th Prosecutor with national jurisdiction Pedro Alexander Lupera Zerpa.



JANUARY 31

The National Assembly discussed the allegations of bribery in infrastructure projects. The parliament agreed to create a special commission composed of deputies Ismael García (Aragua), Robert Alcalá (Sucre) and Juan Guaidó (Vargas) to follow up on the status of the works started by Odebrecht.



FEBRUARY 5

President Nicolás Maduro announced its intention to reassign the works started by Odebrecht to national companies for completion.



FEBRUARY 8

The National Assembly agreed to summon the legal representatives of Odebrecht in Venezuela, Maryorie Garboza Ceballos and Jesús Azuaje, for their alleged connection with the payment of bribes, surcharges and commissions. After their failure to attend, they were summoned again on February 22.

² <https://transparencia.org.ve/project/transparencia-venezuela-conmina-la-fiscalia-investigacion-urgencia-los-sobornos-odebrecht/>

**FEBRUARY 8**

The General Prosecutor's Office requested civil precautionary measures against Euzenando Prazeres de Azevedo, director of Odebrecht in Venezuela, George Faroh Cano, legal adviser and directors Maryorie Garboza Ceballos and Sérgio Ferraz de Campos. The four of them were accused of conspiracy, public official collusion with contractor and corruption with fraud; these offenses are described in the Law against Organized Crime and the Law against Corruption.

**FEBRUARY 10**

Announcement of the meeting in Brasilia of Attorneys General from 15 countries including Argentina, Colombia, Ecuador, Panama, Dominican Republic and Venezuela, to discuss and exchange information on the Odebrecht case.

**FEBRUARY 12**

President Nicolás Maduro said in his Sunday TV program that individuals involved in alleged bribes from Odebrecht will be brought to Venezuelan justice. He also reiterated that the national government has the financial resources to complete the works that have been halted.

**FEBRUARY 14**

The 11th Control Court accepted the petition from the Public Prosecutor for the raid of the Odebrecht headquarters in Caracas.³

**FEBRUARY 15**

The Prosecutor General agreed to measures to freeze bank accounts and a ban on transferring and encumbering movable and immovable property of Construtora Odebrecht S.A. in Venezuela.⁴

**FEBRUARY 16**

The Prosecutor General signed the "Declaration of Brasilia on International Legal Cooperation against Corruption," in which parties pledge: 1) to assume the commitment to provide the broadest, swiftest and most effective international legal cooperation in the Odebrecht case and in the Lava Jato case, in general, 2) to promote the formation of bilateral or multilateral investigation task forces, 3) full technical autonomy of the investigation task forces, 4) to reinforce the importance of international legal cooperation mechanisms, 5) to apply Article 37 of the Mérida Convention, 6) to urge citizens to support legal prosecution entities, 7) to insist on the recovery of assets and comprehensive reparation of damages, including payment of fines, 8) to reaffirm the unrestricted principle of legality, due process and respect for human rights.⁵

³ http://www.mp.gob.ve/web/guest/buscador/-/journal_content/56/10136/15316524

⁴ http://www.mp.gob.ve/web/guest/buscador/-/journal_content/56/10136/15325334

⁵ http://www.mp.gob.ve/web/guest/buscador/-/journal_content/56/10136/15335777

**FEBRUARY 16**

The daughter and grandson of the General Prosecutor's husband (María Andrea and her 16-year-old son) were kidnapped, when the GP was in Brazil. The young man was in captivity for three days and María Andrea was released the next day to allow her to get the ransom money.

**MARCH 28**

The Venezuelan Construction Chamber decided to temporarily suspend Construtora Norberto Odebrecht from the association, as the company was objected for ethical reasons, until a General Meeting takes a final decision on the company's conduct or while legal inquiries are open in government bodies that may compromise its business ethics. The decision is based on the CVC's ethical regulation, recently approved to empower its board of directors to initiate, on their own account or based on a legal action, a procedure for the imposition of sanctions for breaches of ethics in the construction industry and of its manual of good practices, which is of obligatory observance for all its members.

**MARCH 23**

The Political-Administrative Court decided not to admit the fourth lawsuit filed by Transparencia Venezuela for negligence of public authorities in responding to the request for information on the execution of contracts with Odebrecht.

**MARCH 29**

The Chairman of the Public Accounts Committee of the National Assembly, Deputy Juan Guaidó, said he was conducting inspections on the most emblematic works executed by Odebrecht, C.A. and that three weeks ago the parliamentarians met with the Brazilian Parliament and the Office of the Prosecutor, who undertook to share information regarding the progress of the investigations.

**APRIL 20**

Transparencia Venezuela requested information from the Ministries of Land Transport, Productive Agriculture and Land, Energy and Oil and the presidents of Pdvsa, Corpoelec, Rural Development Institute, Metro Los Teques, Metro de Caracas, as well as the Comptroller General and the Prosecutor General, on the contracts and actions initiated for the defence of the patrimonial interests, due to the delay of the works and the content of the statements.

**APRIL 25**

The Minister of Electric Power reported that he cannot disclose any information relating to contracts with Odebrecht, because they are "part of an ongoing investigation by the Comptroller General."

**MAY 5**

The document entitled “Petition in Criminal Matter No. 6991,” lodged by Brazil’s Supreme Federal Court (STF) was published in various national and international media. It contains the statement made by Mónica Moura on alleged illicit transactions and electoral crimes against public patrimony committed by Venezuelan top-level officials. She specifically stated that the then minister of foreign affairs and now president of Venezuela, Nicolás Maduro, met in 2012 with Moura and Santana in the office of the Ministry of Foreign Affairs and they agreed that the latter would be in charge of preparing the campaign for the reelection of Hugo Chávez Frías, in exchange for \$35 million, to be paid in cash through Odebrecht (\$7 million) and Andrade Gutiérrez (\$5 million) through deposits in Switzerland in the account held by Shellbill Finance S.A.

**MAY 12**

Transparencia Venezuela submitted a simple copy of the criminal petition No. 6991 to the Public Prosecutor’s Office and made an investigation proposal.

**MAY 12**

Transparencia Venezuela requested the National Electoral Council, in the context of the admission, a simple copy of the accounting documents showing the income and investment of funds by the United Socialist Party of Venezuela (PSUV), specifically those related to the election campaign for re-election of former president Hugo Chávez in 2012, and the closing report for that campaign. As of this writing, no response has been received.

**JULY 10**

The Prosecutor General said in a radio interview that public officials received commissions from the Brazilian construction company in exchange for contracts, which were deposited abroad and, in some cases, in accounts of their relatives. She also stated that she has copies of the contracts and the names of people who authorized the execution of those works and did not follow up on them.⁶

**JULY 12**

The Public Prosecutor Ministry indicted and summoned Elita del Valle Zacarías Díaz and her daughter María Eugenia Baptista Zacarías for July 27 at 9:00 a.m., for being allegedly involved in the Odebrecht case. Both women are linked to Haiman El Troudi, who served as minister of the People’s Power for Land Transport and Public Works.⁷

⁶ <https://supremainjusticia.org/2017/07/12/ortega-diaz-tenemos-identificados-a-funcionarios-que-recibieron-sobornos-de-odebrecht/>

⁷ http://www.mp.gob.ve/web/guest/buscador/-/journal_content/56/10136/17181073

**JULY 30**

The Prosecutor said in an interview with Diário de Sao Paulo: “We do not have access to a lot of evidence, because those who have it are precisely the people involved. Another obstacle that we have is that a lot of the evidence is abroad, and now we have a new problem: Every time an official of the Public Prosecutor’s Office travels abroad, their passport is annulled. We are currently investigating 20 major infrastructure projects, of which nine were executed and eleven are halted, including most notably the third bridge over the Orinoco River. For the halted works, the State disbursed an approximate \$30 billion. Although the State paid this amount, these works were not completed... due to overpricing and diversion of funds.

**JULY 31**

Journalist Joseph Poliszuk published a report indicating that the executive director of Odebrecht, Euzenando Prazeres de Azevedo, testified before prosecutors Heitor Alves Soares and Leonardo Cervino in Brazil, in December 2016, when he declared that he earmarked about \$3 million annually for local political campaigns, expecting in return the execution of the works to be facilitated at all levels. He also disclosed that he financed several regional campaigns for chavista and opposition leaders, including Diosdado Cabello, Manuel Rosales, Pablo Pérez, Carlos Ocariz, Antonio Ledezma, Elias Jaua, Francisco Rangel Gómez, Francisco Garcés, William Lara, Gian Carlo Di Martino and Farith Fraija. The report also added that he financed the presidential campaign of Nicolás Maduro and Henrique Capriles. <https://www.armando.info/historias/7512=odebrecht-financio-a-diosdado-cabello#>

**AUGUST 2**

In statements made by the Prosecutor General in the program “Conclusiones” on CNN, she mentioned that one of the National Electoral Council (CNE) directors had signed several contracts with the Brazilian company Odebrecht, a fact that is also being investigated as part of the case. (<http://www.2001.com.ve/en-la-agenda/166007/una-rectora-del-cne-estaria-implicada-en-caso-de-odebrecht--segun-luisa-ortega-diaz.html>)

**AUGUST 2**

The Attorney General filed a petition for injunction against Construtora Norberto Odebrecht in the Second Administrative Court, on all movable and immovable, tangible and intangible assets belonging to the company, related to 11 unfinished projects, so that they are not removed from the work site.

**AUGUST 9**

The Second Administrative Court declared the injunction admissible and ordered to notify the Prosecutor General, the Comptroller General, the National Contractor Service and the National Guard, for the purposes of enforcing the measure. This decision was confirmed by judgment dated August 23, 2017.

**AUGUST 23**

Prosecutor General Luisa Ortega Díaz reported that Diosdado Cabello is involved in the Odebrecht case, who allegedly received \$100 million in a company. Ortega Díaz assured that TSE Arieti is owned by two cousins of Cabello.⁸

**AUGUST 24**

The commissions of the Comptroller's Office and the National Assembly agreed to set up a joint commission to submit a final report in the Odebrecht case.

**OCTOBER 11**

Tareck William Saab issued statements indicating that on September 14, 2017, Odebrecht delivered to the Public Prosecutor's Office a copy of the contract for legal services signed with civil association DS-A, dated April 24, 2107, in which the company pledged that firm \$7.5 million. He also delivered 4 invoices. A review of the contract shows that there is an alleged correlation between the clauses of the contract and the actions of the prosecutors in charge of the case.

Prosecutor General

Luisa Ortega Díaz released a video in which former director of Odebrecht Venezuela confesses to having financed the campaign of Nicolás Maduro for the 2013 presidential elections.

She also stated that the Public Prosecutor's Office petitioned the 11th Control Court for an indictment against Jorge Faro, Maryori Garboza and Sergio Ferraz, as part of the resumption of the case and that the arrest warrant and red notice against Euzenando Prazeres de Azevedo remain active.

**OCTOBER 12**

Prosecutor General Luisa Ortega Díaz released a video in which former director of Odebrecht Venezuela confesses to having financed the campaign of Nicolás Maduro for the 2013 presidential elections. In the footage, Euzenando Prazeres de Azevedo declares to Brazil's State Attorney having paid \$35 million in exchange for the government giving priority to the projects of the construction company.

WHAT ABOUT THE REST OF ODEBRECHT DIRECTORS?

The website of the National Contractor Registry was disabled in August 2017, and when the site was restored, most of the information on companies and contracts with the state had disappeared. But in this Registry, available until February, we were able to retrieve the names of the directors of Odebrecht in Venezuela, a company called Norberto Odebrecht C.A.:

DIRECTORS

BAHÍA ODEBRECHT, MARCELO
 OLIVEIRA LACERDA DE MELO, PAULO
 PRAZERES DE AZEVEDO, EUZENANDO
 CHAVES JUCÁ ROLIM, ADRIANO
 BARBOSA DA SILVA JÚNIOR, BENEDICTO
 DIAS FERNANDES FILHO, AUGUSTO ROQUE
 FARIA DA SILVA, MARCIO
 GUEDES PASCHOAL, CARLOS ARMANDO
 MENDONCA ALVES DIAS, CARLOS ROBERTO
 PACIFICO FERREIRA, JOÃO ANTONIO
 POLIDORO, MARCIO

SAMPAIO BARBOSA, FERNANDO

UCHÔA MITIDIERI, JORGE LUIZ

YUE CESENA, PAULO HENYAN

ARRUDA LANA, VALTER LUIS

NEVES, SERGIO LUIZ

ROCHA SILVEIRA, SAULO VINICIUS

RODRIGUES, RENATO AUGUSTO

SERRANO DO PRADO VALLADARES, HENRIQUE

DOMINGUES FONSECA, PAULO CESAR

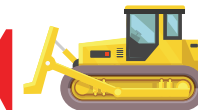
DE CERQUEIRA DALTRO, JOSE CLAUDIO

GARBOZA CEBALLOS, MARYORIE

Source: National Contractor Registry.

There were no reports in 2017 about any legal action taken against the directors of Odebrecht, except those against Euzenando Prazeres, Maryorie Garboza Ceballos and Sergio Ferraz de Campos, who were accused by the Public Prosecutor and against whom precautionary measures were issued.

We also learned the names of the heads of the public entities who signed contracts with Odebrecht, who thus far have not been held accountable to Venezuelan justice or the public.

TABLE 5:
 MINISTERS RESPONSIBLE OF ODEBRECHT WORKS PROGRESS


OFFICIAL	POSITION	WORK	MANAGEMENT PERIOD
Hebert García Plaza	Minister of Aquatic and Air Transport	Simón Bolívar Airport expansion (2013-ongoing)	2013
Guiseppe Yofreda	Minister of Aquatic and Air Transport	Simón Bolívar Airport expansion (2013-ongoing)	2014-2015
Efrén de Jesús Andrades	Minister of Agriculture and Lands	Planicie de Maracaibo Agrarian Project (2005-2015)	2003
Arnoldo Márquez	Minister of Agriculture and Lands	Planicie de Maracaibo Agrarian Project (2005-2015)	2004
Antonio Albarrán	Minister of Agriculture and Lands	Planicie de Maracaibo Agrarian Project (2005-2015)	2005
Elías Jaua	Minister of Agriculture and Lands	Planicie de Maracaibo Agrarian Project (2005-2015)	2009
		José Inácio de Abreu e Lima Socialist Comprehensive Agrarian Project (2009-ongoing)	
Isidro Ubaldo Rondón	Minister of Infrastructure	Cacique Nigale Bridge extension (2008-ongoing)	2008
Isidro Ubaldo Rondón	Minister of Infrastructure	III Bridge over the Orinoco River (2006-ongoing)	2008
		Caracas Metro Line 5 (2007-ongoing)	
Isidro Ubaldo Rondón	Minister of Infrastructure	Caracas – Guarenas – Guatire Mass Transport System (2007-ongoing)	2008
		San Agustín del Sur Metrocable System (2007-2010)	
		Caracas Metro Lines 3 and 4 (1999-2010)	
		Los Teques Metro Line 2 (2007-ongoing)	

OFFICIAL	POSITION	WORK	MANAGEMENT PERIOD
Diosdado Cabello	Minister of Infrastructure	Cacique Nigale Bridge extension (2008-ongoing)	2008
		Caracas Metro Line 5 (2007 -ongoing)	
Diosdado Cabello	Minister of Infrastructure	Caracas – Guarenas – Guatire Mass Transport System (2007-ongoing)	2008
		San Agustín del Sur Metrocable System (2007-2010)	
		Los Teques Metro Line 2 (2007-ongoing)	
		Los Teques Metro Line 1 (2002-2006)	
Diosdado Cabello	Minister of Infrastructure	Caracas Metro Lines 3 and 4 (1999-2010)	2003-2004
		Los Teques Metro Line 1 (2002-2006)	
Diosdado Cabello	Minister of Public Works and Housing	Caracas Metro Lines 3 and 4 (1999-2010)	2003-2004
		II Bridge over the Orinoco River (2001-2007)	
Diosdado Cabello	Minister of Public Works and Housing	II Bridge over the Orinoco River (2001-2007)	2008-2010
		II Bridge over the Orinoco River (2001-2007)	
Diosdado Cabello	Minister of Public Works and Housing	III Bridge over the Orinoco River (2006-ongoing)	2008-2010
		Caracas Metro Line 5 (2007-ongoing)	
		Caracas – Guarenas – Guatire Mass Transport System (2007-ongoing)	
		Mariche / La Dolorita Metrocable (2009-ongoing)	
		San Agustín del Sur Metrocable System (2007-2010)	
		Caracas Metro Lines 3 and 4 (1999-2010)	
Los Teques Metro Line 2 (2007-ongoing)			

OFFICIAL	POSITION	WORK	MANAGEMENT PERIOD
Francisco Garcés	Minister of Transport and Communications	Cacique Nigale Bridge extension (2008-ongoing)	2010
		III Bridge over the Orinoco River (2006-ongoing)	
	Minister of Transport and Communications	Caracas Metro Line 5 (2007-ongoing)	2010
	Minister of Transport and Communications	Caracas – Guarenas – Guatire Mass Transport System (2007-ongoing)	2010
		Mariche / La Dolorita Metrocable (2009-ongoing)	
		San Agustín del Sur Metrocable System (2007-2010)	
		Caracas Metro Lines 3 and 4 (1999-2010)	
		Los Teques Metro Line 2 (2007-ongoing)	
Juan García Tousaint	Minister of Transport and Communications	Cacique Nigale Bridge extension (2008-ongoing)	2011
		Caracas Metro Line 5 (2007-ongoing)	
		Caracas – Guarenas – Guatire Mass Transport System (2007-ongoing)	
		Mariche / La Dolorita Metrocable (2009-ongoing)	
		Los Teques Metro Line 2 (2007-ongoing)	
	Minister of Land Transport	Cacique Nigale Bridge extension (2008-ongoing)	2011-2013
		III Bridge over the Orinoco River (2006-ongoing)	
		Caracas Metro Line 5 (2007-ongoing)	
		Caracas – Guarenas – Guatire Mass Transport System (2007-ongoing)	
		Mariche / La Dolorita Metrocable (2009-ongoing)	
Metro Cable Petare Sur / Antímamo (2013-ongoing)			
Los Teques Metro Line 2 (2007-ongoing)			

OFFICIAL	POSITION	WORK	MANAGEMENT PERIOD
Haiman El Troudi	Minister of Land Transport	Cacique Nigale Bridge extension (2008-ongoing)	2011-2015
		III Bridge over the Orinoco River (2006-ongoing)	
		Caracas Metro Line 5 (2007-ongoing)	
		Caracas – Guarenas – Guatire Mass Transport System (2007-ongoing)	
		Mariche / La Dolorita Metrocable (2009-ongoing)	
		San Agustín del Sur Metrocable System (2007-2010)	
		Metro Cable Petare Sur / Antímamo (2013-ongoing)	
		Los Teques Metro Line 2 (2007-ongoing)	
Los Teques Metro Line 1 (2002-2006)			
Haiman El Troudi	Minister of Land Transport and Public Works	Cacique Nigale Bridge extension (2008-ongoing)	2014-2015
		III Bridge over the Orinoco River (2006-ongoing)	
		Caracas Metro Line 5 (2007-ongoing)	
		Caracas – Guarenas – Guatire Mass Transport System (2007-ongoing)	
		Mariche / La Dolorita Metrocable (2009-ongoing)	
		San Agustín del Sur Metrocable System (2007-2010)	
Petare Sur / Antímamo Metrocable (2013-ongoing)			
Los Teques Metro Line 2 (2007-ongoing)			
Luis Sauce	Minister of Land Transport and Public Works	Cacique Nigale Bridge extension (2008-ongoing)	2015-2016
		III Bridge over the Orinoco River (2006-ongoing)	

OFFICIAL	POSITION	WORK	MANAGEMENT PERIOD
Luis Sauce	Minister of Land Transport and Public Works	Caracas Metro Line 5 (2007-ongoing)	2015-2016
		Caracas – Guarenas – Guatire Mass Transport System (2007-ongoing)	
		Mariche / La Dolorita Metrocable (2009-ongoing)	
		San Agustín del Sur Metrocable System (2007-2010)	
		Petare Sur / Antímamo Metrocable (2013-ongoing)	
		Los Teques Metro Line 2 (2007- ongoing)	
Ricardo Molina	Minister of Land Transport and Public Works	Cacique Nigale Bridge extension (2008-ongoing)	2016-2017
		III Bridge over the Orinoco River (2006-ongoing)	
		Caracas Metro Line 5 (2007-ongoing)	
		Caracas – Guarenas – Guatire Mass Transport System (2007-ongoing)	
		Mariche /La Dolorita Metrocable (2009-ongoing)	
		San Agustín del Sur Metrocable System (2007-2010)	
		Los Teques Metro Line 2 (2007-ongoing)	
		Petare Sur / Antímamo Metrocable (2013-ongoing)	
Alberto Esqueda	Minister of Infrastructure	II Bridge over the Orinoco River (2001-2007)	1999-2001

OFFICIAL	POSITION	WORK	MANAGEMENT PERIOD
Ismael Hurtado	Minister of Infrastructure	II Bridge over the Orinoco River (2001-2007)	2001-2003
		Caracas Metro Lines 3 and 4 (1999-2010)	
		Los Teques Metro Line 1 (2002-2006)	
Ramón Carrizales	Minister of Infrastructure	III Bridge over the Orinoco River (2006-ongoing)	2004-2006
		Caracas Metro Lines 3 and 4 (1999-2010)	
		Los Teques Metro Line 1 (2002-2006)	
José David Cabello	Minister of Infrastructure	II Bridge over the Orinoco River (2001-2007)	2006-2008
		III Bridge over the Orinoco River (2006-ongoing)	
		Caracas Metro Line 5 (2007-ongoing)	
		Caracas – Guarenas – Guatire Mass Transport System (2007-ongoing)	
		San Agustín del Sur Metrocable System (2007-2010)	
		Caracas Metro, Lines 3 and 4 (1999-2010)	
		Los Teques Metro Line 2 (2007-ongoing)	
		Los Teques Metro Line 1 (2002-2006)	
José Khan	Minister of Basic Industries and Mining	Manuel Piar Hydroelectric Power Plant (Tocoma Dam) (2013-ongoing)	2006-2007

OFFICIAL	POSITION	WORK	MANAGEMENT PERIOD
Rafael Ramírez	Minister of Energy and Petroleum	Manuel Piar Hydroelectric Power Plant (Tocoma Dam) (2013-ongoing)	2005-2009
Ángel Rodríguez	Minister of Electric Energy	Manuel Piar Hydroelectric Power Plant (Tocoma Dam) (2013-ongoing)	2009-2010
Ali Rodríguez Araque	Minister of Electric Energy	Manuel Piar Hydroelectric Power Plant (Tocoma Dam) (2013-ongoing)	2010-2012
Héctor Navarro	Minister of Electric Energy	Manuel Piar Hydroelectric Power Plant (Tocoma Dam) (2013-ongoing)	2012-2013
Jesse Chacón	Minister of Electric Energy	Manuel Piar Hydroelectric Power Plant (Tocoma Dam) (2013-ongoing)	2013-2014
Luis Motta Domínguez	Minister of Electric Energy	Manuel Piar Hydroelectric Power Plant (Tocoma Dam) (2013- ongoing)	2015-2017

OFFICIAL	POSITION	WORK	MANAGEMENT PERIOD
Juan Carlos Loyo	Minister of Agriculture and Lands	José Inácio de Abreu e Lima Socialist Comprehensive Agrarian Project (2009-ongoing)	2010-2013
Yván Gil	Minister of Agriculture and Lands	José Inácio de Abreu e Lima Socialist Comprehensive Agrarian Project (2009-ongoing)	2013-2015
José Berroterán	Minister of Agriculture and Lands	José Inácio de Abreu e Lima Socialist Comprehensive Agrarian Project (2009-ongoing)	2014
Wilmar Castro Soteldo	Minister of Productive Agriculture and Lands	José Inácio de Abreu e Lima Socialist Comprehensive Agrarian Project (2009-ongoing)	2016-2017

CONSEQUENCES OF THE ODEBRECHT CASE IN VENEZUELA

In connivance with Venezuelan government representatives, Odebrecht caused incalculable pecuniary damages. Billions of dollars were transferred to the construction company. A portion was invested in—incomplete—projects that deteriorate day by day. Another part, in projects that were completed but with allegations of overprice. And another portion was lost in accounts and assets of officials who saw their wealth increased thanks to bribes, surcharges, payoffs and electoral victories. This is supported by five facts.

In connivance with Venezuelan government representatives, Odebrecht caused incalculable pecuniary damages.

THE FIRST

Is the statement made by Mónica Moura before Brazil's Federal Supreme Court (STF) in May 2017, declaring that she and her husband, Joao Santana, billed \$35 million for the reelection campaign of Hugo Chávez Frías in 2012, of which they collected \$11 million in cash from the then minister of foreign affairs, Nicolás Maduro, \$7 million paid by Odebrecht, and \$2 million by Andrade Gutierrez. Some \$15 million were left unpaid.

THE SECOND FACT

Is the testimony given by the executive director of Odebrecht, Euzenando Prazeres de Azevedo, to Brazilian justice in December 2016, when he stated that some \$3 million were earmarked annually to finance campaigns of local political leaders. This accounts for about \$30 million disbursed between 2004 and 2014 for that purpose.

THE THIRD

Is the statements of Venezuelan Prosecutor General, who subpoenaed indicted Elita Del Valle Zacarías Díaz and her daughter, María Eugenia Baptista Zacarías, mother-in-law and wife of Haiman El Troudi, respectively, who served as Minister of Land Transport and Public Works, for their alleged involvement in the Odebrecht case. Authorities also ordered the freezing of accounts in Swiss banks containing some \$42 million.

THE FOURTH

Piece of evidence is a statement made by Euzenando Prazeres de Azevedo, released by Prosecutor General Luisa Ortega in October 2017, in which she said that Odebrecht contributed to Nicolás Maduro's presidential campaign with some \$35 million.⁹

9 http://www.abc.es/internacional/abci-odebrecht-35-millones-dolares-maduro-para-campana-presidencial-2013-201710132021_noticia.html http://webcache.googleusercontent.com/search?q=cache:25pwnAmphIAJ:www.el-nacional.com/noticias/politica/director-odebrecht-venezuela-financio-campana-maduro-2013_207432+&cd=1&hl=es&ct=clnk&gl=ve

THE FIFTH

is the statement also made by Luisa Ortega, in which she declared that Diosdado Cabello is allegedly involved in the Odebrecht case, due to the deposit of \$100 million to TSE Arietis, whose owners are relatives of Cabello.

The sum of the amounts involved in these five cases totals over \$115 million, only for the financing of two presidential campaigns, other local campaigns and payoffs to 20 ministers responsible for signing contracts, according to research conducted by Transparencia Venezuela.

In addition to the payment of kickbacks, funding campaigns and events, among others, the work stoppage in Odebrecht projects has an important economic impact, due to inflation-driven rising costs, the debt with BNDES, CAF and IDB (the latter for the construction of Tocoma) as well as limitations in areas that affect the nation's development, mainly transport, electricity and employment, which was undoubtedly an aggravating factor in the economic crisis.

The irregular pace in recent years in the construction of major infrastructure projects has also entailed social repercussions. Such is the case of the Tocoma Hydroelectric Power Plant, which was set to add 2,160 MW to the national grid. This impacts power supply in several regions of the country, already affected by unscheduled power outages, which have already become customary.

While it is true that corruption undermines the very foundations of democracy, with serious systemic implications, it has a tremendous direct impact on the most vulnerable social sectors.

Similarly, in the public transport sector, the completion of Line 5 of the Caracas metro would decongest the already collapsed Line 1. The inhabitants of satellite cities have not been able to reduce their commute times due to delays in major works such as the Guarenas-Guatire metro and Line 2 of the Los Teques metro.

While it is true that corruption undermines the very foundations of democracy, with serious systemic implications, it has a tremendous direct impact on the most vulnerable social sectors "(...) because it diverts funds for development, undermines the ability of governments to provide basic services, leads to inequality and injustice and discourages investment and foreign aid."¹⁰

In addition, we would have to calculate the hours of work, leisure or recreation that thousands of Venezuelans have lost in 2017 for not having regular, high-quality public transport, or the hours lost in traffic due to incomplete metro lines, or the bridges that were supposed to be built by 2009, and the jobs lost due to halted projects.

And perhaps more importantly, the destruction of the Venezuelan judicial system, which has become the protagonist and accomplice of impunity and indolence.

TABLE 6:
ANNEX: BRAZIL-VENEZUELA AGREEMENTS



N°	AGREEMENTS	SIGNED ON
1	Memorandum of Understanding between the Government of the Bolivarian Republic of Venezuela and the Government of the Federative Republic of Brazil in the area of Scientific and Technological Cooperation	02/14/2005
2	Cooperation Agreement in Communicational Matters between the Bolivarian Republic of Venezuela and the Federative Republic of Brazil	02/14/2005
3	Memorandum of Understanding between the Bolivarian Republic of Venezuela and the Federative Republic of Brazil in the area of Infrastructure	04/23/2007
4	Complementary Agreement to the Basic Agreement on technical cooperation for implementation project on seedling production and ecological benefits of coffee	12/13/2007
5	Complementary Agreement to the Basic Technical Cooperation Agreement, for the implementation of the project “Institutional development of the Institute of Health Studies Dr. Arnoldo Gabaldón”	12/13/2007
6	Complementary Agreement to the Basic Technical Cooperation Agreement, for the implementation of the cassava production project in the states of Anzoátegui and Monagas	12/13/2007
7	Complementary Agreement to the Basic Technical Cooperation Agreement, for the implementation of the technical support project for the implementation of human milk banks in Venezuela	12/13/2007
8	Complementary Agreement to the Basic Technical Cooperation Agreement, for the implementation of the project on Strengthening of surveillance and control of food residues and contaminants in Venezuela	12/13/2007
9	Complementary Agreement to the Basic Technical Cooperation Agreement, for the implementation of the project “Training of Human Resources of the Autonomous Health Comptroller Service of the Bolivarian Republic of Venezuela on Surveillance and Monitoring of Human Use and Consumption Products,” between the Government of the Bolivarian Republic of Venezuela and the Government of the Federative Republic of Brazil	12/13/2007
10	Work program on Industrial Cooperation	12/13/2007
11	Complementary Agreement to the Basic Technical Cooperation Agreement, for the implementation of the project of development of alternative technologies for small-scale processing of citrus fruits	12/13/2007

N°	AGREEMENTS	SIGNED ON
12	Agreement on the procedures for the authorization of overflights on the border between the Government of the Bolivarian Republic of Venezuela and the Federative Republic of Brazil	06/27/2008
13	Memorandum of Understanding for the development of a binational plant in Santa Elena de Uairén between the Government of the Bolivarian Republic of Venezuela and the Federative Republic of Brazil	06/27/2008
14	Framework Agreement for Cooperation in Space Science and Technology between the Government of the Bolivarian Republic of Venezuela and the Government of the Federative Republic of Brazil	06/27/2008
15	Memorandum of Understanding in the context of the Basic Technical Cooperation Agreement between the Government of the Bolivarian Republic of Venezuela and the Government of the Federative Republic of Brazil on Iron and Steel Industry	06/27/2008
16	Memorandum of Understanding between the Government of the Bolivarian Republic of Venezuela and the Government of the Federative Republic of Brazil on Environmental Cooperation	06/27/2008
17	Memorandum of Understanding between the Government of the Bolivarian Republic of Venezuela and the Government of the Federative Republic of Brazil for the Implementation of a Soybean Production Program	09/30/2008
18	Memorandum of Understanding between the Government of the Bolivarian Republic of Venezuela and the Government of the Federative Republic of Brazil for the Implementation of a Family-scale Farming Program	09/30/2008
19	Air Services Agreement between the Government of the Bolivarian Republic of Venezuela and the Government of the Federative Republic of Brazil	09/30/2008
20	Complementary Agreement to the Basic Technical Cooperation Agreement between the Government of the Bolivarian Republic of Venezuela and the Government of the Federative Republic of Brazil on the Electricity Sector	01/16/2009
21	Complementary Agreement to the Basic Technical Cooperation Agreement between the Government of the Bolivarian Republic of Venezuela and the Government of the Federative Republic of Brazil on Agricultural and Industrial Matters	01/16/2009
22	Complementary Agreement to the Basic Technical Cooperation Agreement between the Government of the Bolivarian Republic of Venezuela and the Government of the Federative Republic of Brazil on Housing and Habitat	26/05/2009

N°	AGREEMENTS	SIGNED ON
23	Agreement between the Government of the Bolivarian Republic of Venezuela and the Government of the Federative Republic of Brazil on Sports Cooperation	10/30/2009
24	Memorandum of Understanding between the Government of the Bolivarian Republic of Venezuela and the Government of the Federative Republic of Brazil, for Cooperation in the Food Sector and in Food Investment and Marketing.	10/30/2009
25	Memorandum of Understanding between the Government of the Bolivarian Republic of Venezuela and the Government of the Federative Republic of Brazil for the Establishment of In-Bond Deposits.	10/30/2009
26	Memorandum of Understanding on Food Security and Sovereignty between the Government of the Bolivarian Republic of Venezuela and the Government of the Federative Republic of Brazil	03/26/2008
27	Complementary Agreement to the Basic Technical Cooperation Agreement between the Government of the Bolivarian Republic of Venezuela and the Government of the Federative Republic of Brazil for the Implementation of the Project to Support the Sustainable Development Plan for Settlement of Poor Neighborhoods in Caracas	04/28/2010
28	Agreement between the Government of the Bolivarian Republic of Venezuela and the Government of the Federative Republic of Brazil on Border Areas	04/28/2010
29	Memorandum of Understanding for the creation of a Binational Working Group	04/28/2010
30	Letter of Intent for the development of Children and Youth Orchestras in the Federative Republic of Brazil	04/28/2010
31	Agreement between the Government of the Bolivarian Republic of Venezuela and the Government of the Federative Republic of Brazil for the Establishment of a Special Border Regime	08/06/2010
32	Memorandum of Understanding between the Government of the Bolivarian Republic of Venezuela and the Government of the Federative Republic of Brazil for the Creation of a Development District in the South of the State of Bolívar, Gran Sabana Municipality, Venezuela	08/06/2010
33	Complementary Agreement to the Basic Technical and Scientific Cooperation Agreement between the Government of the Federative Republic of Brazil and the Government of the Bolivarian Republic of Venezuela for the Execution of the Technical Collaboration Project between the Brazilian Institute of Geography and Statistics and the National Statistics Institute of Venezuela	08/06/2010

N°	AGREEMENTS	SIGNED ON
34	Agreement for the Development of Occasional International Tourist Road Transport between the Government of the Bolivarian Republic of Venezuela and the Government of the Federative Republic of Brazil	08/06/2010
35	Memorandum of Understanding between the Government of the Bolivarian Republic of Venezuela and the Government of the Federative Republic of Brazil for the Implementation of Plans for the Eradication of Foot-and-Mouth Disease	08/06/2010
36	Memorandum of Understanding between the Government of the Bolivarian Republic of Venezuela and the Government of the Federative Republic of Brazil for the Implementation of a National Production System of Seeds with High Strategic Value	08/06/2010
37	Memorandum of Understanding between the Government of the Bolivarian Republic of Venezuela and the Government of the Federative Republic of Brazil for the Creation of a National Remote Sensing Center for Agricultural Purposes	08/06/2010
38	Record of Commitment for the financing of the Integral Development and Sanitation Project of the Tuy River Basin	08/06/2010
39	Memorandum of Understanding for the creation of Socialist Agroproductive Bases in the Tranquilidad-Sorotaima-Caño Seco communities in the basin of the Guasare and Cachirí Rivers, in the context of the Planicie de Maracaibo Development District.	08/06/2010
40	Memorandum of Understanding between the Government of the Bolivarian Republic of Venezuela and the Government of the Federative Republic of Brazil for the Creation of Four Florentine Productive Technical Centers in the states of Bolivar, Delta Amacuro, Anzoátegui and Monagas in Venezuela	08/06/2010
41	Cooperation Agreement between the National Institute of Metrology, Standardization and Industrial Quality (INMETRO)-Federative Republic of Brazil, and the National Autonomous Service of Standardization and Quality. Metrology and Technical Regulations (SENCAMER-Bolivarian Republic of Venezuela, for the exchange of experience in metrology, quality, compliance assessment and technical regulations	06/06/2011
42	Protocol of Intent between the National Institute of Agricultural Research of the Bolivarian Republic of Venezuela and the Brazilian Agricultural Research Company of the Federative Republic of Brazil (EMBRAPA) for the development of work plans on agriculture for the period May 2011-April 2013	06/06/2011

N°	AGREEMENTS	SIGNED ON
43	Temporary extension of the activities of the Institute of Applied Economic Research (IPEA) in the Bolivarian Republic of Venezuela, and definition of priority projects and the Work Program between Petróleos de Venezuela, S.A. (PDVSA) and IPEA for advice on territorial planning, training in public policies and design of proposals for productive chain development plans	06/06/2011
44	Memorandum of Understanding for scientific and technology cooperation in biotechnology between the Ministry of People's Power for Science, Technology and Intermediate Industries of the Bolivarian Republic of Venezuela and the Ministry of Science and Technology of the Federative Republic of Brazil	06/06/2011
45	Memorandum of Understanding between the Ministry of People's Power for Science, Technology and Intermediate Industries of the Bolivarian Republic of Venezuela and the Ministry of Development, Industry and Foreign Trade of the Federative Republic of Brazil, to reinforce the Great Housing Mission Venezuela, through economic and productive exchange and complementation activities among the Brazilian Suppliers of Machinery, Equipment, Raw Materials, Components and Input	2011
46	Work Program between the Ministry of People's Power for Trade of the Bolivarian Republic of Venezuela and the Ministry of Development, Industry and Foreign Trade of the Federative Republic of Brazil	06/06/2011
47	Protocol of Intent between the Ministry of People's Power for Agriculture and Lands of the Bolivarian Republic of Venezuela and the Ministry of Agriculture, Livestock and Food Supply of the Federative Republic of Brazil for the Implementation of Foot-and-Mouth Disease Eradication Plans	06/06/2011

ARBITRARINESS PREVAILS IN THE MANAGEMENT OF PUBLIC RESOURCES



ARBITRARINESS PREVAILS IN THE MANAGEMENT OF PUBLIC RESOURCES



All matters related to the management of Venezuela's public funds are marked by discretion, opacity and corruption. Public sector officials appropriated these funds and handled them at will with unconditional support and at their own convenience. The boss is whoever has the money, as saying goes, and in this country, the regime is giving the orders without any control

2017 BUDGET:

OPAQUE AND UNCONSTITUTIONAL MANAGEMENT OF PUBLIC FUNDS

Malfeasance in the management of public funds is a long-standing problem in the nation, but it was aggravated in 2017. That year, the government used the first budget in contemporary democratic history that was not submitted to the National Assembly for review, analysis, suggestions and subsequent approval. In a clear breach of the National Constitution, the government failed to deliver the 2017 Budget Bill to Parliament, setting one of the most dangerous precedents against transparency and accountability in the public sector, which also implies an encroachment of duties.

President Maduro submitted the 2017 Budget Decree to the Supreme Court of Justice (TSJ), which endorsed this irregular proceeding based on the argument that the National Assembly is in “contempt” following an electoral-political issue. By December 2017, the budget decree had not been disclosed, and by 2018, the outlook is even worse, because the Budget Act this year was submitted to the Constituent Assembly and only the amount was disclosed. The economic assumptions, as well as other data on the efficient use of Venezuela’s public funds, remained concealed.

The creation of the Constituent Assembly legalised arbitrariness, restricted the principle of citizen participation and access to public information, and facilitated concentration and abuse of power by the government. The Constituent Assembly evades the necessary accountability and control that Parliament must exercise in the administration of public funds.

Democracy in Venezuela and the exercise of civil, political, economic, social and cultural rights are hindered by the inability to access information on the use and allocation of public funds, to perform social oversight, file claims, demand investment in priority issues and critical sectors. In other words, we were deprived of the ability to exercise our constitutional rights as citizens.

The already dwindled budget transparency, institutionalised since 2010 with the non-disclosure of expense reports of the Treasury Office and ONAPRE, and with the disproportionate use of additional appropriations to cover the deficient planning with unrealistic economic assumptions, among others, was aggravated with the creation of the Constituent Assembly.

The National Budget is the instrument *par excellence* for fiscal planning of a nation.



OPACITY AS A PUBLIC FINANCE PROBLEM

Access to information public has cross-cutting effects for the efficient functioning of public administration, but one of the aspects upon which its impact is more evident is the transparency of public finance. Therefore, opacity represents a major obstacle to the implementation of anti-corruption policies.

The National Budget is the instrument *par excellence* for fiscal planning of a nation. Because of the opacity in the management of information on economic variables by national authorities, we do not have the official version of estimates for economic variables, distribution of expenditure by sector, the historical evaluation of budget components and fiscal impact assessment of the budget on the economy. We do not know which projects the government will develop in 2018, or the objectives, goals and size of payroll and investment spending. In summary, the government will use all the funds without informing about their destination, purpose, role, much less their effectiveness, achievement or compliance.

As long as there are mechanisms in place to disclose information to citizens on the use public funds, the risks of corruption and embezzlement decrease. A good diagnosis to determine transparency in public finance is the assessment of access to information according to the eight basic documents in the budget process.

TABLE 1:

EXISTING GAP IN ALL ASPECTS RELATED TO TRANSPARENCY AND ACCESS TO INFORMATION IN 2017

DOCUMENTO BÁSICO	EQUIVALENTE LEY VENEZOLANA	PUBLICACIÓN EN 2017
Preliminary budgetary guidelines	Global Report	NO
Budget Proposal by Government	Budget Bill	NO
Approved Budget	Enacted Budget Law	NO
Citizen Budget	Not performed by government	NO
Reports delivered during the year	Quarterly Report	NO
Mid-year Review	Does not exist in Venezuelan law	NO
End of year report	Treasury Annual Report	NO
Budget Audit Report	Does not exist in Venezuelan law	NO

The table above shows the lag in all aspects related to transparency and access to information in 2017. On the one hand, there are recommended documents to guarantee a transparent budget process, which are not even part of Venezuelan legislation as a requirement for financial operation, and even worse, there are documents that are prepared by the government, but due to the policy of opacity and information blockade, they are not published or disclosed by any source.

Opacity represents a major obstacle to the implementation of anti-corruption policies.

The publication of these documents not only is considered a good practice internationally, but it is also directly related to the decrease in discretionary handling of public finance, strengthening of accountability processes, improving public policy implementation and greater confidence of citizens in the public sector as the entity responsible for the use of financial resources.

Budget opacity was common not only in government agencies. State-owned enterprises (SOEs) had the same problem. First, the information is so deficient that there is not even accurate data as to how many SOEs have been established and are operating in the nation. Transparencia Venezuela identified 526 companies in September, of which only 232 published their budgets in 2017; noteworthy is there is no information available for *Petróleos de Venezuela* (PDVSA) and its subsidiaries. In other words, there is no information

about the funds managed by the company that generates 96% of our foreign currency and on which our economic behaviour as a nation largely depends.

The National Assembly was another victim of this administrative and financial discretion. First, because as an entity, the funds earmarked for its operation were not assigned, and they reached the point, as stated by those responsible for the administration of the agency, that the payroll was paid by another government agency under Venezuela's Central Bank (BCV).

The National Assembly was deprived not only financially but also of its powers. For the purposes of public finance, the most important encroached power is the ability to approve additional appropriations without the consent of Parliament, via economic emergency decree. The funds managed and allocated at will in 2017 by the Executive Branch through this mechanism are described below.

ADDITIONAL APPROPRIATIONS VIA ECONOMIC EMERGENCY DECREE IN 2017

The amount of the Budget Decree for 2017 was Bs. 8,479,300,860,837. If we add the budget modifications, unconstitutionally approved via economic emergency decree in 2017, the total public funds managed by the government, according to monitoring carried out by Transparencia Venezuela, increased to Bs. 58,050,291,181,995.

Deficit budgets have been the norm in the nation's public finance for more than a decade, and 2017 was no exception. In nominal terms, the ministries that received the largest additional appropriations are the following:

TABLE 2:
MINISTRIES WITH LARGEST BUDGETS IN 2017

ENTITY	INITIAL BUDGET 2017	ADDITIONAL APPROPRIATIONS	TOTAL BUDGET 2017
Ministry of Education	1,409,432,880,624	8,944,105,794,228	10,353,538,674,852
Ministry of University Education, Science and Technology	614,841,304,424	7,477,075,897,456	8,091,917,201,880
Ministry for Social Process of Labour	1,087,859,322,500	6,995,331,357,869	8,083,190,680,369
Ministry of Interior Relations, Justice and Peace	1,627,675,622,787	6,208,036,226,277	7,835,711,849,064
Ministry of Health	563,137,185,906	5,338,784,524,390	5,901,921,710,296

Source: Official Gazettes - 2017. Amounts in BsF.

The Ministry of Education received the largest funds in 2017, mainly in appropriations for the Missions Fund, which is now attached to the Ministry, as well as for the payment of teachers' salaries at the national level. In the case of the Ministry of University Education, Science and Technology, the amount earmarked is based on the funds for the National University Council (CNU), to the state-owned telecommunications company CANTV, attached to this ministry, and to the payment of workers' salaries of the entities under this Ministry.

For its part, the Ministry for the Social Process of Labour received additional funds for the payment of salaries and pensions, based on the raises in the National Minimum Wage, in addition to the assignments to the Institute for Training and Recreation of Workers.

This approach is useful because it shows the change in the planning and priorities of the National Government, based on the events that took place in 2017. The National Electoral Council received the largest funds in proportional terms, which is consistent with the three elections during the year: for members of the Constituent Assembly, elections of governors in October and finally, the municipal elections in December 2017.

The funds of the Ministry of Internal Relations, Justice and Peace were assigned mostly to the regions through constitutional allocations, and to SAREN (notaries and registries), SAIME (migration and identification) and UNES (police university). The Ministry of Health, in turn, received funds that were distributed to payment of salaries, hospitals and outpatient facilities, especially to the *Misión Barrio Adentro* Foundation and Hospital Buildings and Equipment Foundation.

Another approach that helps us better understand the management of public funds in 2018 is the analysis of additional appropriations in detail based on which ministries, in proportional terms, received the largest funds in 2017. The results are as follows:

TABLE 3:
MINISTRIES WITH LARGEST BUDGET MODIFICATIONS IN 2017

ENTITIES	INITIAL BUDGET 2017	ADDITIONAL APPROPRIATIONS 2017	TOTAL ALLOCATED 2017	VARIATION OF INITIAL BUDGET VS TOTAL BUDGET	ACTUAL VARIATION OF INITIAL BUDGET VS TOTAL BUDGET
National Electoral Council	15,576,794,550	1,012,577,208,347	776,054,894,325	6,501%	152%
National Superintendence of Internal Audit	371,492,497	17,462,780,666	73,440,707,444	4,701%	84%
Ministry of Mining and Ecological Development	4,402,665,497	193,156,070,023	156,950,759,732	4,387%	72%
Ministry for Foreign Trade and International Investment	1,890,000,000	68,286,496,087	9,034,273,163	3,613%	42%
Ministry for Habitat and Housing	33,531,729,255	652,773,046,033	668,099,476,820	1,947%	-22%

Source: Official Gazettes –2017. Amounts in BsF.

Arbitrariness allowed this government to redirect large amounts in 2017 to carry out three elections in favour of government.

The National Superintendency of Internal Audit ranks second, increasing by 4,701% during this year, without any improvements in the institutional operation of the central government. On the other hand, the extra-budgetary allocations to the Ministry of Mining and Ecological Development are based on a major public finance problem, due to the crisis in PDVSA and the lack of foreign currency liquidity. In addition, the mining arc represents one of the last strongholds of potential foreign currency income that may become available to the National Government.

The Ministry of Foreign Trade and International Investment underwent budget modifications in the order of 3,613%, for expenses in the process of international agreements. In addition, it is important to note that at the end of the year the government created the Petro, a cryptocurrency backed by the mineral reserves of the nation with which it seeks to facilitate international transactions. Even so, international trade relations are distorted. Domestic production has declined sharply, as did the prices of the oil exports and the distribution of income received.

Lastly, the Ministry of Housing grew by 1,947% during 2017. However, this increase was well below inflation, which means a -22% reduction in the agency's budget in real terms.

INCONSISTENCIES AND DOUBTS IN PUBLIC FINANCE IN 2017

Our monitoring on public finance in 2017 allows us to point out numerous incomplete, contradictory and inconsistent data in Venezuelan reality. We can highlight the following:

1. PDVSA did not disclose its assigned budget for 2017, or the estimation of its financial results and major projects completed in 2017, for which it has to render accounts.
2. In spite of the economic crisis the nation is experiencing, rather than directing investments to strategic sectors that may drive the economy, most of the public funds managed by the government in 2017 were allocated to fulfil labour commitments of the oversized payroll under its responsibility.
3. The three elections in 2017 took up an important portion of the additional appropriations.
4. Considering the additional appropriations, the budget increase in 2017 was 585%, but considering the effect of inflation, which was 2,616% according to the Consumer Price Index of the National Assembly (IPCAN), the amount of extra-budgetary funds accounts for an actual negative variation in the income available for the operation of the State.
5. Fundamental decisions have been made regarding the main assets of the Republic, which have been practically auctioned off in order to honour debts with international creditors, without giving any information to citizens or the existing oversight entities about the implications and the general conditions in which the sales of the assets took place and the consideration received.

USE OF PUBLIC FUNDS IN 2017

Following the trend of recent years, the National Executive Branch is the main entity responsible for the use of public funds. For 2017, it received 96% of the budget, considering the use of the constitutional allocation and the inter-territorial compensation fund managed by the government for distribution to states and municipalities.

The rest of the branches of government combined account for 4% of the 2017 budget. Certainly, the nation's financial structure is designed to reinforce the preponderance of the Executive Branch over the rest of the branches.

TABLE 4:
DISTRIBUTION OF BUDGET AMONG BRANCHES OF GOVERNMENT, BILLION BS

BRANCHES	2015	2016	2017
Executive	2,094,324	5,530,244	55,736,380
Electoral	13,674	15,472	1,028,154
Judicial	23,498	72,956	898,642
Citizen	13,733	35,608	341,333
Legislative	4,722	19,940	27,945

Source: Official Gazettes - 2017

This is the information on budget allocation, but there is no information on the actual use of funds, as has been the tradition for ten years. We do not have information to fully understand the destination and the use of public funds. There are details that are important to highlight:

- The funds allocated are not necessarily used and, since 2010, the Budget Office (ONAPRE) does not publish the use of public funds, so the financial progress of the projects and the effective use of public funds cannot be determined.
- After the amendment to the Organic Law of Public Sector Financial Administration, funds not used in a fiscal year, instead of being returned to the national treasury for later distribution, are assigned to the Development Fund (FONDEN), thus increasing discretionality and opacity in the management of public funds.
- The use of financial resources is not only necessary for accountability processes, but they are also an indicator of the efficiency of the public sector to implement the projects and intervention programmes in a society.

- There is no information about monies in parafiscal funds: Fonden, China Fund, Fondo Miranda, etc. Agencies do not report how much money they have, if there is anything left, how much goes in and how much goes out, or what those funds are used for.
- Of the economic assumptions that need to be established for budget calculation, the government stated that it only calculated income and expenditure estimates based on an oil price of \$30/bbl. Similarly, it has not disclosed or reported final figures, so considering data provided by national and international agencies, 2017 closed with the following results:

TABLE 5:

ECONOMIC ASSUMPTIONS 2017	EXPECTED	ACTUAL
GDP	N/D	-15.2%
Inflation	N/D	2,616%
Oil price per barrel	US\$ 30	US\$ 46.66

Source: Finance Committee-National Assembly, Ministry of Petroleum

FINANCIAL CRISIS IN HEALTH AND EDUCATION

One of the premises that the National Government is defending at any cost is the social nature of its administration and the prioritisation of social sectors as axes of its intervention programmes in society. If we analyse this information in more detail, there are certain elements that must be highlighted in order to determine with certainty how much is the actual investment made by the government.

Social sectors are not exactly served by the ministries with competence in each of the areas. In other words, not all the expenses in a social sector come from one ministry but are the result of the different transfers coming from different agencies and entities in public administration.

Another important element to determine effectively whether funds are actually used to generate a positive impact on

key sectors of society is to calculate the staffing expenditure without taking it as an integral part of the social sectors. In other words, the government estimates payroll expenses (item 4.01) as social investment, a very particular classification, which is misleading about social investment.

Payroll represents 21% of the total 2017 budget, with most of the funds being earmarked for the implementation of programmes and projects in social sectors. We can conclude that the government seeks to publicise achievements that are simply not true, rather than having an actual impact on the different sectors.

To put this social expenditure in context, below is the expenditure for social programmes (missions) in 2017 and previous years.



TABLE 6:
DISTRIBUTION OF THE BUDGET BETWEEN PUBLIC POWERS IN BILLIONS

MISSIONS	2015*	2016*	2017*
Gran Misión Vivienda Venezuela (housing)	79,730	13,651	20,775
Misión Barrio Nuevo Barrio Tricolor (urban renovation)	-	2,764	24,645
Gran Misión A Toda Vida Venezuela (wellbeing)	6,769	9,997	70,737
Misión Barrio Adentro (health)	4,709	28,801	1,558,725
Misión Hijos de Venezuela (children)	936	1,431	3,333
Corporación Nacional de Alimentación Escolar (School food - formerly PAE)	5,584	92,359	732,313
Misión Alimentación (Food)	9,073	18,707	82,248
Fundación Samuel Robinson (elementary education)	679	4,936	32,896
Misión Árbol (reforestation)	-	280	2,670
Misión Cultura	111	576	2,408
Misión Dr. José Gregorio Hernández (support for disabled persons)	77	435	3,832
Misión Hábitat (housing)	58	133	1,873
Misión Identidad	296	6,600	38,412
Misión Madres del Barrio (mothers)	1,522	10,269	29,347
Misión Milagro (eye surgeries)	462	342	3,153
Misión Negra Hipólita (protection to homeless persons)	633	3,395	69,724
Misión Negro Primero (support to armed forces)	-	19,3201	352,9881
Misión Nevado (animal protection)	275	570	6,399
Misión Niño Jesús (mothers and infants)	186	274	431
Misión Nueva Frontera de Paz (safety on VEN-COL border)	-	494	2,934
Misión Piar (mining)	22	131	277
Misión Revolución Energética	-	-	-
Misión Ribas (secondary education)	81	4,702	8,286
Misión Saber y Trabajo (labour)	678	6,096	7,604
Misión Sucre (higher education)	2,364	6,285	32,896

*Includes additional appropriations

Source: Budget Law 2015, 2016 and 2017, and Official Gazettes.
1 Funds assigned to the Misión Negro Primero investment fund

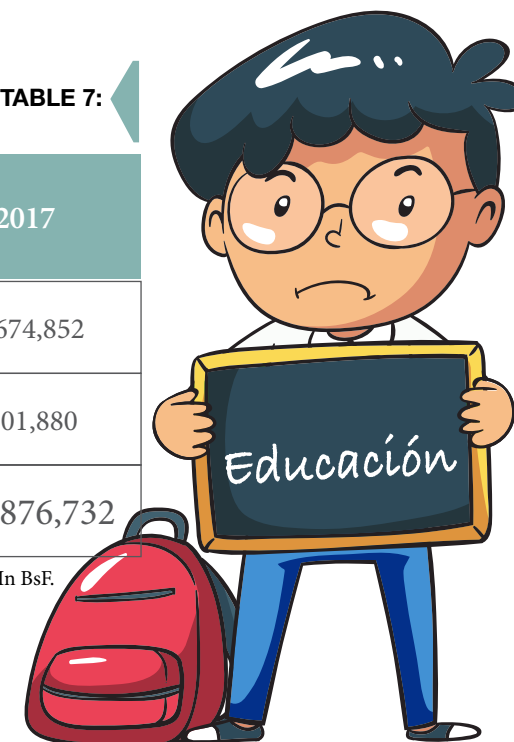
EDUCATION

The best way to start the analysis of the year 2017 in this sector is by specifying the funds managed by the Ministry of Education as the umbrella entity responsible for the sector.

TABLE 7:

ENTITY	INITIAL BUDGET	ADDITIONAL APPROPRIATIONS	TOTAL 2017
Ministry of Education	1,409,432,880,624	8,944,105,794,228	10,353,538,674,852
Ministry of University Education, Science and Technology	1,409,432,880,624	8,934,625,012	8,091,917,201,880
TOTAL			18,445,455,876,732

Source: Official Gazettes –2017. In BsF.



After the budget modifications in 2017, the two ministries combined managed more than twice the initial budget approved for that year (Bs. 8 trillion), which shows again the deficit policy in the management of public finance. The Ministry of Education allocated 51.2% of the funds for 2017 to labour commitments to teachers nationwide. Higher education, due to administrative decisions, falls under the spending on science and technology, and thus it is not possible to make an accurate independent analysis of each sector.

The budget modifications in the area of education focused on fulfilling labour commitments to the huge payroll of the Ministry of Education. The destination of funds necessary for the curricular changes or the printing of the bicentennial collection was not specified. These projects were indicated in the budget as objectives for 2017.

There are other data that remained under the cloak of opacity in 2017: the funds allocated to the “*Todas las manos a la siembra*” project, which aimed at promoting urban agriculture in schools. With a budget of Bs.1,795,246,709, with no reports so far on the results, or possible effects on school performance for assigning classroom time to the urban agriculture tasks.

Food is one of the critical elements that have contributed to the growing dropout rate. The National School Food Corporation (formerly PAE) has managed funds in the order of Bs. 732,312,893,270 in 2017, which considering the 5.2 million children that the program must serve, accounts for an investment of less than Bs.749 for the daily food of each child.

HEALTH

International organizations have claimed that Venezuela is going through a humanitarian crisis directly affecting vital issues of society. Health, along with food, is one of the areas in which decomposition and inability to provide the services that society demands becomes most evident.

The sectors of health and education, priorities for the harmonious development of society, are among the most deteriorated areas, and require resources and political will, which currently exists only to brag about the pittance they grant for the well-being of the population.

Below is a table with the funds earmarked for the Ministry of Health in 2017

ENTITY	INITIAL BUDGET	ADDITIONAL APPROPRIATIONS	TOTAL 2017
Ministry of Health	563,137,185,906	563,137,185,906	5,901,921,710,296

Source: Official Gazettes – 2017. Amounts in BsF.

The sectors of health and education

vital for the harmonious development of society are among the most depressed. They require resources and political will that is totally absent except to boast about the measly amounts that they destine for the wellbeing of the population.



TABLE 8:

Following the general behaviour of public finance, there have been important budget modifications in the sector in 2017, specifically a 948% increase compared to the originally planned amount. With an inflation rate around 2,616% during 2017, the budget was reduced by 60% in real terms. Therefore, we can understand how, in addition to the different limitations in human resources, security and imports of inputs, the funds allocated by the public sector are not enough to sustain the spending level of 2016.

The main sectors to which funds were to be allocated, according to the 2017 budget planning, include pharmaceutical for the purchase of products, production, storage and distribution of medicines, but the monetary distortion and the shortage of raw materials have turned health into one of the most deteriorated sectors in 2017.

THE EXCHANGE SYSTEM AS A CORRUPTION SCHEME

The monitoring of budget spending is important to determine the key elements in the handling of funds and to identify the undue and discretionary practices that lead to acts of misappropriation of public funds. But when we talk about corruption, there is a key element in the Venezuelan economy to fully understand the implications in the use of public funds: exchange control.

Exchange control has multiple abysmal effects on a society because it undermines investor and citizen confidence; and because it encouraged capital flight which, in theory, is the very problem that it seeks to solve. Thus, it becomes a major hindrance to the sustainable development of a nation.

The foreign exchange control sets all the conditions for the emergence of parallel foreign currency markets and makes informality and illegality the only option for those interested in protecting their capital, becoming thus an incentive for corruption and misappropriation of public funds.

The year 2017 saw a continuation of the exchange control policy implemented back in 2003. With more than a decade under this system, a corruption network has developed, which has captured the main policy makers in public administration. At the same time, it has had cross-cutting effects, especially in the nation's economic practice, which due to the overall uncertainty, follows the behaviour of the price of the parallel dollar as the main reference for economic activities.



DICOM AND THE CONTINUATION OF FOREIGN CURRENCY CORRUPTION

The drop in the value of the bolivar in 2017 has made access to preferential currencies more appealing. But the agency in charge and the assignment system is more opaque every day. It is clear that securing foreign currency at Bs.10/\$ or even at Bs.2,850/\$ can be a great deal when in 2017 the black market rate stood at around Bs.121,000/\$.

According to economic consulting firm Ecoanalítica (2017) 80% of the imports made by the nation are paid at a preferential rate of Bs.10/\$, which, as indicated by specialists, with such a distorted black market, Bs.10/\$ might as well be Bs.0/\$. In other words, with this exchange control, Venezuela is practically giving away 80% of the total imports to importers with access to preferential currencies.

With such a large incentive and billions of dollars each year in the hands of a civil-military elite that has been controlling the nation's foreign exchange decisions for more than a decade, the creation of corruption networks around the exchange systems was an unavoidable consequence.

In 2017, the government followed the same pattern of recent years regarding the administration of the foreign exchange system: the existence of a preferential dollar rate and an additional band system for specific auctions for sectors or individuals interested in participating as foreign currency bidders or buyers.

Dicom, established in 2017, is basically the new name of the same price band system of recent years, with minor modifications. It was doomed to fail since its inception, because as long as participation is limited in the market and the demand is not fully met, all incentives will continue to exist for parallel markets to coexist, in order to supply the necessary foreign currency for the economy.



CASES OF CORRUPTION RELATED TO EXCHANGE CONTROLS DISCLOSED IN 2017

Access to official information is limited with respect to the judicial measures taken to deal with exchange rate crimes. Transparencia Venezuela monitors all the information made available by the Prosecutor General regarding, among others, corruption-related crimes and the various on-going investigations that the agency is conducting.

When exchange controls are implemented, the incentives arise for the emergence of an organised crime network under the premise of obtaining foreign currency at preferential prices, thus facilitating internal and external corruption in government officials with decision-making power in the assignment of foreign currency.

The main offences and the amounts in the corruption cases investigated by the Prosecutor General in 2017 are as follows:

TABLE 9:

CRIME	# OF CASES	AMOUNT (US\$)
Simulation of imports	4	24,200,000
Overbilling of imports	8	200,700,000
Shell companies	2	9,212,000
Undue purchases	1	27,960,000
TOTAL		262,072,000

Source: Press releases – Prosecutor General's Office 2017

Noteworthy is that the information above does not account for all cases monitored by the Prosecutor General or the total amount of funds under investigation for corruption. This is an account of press releases during 2017, which have indicated crimes related to exchange controls and, in general, these cases are past investigations that were still being processed in 2017.

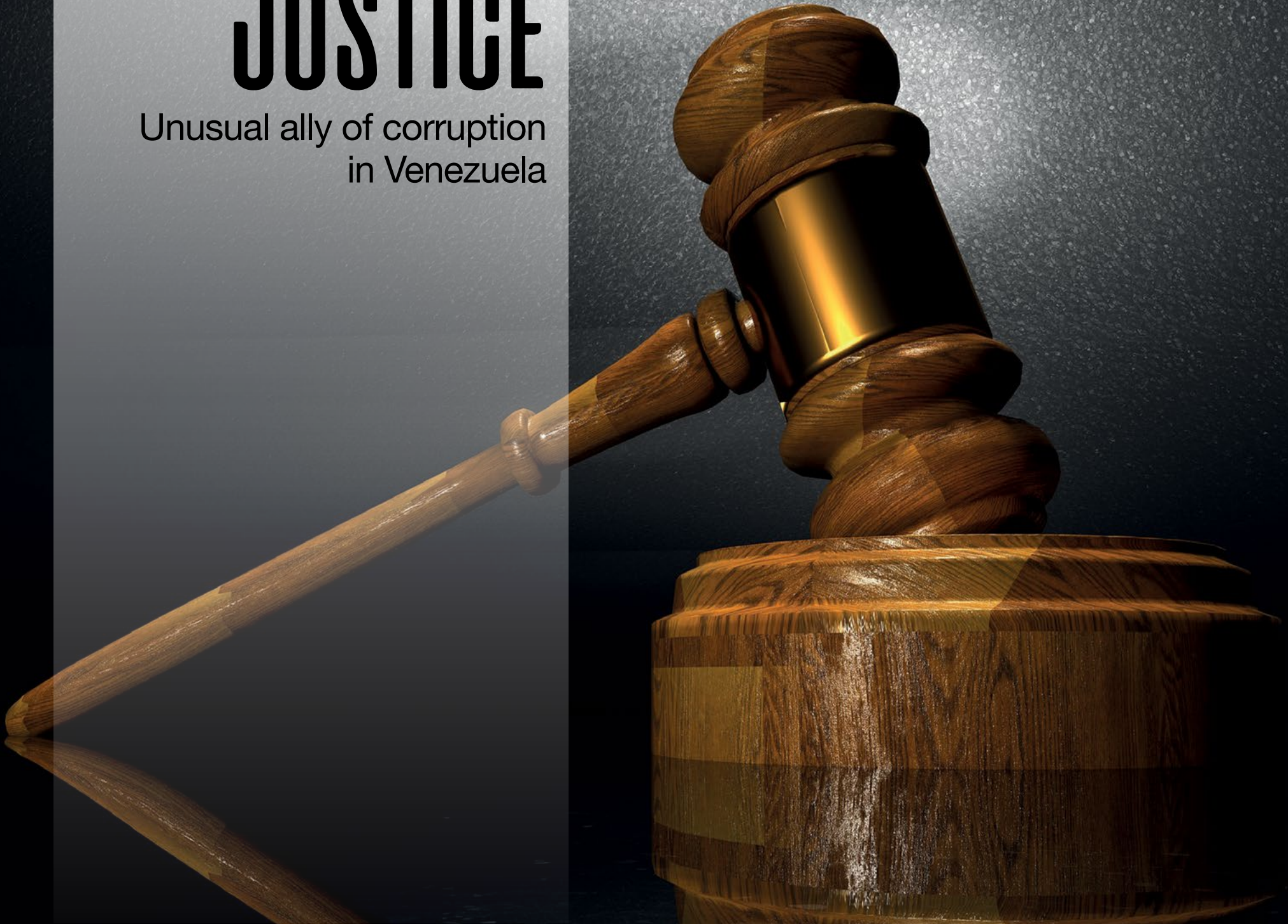
Neither the Prosecutor General's Office nor Cencorex publish or disclose the list of individuals or companies that received preferential foreign currency since the implementation of exchange control in 2003. This information is vital to start a serious investigation that can punish those guilty

of any malfeasance and initiate the process of repatriation of capital.

As long as the exchange control is in place, incentives for corruption will remain very high, and in the case of Venezuela, there is an additional factor that makes dismantling this process much more complex. The exchange control is closely related to the establishment that underpins the regime. Therefore, going against the interests of the elites, which have hijacked the government's autonomy of decision, represents for the authorities a threat to internal political stability, and a clear conflict of interest where the most vulnerable in the nation are most affected.

JUSTICE

Unusual ally of corruption
in Venezuela



JUSTICE

UNUSUAL ALLY OF CORRUPTION IN VENEZUELA

The famous British Prime Minister Winston Churchill said that politics “made strange bedfellows.” However, corruption in Venezuela also makes them. At least this is the sensation left by some of the rulings handed down by the Supreme Tribunal of Justice (TSJ) in the last twelve months, which far from facilitating the fight against crimes against the public patrimony and putting more obstacles to them, they seem to facilitate them, with what the so-called white-collar criminals have found an unusual ally in the highest Venezuelan justice body.

As in 2016, the Constitutional Chamber spent a good part of this year canceling the decisions adopted by the National Assembly (AN) controlled by the opposition and did so almost since the beginning of the year. Thus, in its rulings number 1 and 2, it annulled the reform of the Organic Law of the Environment issued at the end of the previous period and the installation of the second year of the legislature and the election of the new directive, under the argument that the parliament continued “being in contempt of the Judiciary”, even though days before the National Assembly removed the three contested opposition deputies in a public session, as the Supreme Tribunal had been demanding since last September.

“By keeping the National Assembly and its Board of Directors –with its term expired- this obstinate attitude, prevents it -because it is contrary to law- from electing the new Board of Directors for the 2017 legislative term, since the constitutionally objective and coherent conditions to give continuity

to the parliamentary exercise in a new period of sessions are not the right ones,” ruled Justice Juan José Mendoza.

The alleged contempt of the legislature to the decisions of the highest tribunal was -in 2017- the excuse that the body wielded -in particular through its Constitutional Chamber- to endorse unprecedented situations in republican history such as the fact that President Nicolás Maduro did not have to appear before the deputies to present his annual management report, as explicitly stated by article 237 of the Constitution.

Thus, the interpreter of the fundamental text, in its sentence number 3, snatched from the AN another of its powers of political control over the government and public administration, with the following argument: “Given the unconstitutional parliamentary omission and the need to restore the situation of constitutional abnormality generated by the majority of deputies that make up the National Assembly today, this Chamber provides that on this occasion the Constitutional President and in full exercise of his duties, citizen Nicolás Maduro Moros, must deliver his annual message referred in Article 237 of the Constitution, which will give an account of the political, economic, social and administrative aspects of his management during the immediately preceding year, before the Supreme Tribunal of Justice, in a national broadcast in radio and television, to reach the largest number of Venezuelans.¹”

However, the dispossession did not end there, and a month and a half later, in its 90th sentence of 24 February, the Chamber exempted Vice-President Tareck El Aissami and all members of the cabinet from having to report to parliament, as ordered by the constitution.

After reiterating that the AN “has been generating in recent months situations of contempt and violations of the constitutional order” that disqualifies it to exercise its functions of “political control”, the instance applied the same solution as for the head of state and ruled that “on this occasion” the Executive Vice-President and the ministers must present before the highest tribunal in full “their reasoned and sufficient reports on the management of their offices in the immediately previous year, referred to in article 244 of the Constitution, on Friday three (3) of March of 2017, in guarantee of the participative democracy, among other values, principles and constitutional norms.”²

The immediate consequence of this unprecedented situation was that Venezuelans could not find out -as in previous years- what the reports of the holders of the different ministries said, because the Constitutional Chamber did not publish the content of it, and therefore, the media, the human rights organizations and the universities could not review them.

For the first time in years, Venezuelans could not find out how much the state spent in 2016 to guarantee citizen security and fight crime or how much it spent to acquire weapons of war, for the security of the head of state and their families or to maintain initiatives such as militias. They could not either find out how many schools were built or repaired or how

many children the Ministry of Education said they attended in their schools or to how many they guaranteed them food the previous year.

They could not either know how projects such as the construction of medicines factories are progressing or how much was spent on the health system, but they could not find out how many hectares the minister of land said were cultivated and harvested last year, nor what the public treasury finally invested in roads, sports, tourism or culture or how much was made with those funds. All this complicated the social controllership and obviously the fight against corruption



² <http://historico.tsj.gob.ve/decisiones/scon/febrero/196425-90-24217-2017-17-0239.HTML>

PROTECTING THE SUSPECT AND CHASING THE INVESTIGATOR

During 2017, the TSJ continued with its strange policy of protecting officials who were accused of being involved in administrative irregularities. Thus, last February, in his sentence 88, the Constitutional Chamber not only definitively annulled the investigation that the AN Controllershship Commission initiated against the current Venezuelan Ambassador to the United Nations, Rafael Ramírez, for the alleged embezzlement of more than US\$ 11 billion in Petróleos de Venezuela, during the long decade that he was head of the state oil company and the Ministry of Energy, but also opened the doors to the prosecution of deputy Freddy Guevara. Guevara was the promoter of the parliamentary investigation against Ramírez, since he was the president of the Controllershship Commission.

If in October 2016, in the injunction with which it ordered the parliament to paralyze the proceedings against the now diplomat, it argued with arguments such as “there are elements that serve as a conviction about serious injuries or difficult repairs that would be causing to the company Petróleos de Venezuela Sociedad Anónima (PDVSA) and, even, against the Republic directly, as well as the possible violation of the rights of the plaintiff part, citizen Rafael Darío Ramírez Carreño, which could trigger an adverse reaction in the arbitration proceedings that are currently taking place, in the investors, in all those countries to which the Republic can go for the exchange of credit and, finally, in the various acts related to this matter that interest the nation, various states and the region”; in the subsequent, it did not hesitate to accuse the main promoter of the process of being involved in crimes



Freddy Guevara

“What this Chamber must not allow is endorsing actions contrary to the Basic Text, by some that currently show the interest of affecting the reputation of the state, with purely party-political intentions, and even individualists, with serious consequences for the constitutional order and the interests of all the people”³, can be read in the opinion drafted by Justice Gladys Gutiérrez, in which Guevara is accused of “usurpation of functions” and damage to property, for traveling to the United States to notify Ramírez of the National Assembly decision, which warn, in short, new deviations of power, the investigation against him and therefore requested the Offices of the Comptroller General and the Attorney General to investigate him.

“This is unusual: yesterday, on Carnival Friday, the TSJ issued a judgment protecting Rafael Ramírez and ordering to investigate me,” the Member of Parliament replied on Twitter when he heard about the ruling, adding: “The TSJ does not mind the embezzlement of US\$ 11 billion that I showed from the management of Rafael Ramírez, but that I investigated it.”⁴”

3 <http://www.civilisac.org/civilis/wp-content/uploads/Sentencia-88-Sala-Constitucional-24-2-17.pdf>

4 https://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=17&cad=rja&uact=8&ved=0ahUKEwjz92_gLzXAhWECewKHQKOAF44ChAWCF0wB-g&url=http%3A%2F%2Fwww.ultimasnoticias.com.ve%2Fnoticias%2Fpolitica%2Fguevara-tsj-protoge-rafael-ramirez%2F&usq=AOvVaw1VwK-gZGgsyhADz1yd7lvS

The practice of favoring those accused of corruption is not new. In 2016, the Constitutional Chamber also benefited Nervis Villalobos -former vice-minister of electric energy- and the former president of CORPOELEC, Javier Alvarado, accused by the Office of the Attorney General of improper management during the first electricity crisis in 2009, when terminating a penal action to nullify the ruling that annulled the prohibition on leaving the country that weighed on them.

Nevertheless, in 2017 the TSJ not only limited the powers of control and investigation of the AN, but also those of the Office of the Attorney General. Thus, before the questioned National Constituent Assembly removed from office the Attorney General of the Republic, Luisa Ortega Díaz, the highest tribunal issued several opinions where the body snatched powers from her or limited them.

Emblematic case is sentence number 537, where the Magna Carta interpreter took from prosecutors the power to accuse suspects of crimes -including those related to corruption- and ordered them to do so before control judges, which is not provided for in any legal regulation.

After ensuring that the term “accused” is used by the Organic Code of Criminal Procedure (COPP) “lightly and without procedural distinction,” the tribunal considered that the right “precautionary” thing is that “any person investigated by the alleged commission of any punishable act or apprehended in flagrante delicto, will obtain the status of accused once he/she has been informed by the Office of the Attorney General before his/her lawyer or public defender if he/she does not have one, in the seat of the competent criminal jurisdictional body, of the facts of which he/she is accused of involvement or authorship, as well as the

elements of conviction that support this accusation, so that the judge (in control functions) guarantee and supervise the fulfillment of the legality in the process, especially regarding the constitutional rights of the investigated person who will be considered as ‘investigated’ and not as ‘defendant’, until the supra requirements are met.⁵”

Prosecutors and judges have warned, in an unofficial manner, that this decision, in addition to threatening the autonomy and independence of the Office of the Attorney General, will intensify the already endemic procedural delay that afflicts the Venezuelan justice, since not only it will be necessary to schedule judgment or preliminary hearings -in which it is decided if one accused will be prosecuted or not-, but also of accusation.

Until the first semester of 2017, only two out of ten preliminary hearings in the country were held on the scheduled date, according to figures from the Judiciary to which Transparencia Venezuela had access, which were published on the website *Suprema Injusticia*.⁶

The TSJ also continued with its policy of refusing to protect citizens and organizations that denounce violations of their right to access public information. The Political-Administrative Chamber dismissed ten lawsuits that Transparencia Venezuela filed against different state agencies for refusing to provide certain information in its possession, while the Second Court of Litigious-Administrative matters and other instance tribunals did the same with two others. The reasons for these denials? The same as always: the organization did not explain why they wanted the information or that the information requested exceeded the use that the organization reported it wanted to give it.

DE FACTO CLOSURE

However, if 2017 goes down in history, will be because of decisions 155 and 156 of the Constitutional Chamber, with which it de facto closed the parliament and made half the world accuse the Justices of committing a judicial coup and that since the Venezuelan government began to be described as a “dictatorship.”

In the rulings, the interpreter of the Magna Carta stripped immunity away from Members of Parliament, ensuring that it “only protects (...) the acts carried out by the deputies in the exercise of their constitutional powers (which is not compatible with the current situation of contempt in which the National Assembly is) and, therefore, in no case, against constitutional and criminal (blatant) offenses;” it took from them the power to authorize the government to create companies with private capital and, finally, it assumed all the parliament faculties and announced that it could delegate them to the organs it deemed relevant.



“As long as the situation of contempt and invalidity of the actions of the National Assembly continues, the Constitutional Chamber will guarantee that the legislative powers

will be exercised directly by this Chamber or by the organ that it deems relevant”, stated the judgment 156, which for the vast majority of the lawyers and analysts meant the closure of the parliament elected on 6 December 2015.

In addition, in the ruling 155, President Maduro was urged to modify the legislation, through the current state of exception, to prosecute deputies who, for example, endorsed the decision of the Organization of American States (OAS) to apply the Inter-American Democratic Charter to the state.

The reaction to the judicial decisions was immediate, and the OAS, the European Union and the governments of most Latin American countries began to speak of a coup. However, these declarations paled when, on 31 March 2017, when presenting its 2016 annual report, the Attorney General condemned the rulings, considering that they represented a “rupture of the constitutional order.”

This statement by Ortega Díaz supposed the formalization of her rupture with the government, from which she had months distancing herself.

The government tried to solve the national and international crisis that the rulings caused and called the National Defense Council, from where it urged the Constitutional Chamber to review its decisions, which it did with unusual speed. Just hours after the meeting, the clarifications 157 and 158 were issued, in which some of the most scandalous paragraphs of the controversial rulings were erased and so it was intended to make the world see that the situation had been corrected, even when it was not the case, because none of the powers seized under the excuse of contempt was returned to the Legislative Power.

The solution was considered by jurists like Juan Manuel Raffali as another violation of Venezuelan law, because article 252 of the Code of Civil Procedure expressly states: "After pronouncing the final judgment or the interlocutory subject to appeal, the tribunal that issued it will not be able to revoke it or reform it. However, the tribunal may, at the request of a party, clarify the doubtful points, save the omissions and rectify clerical, references or numerical calculations mistakes, that appear in the same judgment, or to dictate extensions, within three days, after the judgment has been issued, provided that said clarifications and extensions are requested by one of the parties on the day of publication or in the following one."⁷

The statements against the judgments and the decision of the political opposition to go out to protest against them degenerated into a new wave of demonstrations that almost paralyzed the country for four months and whose response by the authorities left more than 120 dead, hundreds of injured and thousands of detainees.

The response of the authorities to citizen demands was to push forward a questioned Constituent Assembly that will draft a new Magna Carta, which was elected on 31 July 2017, without previously having consulted Venezuelans on whether they supported the initiative, as it happened in 1999. The Constitutional Chamber,

in 27 judgments, endorsed the procedure followed by the government and thereby gave the green light to the creation of a body that has been placed above all powers.

It is clear that the performance of the Judiciary, far from facilitating the fight against corruption, has complicated it by attacking the balance of powers, preventing the various organs of the state from exercising their control and investigative powers, and by protecting with its decisions those accused of being involved in irregularities or not allowing citizens to access public information.

The Supreme Tribunal of Justice appears to have corrected the coup it gave to the National Assembly





Among the judgments that affected the National Assembly (AN) are mentioned::

- In judgments No. 1 and 383 of 6/1/2017 and 31/5/2017, respectively, the SC-TSJ declared the nullity of the Organic Law of the Environment and the Law of Social Security of the Police Officers.
- In the judgment No. 2 of 11/1/2017, the SC-TSJ declared invalid the parliamentary acts necessary for the installation of the second period of ordinary session, the election of the new Board of Directors and the sessions that will be held in the future.
- In judgments No. 3 and 90 of 11/1/2017 and 24/2/2017, respectively, the SC-TSJ declared that the President of the Republic, the Vice-President and the Ministers must be held accountable on the political, economic, social and administrative aspects of its management during the immediately preceding year, before the TSJ and not before the AN.
- In the judgment No. 5 of 19/1/2017, the SC-TSJ ordered the National Executive by the National Budget Office, to make the payment of the parliament workers' salaries, thus subtracting the competence of the National Assembly to manage its own staff.
- In judgment No. 6 of 20/1/2017, the SC-TSJ declared that the President of the Republic could honor in the National Pantheon illustrious Venezuelans who have rendered their services to the Republic, in spite of being a National Assembly competition.
- In judgment No. 7 of 26/1/2017, the SC-TSJ ordered the organs that make up the Republican Moral Council to initiate the investigation that determines the criminal responsibility of the deputies opposed to the government regime, for having issued the agreement of declaration of abandonment of office by the President of the Republic.
- In ruling No. 88 of 20/1/2017, the SC-TSJ declared the nullity due to the unconstitutionality of the investigation into alleged acts of corruption and damage to public property, approved by the AN against the former president of PDVSA, Rafael Ramírez. The ruling was based on the fact that it should not allow "endorse actions contrary to the Basic Text, by some members that currently make up the National Assembly; which ... only show the interest of affecting the reputation of the state, with purely party-political intentions, and even individualists, with serious consequences for the constitutional order."
- In judgment No. 155 of 3/28/2017, the SC-TSJ declared the nullity of the Agreement emanating from the National Assembly on the Reactivation of the Application Process of the OAS Inter-American Charter, as a mechanism for the peaceful resolution of conflicts to restore the constitutional order in Venezuela; and the beginning ex officio of a new procedure in which the President was ordered to exercise the international measures he deems relevant and necessary to safeguard the constitutional order, as well as to take civil, economic, **military, criminal, administrative, political, legal** and social measures that it deems relevant

and necessary to avoid a state of shock; and in the framework of the state of exception and before the contempt and continued legislative omission on the part of the AN, **exceptionally review the substantive and adjective legislation.**

- The judgment also states in its motivation that “Parliamentary immunity only covers ... acts carried out by deputies in the exercise of their constitutional powers (which is not compatible with the current situation of contempt in which the National Assembly is) and, therefore, in no case, against constitutional and criminal (blatant) offenses.”
- In judgment No. 156 of 3/29/2017, the SC-TSJ declared that the National Executive might create joint ventures without the approval of the National Assembly and modify the hydrocarbons law. In the ruling, the Justices decided that “as long as the situation of contempt and invalidity of the actions of the AN persists, the Constitutional Chamber will ensure that legislative powers are exercised directly by this Chamber or by the organ that it deems relevant.”
- In judgments No. 157 and 158, of 1/4/2017, the SC-TSJ decided to delete excerpts from judgments 155 and 156, regarding the parliamentary immunity and the order to the president to execute measures outside his jurisdiction.



Among the judgments that affected the Office of the Attorney General are mentioned::

- In judgments No. 441 and 84 of 7/6/2017 and 27/6/2017, the TSJ declared the actions taken by the Attorney General of the Republic (FGR) directed to clarify some points about the Decree of Call for a National Constituent Assembly and to request the annulment of the electoral bases dictated by the National Electoral Council (CNE), for violating the right to sovereignty and the principles of constitutional supremacy, progressiveness, administrative legality, equality of vote; as well as constitutional guarantees for political participation and suffrage.
- In judgment No. 454 of 12/6/2017, the SC-TSJ dismissed the appeal filed by the FGR against the parliamentary agreement that appointed 33 Justices of the TSJ due to the breach of the procedure for their appointment, specifically evaluation of the candidates.
- In judgment No. 469 of 27 June 2017, the SC-TSJ granted the Office of the Ombudsman powers of the Office of the Attorney General, specifically the procedural representation of the legitimate interests of the victim in criminal trials, in case of violation of human rights.
- In judgment No. 45 of 28/6/2017, the Full Chamber of the Supreme Tribunal declared the request for an impeachment filed by the FGR against the Justices of the Supreme Tribunal for having issued judgments that caused the rupture of the constitutional order and transgression of republican principles.

- In judgment No. 528 of 3/7/2017, the SC-TSJ declared the nullity of the citation made by the MP to Major-General Benavides Torres, for allegedly “committing serious and systematic violations of human rights.” The judgment has extensive effects, and may be invoked by anyone in the same situation.
- In judgment No. 532 of 3/7/2017, the SC-TSJ removed the Deputy Attorney General of the Republic appointed by the FGR, and overstepping its powers, appointed Katherine Harrington as Deputy Attorney General.
- In judgment No. 537 of 12/7/2017, the SC-TSJ limited the powers of the Office of the Attorney General, by agreeing that any person investigated for the alleged commission of a punishable act, obtains the status of accused once he/she has been informed by the Office of the Attorney General before his/her lawyer, in a competent criminal court, of the facts of which he/she is accused of involvement or authorship, as well as the elements of conviction that support this accusation.
- In judgment No. 544 of 20/7/2017, the SC-TSJ ordered the Comptroller General of the Republic (CGR) to initiate an administrative investigation against the FGR, for alleged improper use of an aircraft in the custody of the MP.
- In judgment No. 65 of 4/8/2017, the SC-TSJ accepted the request for the impeachment of the Attorney General, suspended her from her position, froze her accounts, prohibited her from leaving the country and alienation of her goods. In addition, it disqualified her from exercising any public office and it was ordered to send a copy of the decision to the Constituent Assembly so that it “decide on the matter”.



Among the judgments that have violated other human rights are mentioned:

- In judgment No. 6 of 16/2/2017, the SPA-TSJ on the request for nullity of Resolution No. 008610 of 23/1/2015 issued by the Ministry of Defense, for injuring the right to demonstrate peacefully by allowing the use of firearms; considered that the administrative act does not violate the aforementioned constitutional right.
- In judgments No. 191, 229 and 254 of 3/15/2017, 3/23/2017 and 3/29/2017, the SPA-TSJ denied the right of access to public information in lawsuits filed by Transparencia Venezuela, considering that it is not evident that what is required is proportional to the intended use, without establishing the reasons why it is not considered proportional.
- In 27 judgments the TSJ considered that it is not necessary or constitutionally binding, a prior consultative referendum for the call of a Constituent National Assembly, in violation of the rights to sovereignty, vote and citizen participation.

VENEZUELA'S COMPTROLLER GENERAL

Sets a Bad Example



VENEZUELA'S COMPTROLLER GENERAL SETS A BAD EXAMPLE

In 2017, Venezuela's Comptroller General (CG) Manuel Enrique Galindo Ballesteros failed to submit his 2016 Annual Report to the National Assembly – as required by law. Following in the President's footsteps, the CG submitted the report to the Supreme Court of Justice (TSJ) instead. The High Court kept the report a tightly guarded secret, far from the reach of citizens, thus hindering true citizen participation and effective social oversight.

It was only in early 2018 when the 2016 report was disclosed on the CG's Office website.

Few statements were published in 2017 by the General Comptroller making reference to his performance. There were numerous reports, however, on his participation in conferences and workshops in which he expressed his unconditional support to the President and threatened to sanction anyone who does not cooperate with the government.

In a conference on the subject of the Constituent Assembly, held on July 13, 2017, Comptroller General Galindo Ballesteros stated: "I am not afraid of going to prison for defending my country so that this government stays in power," and on July 25, 2017, he said:

"There is no struggle between branches of government in Venezuela; there is a well-defined separation of powers. The problem in Venezuela is the lack of mandatory cooperation of some branches with the Executive Branch [...] We don't do politics; we take preventive measures, and then impose sanctions if the situation is not corrected, but we do not prosecute. We are in a democratic country with freedom of expression, but that does not mean we should endorse terrorism. Therefore, I call for peace, dialogue and respect, and for all branches of government to collaborate with the Executive Branch."

1 http://www.cgr.gob.ve/site_news.php?notcodigo=00001326&Anno=2017&t=1

2 http://www.cgr.gob.ve/site_news.php?notcodigo=00001294&Anno=2017&t=1

What happens when the state agency responsible for preventing and punishing corruption gives priority to defending a government over its constitutional role and powers? What happens when the body in charge of political oversight seemingly states it is not afraid of committing a crime so that a government stays in power? The autonomy, impartiality and independence of said agency is at the very least called into question.

Rarely has a government entity been as innocuous in recent years in Venezuela as the CG. Despite widespread corruption in the nation, it has been largely disregarded by the average citizen. The Comptroller General has stood idly by in the face of hundreds of cases of abuse and corruption in the nation, in which impunity has undermined the balance of power between branches of government and between citizens and the state.

There were no reports in 2017 of the CG dealing with any abuse, opacity, potential corruption and non-compliance with legal procedures, despite having the constitutional authority to oversee, monitor and supervise the areas of greatest economic importance and strategic interest for the nation. There are no reports, for example, on whether this Office acted to certify the legality of the national budget and debt, or on the evaluation of the results of public policies on health, security and food supply, or on the audit of contracts with major social and economic impact. The Comptroller has not disclosed any information on audits or apportionment of liability for cases with a profound impact on public opinion, due to the amounts, the relevance of the issues, or the people involved, such as: certifying the legality of the additional appropriations approved by the President, the Budget Law-Decree of 2017 or the Debt

Decree; the 42 contracts signed with Odebrecht; the dozen contracts for more than US\$2 billion for the acquisition of power plants to alleviate the nation's electricity crisis between 2009-2010 or the million-dollar procurement contracts signed by PDVSA.

The analysis of the weakness or bias of the Comptroller General's Office raises questions that will need to be answered by Venezuelan justice:

- How much money would have Venezuela saved if the Comptroller had fulfilled his duties?
- To which extent is the CG responsible for the nation's bankruptcy?
- How much impunity would have been avoided if the CG had demanded the recruitment of judges, prosecutors and other public officials through open calls for applications?
- How many projects would have been completed?
- What would be the situation of Venezuelans if the CG had discharged his duty to protect the public treasury?

In the following lines we will make reference to the limited information available related to the operation of the Comptroller's Office and the activities carried out on the issue of corruption.

A GIANT STATE, A COMPLACENT COMPTROLLER

The size of the Venezuelan state has doubled or tripled in the last 13 years. The lack of publicly available information prevents a precise estimate, but we do know that 20 ministries became 34 in 2012. The government has created new vice presidencies, vice ministries, state-run corporations, foundations, agencies, state-owned enterprises, funds, missions, social organizations, commands, community councils, cooperatives, collectives. And all of them are under the constitutional scope of the CG.

According to the national budget law, the number of civil servants increased by 417,111, from 1,353,823 in 2012 to 1,770,934 in 2017. At the time, the CG did not issue any statements on the matter.



Noteworthy is that these figures do not include regional government employees and officials, or employees of state-owned companies, or individuals who actually manage public funds such as members of community councils.

The work of the CG's Office should grow at the same rate as the state, but its income decreases each year in real terms, considering inflation.

TABLE 1:
COMPTROLLER



GENERAL COMPTROLLER'S OFFICE	
YEAR	In Bill. Bs.
2014 *	1.063
2015	700
2015 *	1.689
2016	1.315
2016 *	3.681
2017	5.502
ACTUAL VARIATION	-75%

This table shows that, in real terms, funds allocated to the CG's Office have ranged between 0.08% and 0.05% of the total national budget. This small percentage is insufficient to fulfill the tasks under its mandate.

TABLE 2:
 BRANCHES OF GOVERNMENT

DISTRIBUTION OF FUNDS TO BRANCHES OF GOVERNMENT

	2015*	%	2016*	%	2017	%	V.R.
EXECUTIVE	2,094,324	97,41%	5,530,244	97,97%	8,281,241	97,66%	-75%
LEGISLATIVE	4,722	0,2%	19,940	0,4%	27,945	0,3%	-77%
JUDICIARY	23,498	1,1%	72,956	1,3%	119,171	1,4%	-73%
ELECTORAL	13,674	0,6%	15,472	0,3%	15,576	0,2%	-83%
CITIZEN	13,733	0,6%	35,608	0,6%	35,367	0,4%	-84%
TOTAL	2,149,951	100%	5,645,009	100%	8,479,301	100%	-75%

In billion Bs.

*Includes additional appropriations

One consequence of the limited funds allocated to the CG's Office is the variation in the number of employees in the last 14 years. The following table shows how between the years 2003 and 2012 – when government income grew due to the rise in the international oil prices – the number of employees in the CG's Office was downsized; and then it began to increase just as the economic and financial crisis deepened, starting in 2012, to 939 employees in 2017. These officials are in charge of supervising the work of more than 30 ministries and their attached agencies, of over 500 state-owned companies, community councils, and governments in states and municipalities.



TABLE 3:
NUMBER OF CG'S OFFICE EMPLOYEES



YEAR	# EMPLOYEES ACCORDING TO BUDGET LAW	# EMPLOYEES ACCORDING TO CG ANNUAL REPORTS
2003	1291	-
2004	1209	-
2005	1023	-
2006	923	-
2007	883	-
2008	798	-
2009	756	-
2010	734	-
2011	767	645
2012	679	642
2013	755	646
2014	774	663
2015	736	748
2016	865	660
2017	939	S/D

Source: CG management reports and budget laws

The significant increase in the scope and extent of responsibilities of the CG requires massive use of information technologies that enable review and analysis of a large volume of data on contracts, declarations of assets, personnel income and expenses, reasonableness and quality of expenses, asset control, as well as the possibility to assess and evaluate plans, processes and procedures. With the help of technology applications and digitalization of information, the Comptroller General's Office could exercise a thorough control. So, why are significant investments not being made in IT systems?

Lack of funds is part of the answer, because there is no information on whether the Comptroller has made requests or campaigned to request funds. The CG failed to anticipate the risks involved in not availing himself of sufficient human and financial resources to audit an expanding state, nor did he formally request support from available international technical cooperation as part Inter-American and United Nations conventions against corruption, which have been used by comptroller offices of countries in the region with great success. In a nutshell, the CG has not had sufficient resources, has not endeavored to seek resources, at least not publicly; he did not report the risks this lack implied and did not leverage available technical cooperation.

INTERNAL AUDITOR AT THE COMPTROLLER'S OFFICE



Manuel Enrique Galindo Ballesteros, highest authority of the national fiscal oversight system, has appointed the Internal Auditor of the Comptroller's Office for the duration of his term in office, without a public, open call for applications, in violation of the provisions of Article 142 of the Law-Decree on Financial Administration of the Public Sector (DLOAFSP) and of Articles 27 and 30 of the Law-Decree of the Comptroller General (DLOCGR), which establish an obligation for all state entities to have an internal auditor appointed through open call for applications, for the purpose of ensuring the correct use of public assets.

Based on the information in official gazettes after the dismissal of Suhei Araque as seconded internal auditor (and the CG's daughter-in-law according to information published on the website Runrun.es by journalist Lisseth Boon "En la Contraloría General todo queda en familia") the General Comptroller appointed Otto Antonio Mollegas as "acting" auditor, according to Official Gazette No. 40.650 of April 29, 2016, who was also a member of the Public Procurement Commission of the Attorney General's Office under Galindo; and on January 27, 2017, the CG also appointed Ali Ávila Ramos as "acting" auditor according to O.G. No. 41.084.

ANNOUNCEMENTS OF THE CG'S OFFICE 2017 ON CORRUPTION

1. At a press conference on December 19, 2017, the Comptroller General reported that he would launch an operational audit of all internal audit units of Petróleos de Venezuela (PDVSA) and the Ministry of People's Power for Petroleum and Mining, to examine and verify the procurement files for the acquisition of assets, rendering of services and execution of works, including national and international current and prospective contracts." The Comptroller added that his Office will issue a diagnosis of the fiscal performance in order to establish the legal actions and the corresponding administrative processes, according to the Constitution of the Bolivarian Republic of Venezuela and the Penal Code and "in case irregularities are detected, relevant corrective measures will be taken."
2. In 2017, the Comptroller issued two resolutions published in O.G. No. 41.095 and 41.198 of February 14, 2017 and July 21, 2017, respectively, in which he ordered the intervention of the Internal Audit Unit of the National Assembly (composed of a majority of opposition deputies) and of the Public Prosecutor's Office (when its highest authority questioned the actions of the President), as he saw a very serious fault in the fact that the internal auditors had not been appointed via open call for applications, despite the fact that the Internal Auditor of the CG itself was not appointed through such a process.

The resolutions were issued on the following grounds:

"For the purposes of the intervention of the fiscal control agencies, the existence of any fact, act or omission that seriously affects the legality, effectiveness, efficiency and economy of their administrative operations or violates the principles governing the National Fiscal Control System are considered serious irregularities. In addition, pursuant to Article 142 of the Law-Decree the Organic Law of the Financial Administration of the Public Sector, the heads of internal audit units shall be selected through an open call for applications, arranged in accordance with the provisions of the Organic Law of the Comptroller General's Office and the National Fiscal Control System, with the participation of the National Superintendence of Internal Audit, and the call shall be made by the highest hierarchical authority of the agency or entity, within a period of six (6) months from the date of the absolute absence of the incumbent auditor or the designation of the interim or acting auditor."

3. **On July 3, 2017, the Comptroller ordered the audit of all administrative, budgetary and financial procedures carried out at the Prosecutor General's Office from 2008 to 2017, after the statements made by Prosecutor General Luisa Ortega Díaz about the breach of constitutional order and her clearly critical position of the President's actions.**

⁴ http://www.cgr.gov.ve/site_news.php?notcodigo=00001375&Anno=2017&t=1

On July 19, 2017, in a presentation on the call for a Constituent Assembly, the Comptroller said: “The Prosecutor General, Luisa Ortega Díaz, violates the Constitution and the people who violate the Constitution are punished, are sanctioned. Therefore, I wonder what was the Prosecutor General seeking with the separation from the Republican Moral Council [...] The Citizen Branch will always remain firm and united, because its decisions are made with a majority of votes.” In this regard, he pointed out that he would soon inform about sanctions against individuals who have violated the Constitution; “and there will only be one notice,” said Galindo. In this connection, he commented that **the Comptroller’s Office has worked tirelessly to correct administrative irregularities, and thus prevent the scourge of corruption. “Under my administration, the CG’s Office has disqualified more than 1,500 people and has imposed hundreds of fines,”**⁵ he concluded.

4. On January 12, 2017 the Comptroller General’s Office held an Oral and Public Proceeding for the apportionment of administrative liabilities of Henrique Capriles Radonski, Adriana D’Elia Briceño, Ana María Fernández, Manuel Alonso Morales Lainett, Melvyn Alfredo Benítez Rossi, Carlos Alberto Ibarra Villamizar, Olimpia Cecilia Mancera Rotundo, Jennifer Sandy Gaggya Hurtado and Hugarlina Josefina Mendoza Chávez, based on the results of inquiries at the Governor’s Office of the Bolivarian State of Miranda by the Central Administration Oversight Department of the State Comptroller’s Office of Miranda.⁶

The report published by the CG’s Office on the case indicates that they are liable for failing to submit the draft budget law for fiscal year 2013 to the Legislative Council of Miranda, and for having signed cooperation agreements without legal authorization. However, the President himself is guilty of the same misconduct, as he failed to submit the Draft Budget and Indebtedness Law to the National Assembly, and he did not request authorization to sign international agreements. However, there were no statements or investigation initiated by the Comptroller against said irregularities.

The Comptroller General accused Governor Capriles for breaching rules of the Public Procurement Law. The CG remained silent, however, on the repeated breaches in 2017 of procurement procedures and on pecuniary damage at PDVSA, CVG, Ministry of Health, Food, Transport, Infrastructure and other government agencies and entities. Noteworthy is that **while the government of Miranda was allocated Bs. 33.35 billion, the National Government had a budget of Bs. 5.53 trillion, plus additional funds and assets from state-owned companies. Thus, there is a tremendous difference in the magnitude of the risk of corruption.** But the Comptroller did not initiate any proceedings to apportion liability or to disqualify individuals on these cases or the Odebrecht case, for example.

Also during 2017, the CG initiated administrative procedures to apportion liability against other opposition leaders, including Mayor Ramón Muchacho and Mayoress Rosa de Scarano.

⁵ http://www.cgr.gob.ve/site_news.php?notcodigo=00001293&Anno=2017&t=1

⁶ http://www.cgr.gob.ve/site_news.php?notcodigo=00001239&Anno=2017&t=1

NATIONAL ASSEMBLY

and its circumstances



The National Assembly receives the year 2017 without operating budget without representatives of the state of Amazonas, with deputies Gilber Caro and Wilmer Azuaje imprisoned, with deputies Germán Ferrer and Freddy Guevara exiled and five others with revoked passports.

The Magna Carta states that deputies must legislate, but this is not their only faculty. The constitution establishes that the National Assembly (AN) must also “exercise control functions over the government and the national public administration,” and “give a vote of no confidence to the executive vice-president and to the ministers.” In short, it constitutionally has the duty to lead efforts to combat corruption and promote transparency in Venezuela.

However, the Justices of the Constitutional Chamber of the Supreme Tribunal of Justice (SC-TSJ) in judgments Nos. 3 and 90 of 11/1/2017 and 24/2/2017, respectively, declared that the President of the Republic, the Vice-President and Ministers, must be accountable on the political, economic, social and administrative aspects of their management in the TSJ and not in parliament. Due to this, no body of the Executive Power, the Office of the Comptroller General or the Office of the Ombudsman, presented their management report to deputies, and the Central Bank of Venezuela failed to comply with its duty to send official figures on the behavior of the economy. Such omissions -without a doubt- severely limit the exercise of the control functions that constitutionally corresponds to the National Assembly.

NATIONAL ASSEMBLY AND ITS CIRCUMSTANCES

Another limitation to the functions of control of the National Assembly is reflected in judgment No. 88 of 20/1/2017 from the SC-TSJ, which declared the nullity for unconstitutionality of the investigation into alleged acts of corruption and damage to the public patrimony approved by the AN against PDVSA's former president, Rafael Ramírez. The judgment was based on the fact that it should not be allowed to “endorse actions contrary to the fundamental text by some members that currently make up the National Assembly; which ... only show the interest of affecting the reputation of the state, with purely party-political and even individualist intentions, with serious damage to the constitutional order.”

In spite of these rulings and those that declared the nullity of all the AN actions for supposedly being in contempt of court, of the more than 200 attacks denounced by the deputies during 2017, committed by state security agencies and irregular groups, of the cancellation of the passport to five deputies, of the lack of transfer of resources to the parliament for the payroll and services payment, of the accusations of the President of the Republic regarding the commission of crimes such as treason against the homeland by the deputies, and of the arrest of Gilber Caro and Wilmer Azuaje and arrest warrant of Germán Ferrer and Freddy Guevara, the opposition majority of parliament has repeatedly indicated that they will continue to exercise their constitutional functions.

Based on these premises, this organization recorded some actions of the deputies in matters of corruption, institutional weakness and opacity, among which are:



1 On 31/1/2017

The AN discussed the allegations of bribes in infrastructure works. It was agreed to create a special commission composed of deputies Ismael García (Aragua), Robert Alcalá (Sucre) and Juan Guaidó (Vargas) to follow up on the status of the works for which Odebrecht is responsible. On 8/2/2017, the deputies approved to summon Odebrecht's legal representatives in Venezuela, -Maryorie Garboza Ceballos and Jesús Azuaje- for their alleged connection with the payment of bribes, surcharges and commissions. When not attending, they were notified of a new subpoena on 22 February. On 29/3/2017, the deputy Juan Guaidó informed that he was carrying out inspections in the most emblematic works executed by the Odebrecht company and that a group of deputies met with the parliament and the Office of the Attorney General of Brazil and achieved their commitment to share information regarding the progress of the investigations. On 24/8/2017 the Comptrollership and Administration Commissions of the AN, agreed to create a joint commission to present a final report in the case of Odebrecht, which was not presented in 2017.



2 On 14/2/2017

On 14/2/2017, the deputies agreed to create a commission composed of Luis Carlos Padilla, Chaim Bucarám, José Brito, Carlos Andrés Michelangeli and Omar González, to investigate alleged cases of corruption that occurred in the Orinoco Oil Belt (FPO) and asked the Attorney General do a broad investigation on the case.

Deputy José Brito said that in the FPO there is traffic of coke (fuel) and a theft of more than 350 thousand barrels per day. According to Brito, the mayor of the Guanta municipality (Anzoátegui), Jonathan Marín, is using these resources in “sumptuous works” and for a possible campaign to a government. He also accused Pedro León Rodríguez, Production Director of the FPO and former manager of the state-owned Petróleos de Venezuela (PDVSA), Pedro García, of being behind the oil thefts.¹

The deputies also approved summoning President Nicolás Maduro to initiate an investigation into the facts and conduct a study aimed at providing truthful figures that allow knowing the impact of corruption in the FPO. It was also agreed to question the president of PDVSA, Eulogio del Pino, and the Minister of Energy and Petroleum, Nelson Martínez, to respond on the serious allegations of corruption.²

¹ <https://www.el-carabobeno.com/an-investigara-casos-corrupcion-la-faja-petrolifera-del-orinoco/>

² <https://www.el-carabobeno.com/an-investigara-casos-corrupcion-la-faja-petrolifera-del-orinoco/>



3 On 21/2/2017

On 21/2/2017, the deputies approved to send complaints of surcharging and other irregularities in the execution of the program of Local Committees for Supply and Production (CLAP) to the AN Comptrollership Permanent Commission for the purposes of supporting the case. The point was proposed by Carlos Paparoni, who denounced that buying the boxes in Mexico or Panama costs US\$ 8, but the government purchases them at US\$ 35. According to the deputy, since the importation of these products began, the government has generated US\$ 122 million in surcharge, only in CLAP boxes.³

On that same date, it was approved to send to the Special Commission, the accusations against the vice-president of Venezuela, Tareck El Aissami, related to the citizen Samark López Bello, as well as to denounce before the Office of the Ombudsman “the humanitarian crisis and the violation of the right to food that the people of Venezuela suffer.”



4 On 23/2/2017

The AN approved the no-confidence vote to the Minister for Electric Power, Major- General Luis Alfredo Motta Domínguez, accused of having responsibility in the national electricity crisis and alleged acts of corruption during his administration.

Deputy Jorge Millán denounced that US\$ 25 million were lost due to the bad administration and corruption of the Minister for Electric Power.

In the debate, it was announced that the parliament would send the report to all embassies in the country to notify about the measure.



5 On 30/5/2017

The deputies approved an agreement in which they rejected the sale of US\$ 2.8 billion of public debt in PDVSA bonds to the US bank Goldman Sachs. The approved agreement includes the opening of an investigation into the financial operation and the request to the United States to open its own investigation against the financial institution and its possible criminal or administrative responsibility for financing the government.⁵

Continúa ▼

3 <http://webcache.googleusercontent.com/search?q=cache:bW4vLr9CmF0J:noticiaaldia.com/2017/02/parlamentarios-debaten-presuntas-de-nuncias-de-sobrepresco-y-otras-irregularidades-de-los-clap/+&cd=1&hl=es&ct=clnk&gl=ve>

4 http://www.el-nacional.com/noticias/asamblea-nacional/aprobo-voto-censura-ministro-motta-dominguez_82417

5 <https://lta.reuters.com/article/domesticNews/idLTAKBN18Q1IC-OUSLD>

The deputy Ángel Alvarado denounced that the state sold US\$ 2.8 billion in PDVSA bonds through an intermediary, for only US\$ 865 million. The bonds, which in the market have a value of US\$ 44 cents, were sold for only US\$ 31 cents each. “At least 30% below market value.”



6 On the 26/9/2017

the deputies approved an agreement containing the report of the Permanent Commission of Energy and Petroleum, in the absence of gasoline and its incidence in the social and economic crisis, in order to demand from the National Executive the regular supply of fuel in the country.

The deputy Luis Aquiles Moreno reported that at least six refineries in the country operate at only 30% of their capacity to produce 95-octane gasoline. The Member of Parliament recalled: “there are plants that are now totally stopped.” He also said: “the little gasoline produced in the country requires additives that are no longer produced and must be imported” (...) “since 2011, US\$ 9 billion in gasoline were imported to compensate the lack of production and the inability of Petróleos de Venezuela (PDVSA).”⁶

However, the Members of Parliament said that neither the oil company nor the Ministry of Energy have given explanations about the situation of the fuel in the country.



7 On 26 October 2017

The Permanent Commission of Comptrollership reported that it had 122 active cases for corruption allegations, among which it mentioned:

- **State of Sucre,** Mejía Municipality: complaint requesting to investigate the non-execution of works in the Bolivarian School Luisa Amelia Blanco de Ramírez.
- **Capital District:** complaint filed by deputy Juan Gerardo Guaidó, president of the Permanent Commission of Comptrollership, related to the payment of bribes to state officials when hiring public works.
- **Capital District:** complaint presented by deputy Ismael León in his right of speech related to an investigation on ANTV (The National Assembly TV station).
- **State of Monagas:** complaint about the agreement that rejects the 40% increase in the shareholding of the Russian state company Rosneft, a PDVSA partner in the Petromonagas Joint Venture.
-

⁶ http://www.eluniversal.com/noticias/politica/exigio-gobierno-que-garantice-suministro-gasolina-pais_671709

In a critical analysis of the work carried out by the parliament in the area of corruption, it is considered that during 2017 it had to deepen its control work, developing investigations and raising its voice to denounce the irregularities that threaten the life of the Republic and its citizens. Faced with the opacity of the Executive and the rest of the public powers, the AN must respond as a beacon that seeks to defeat the shadows where those who take advantage of the assets and resources of all are hiding.



The National Assembly has already completed two years of its quinquennium. A balance of this period shows the need to establish a clear action plan, a very well defined strategy, which pursue specific objectives. If the Chamber does not fill those gaps, its management will end in a failure that may end up liquidating the Republic.



VENEZUELAN ARMED FORCES

Has its own light in corruption

VENEZUELAN ARMED FORCES HAS ITS OWN LIGHT IN CORRUPTION



It is not just another factor. It has its own center of power and is diffused through all fields of the national public sector with high incidence in political decisions of the National Executive.

The National Constituent Assembly threatens with changing de country's structure and modifying the social pact that governs the life of Venezuelans. All sectors of society will be directly affected by the regulations and decisions that emanate from them.

This chapter will focus on the military, which as an armed corps has to be analyzed with special attention, in an environment of profound political tensions and already constitutional legal uncertainty.

The Bolivarian National Armed Forces (FANB) is responsible for the defense of the national territory. They have to guarantee sovereignty and safeguard the Nation's security. It is also in charge of the weapons, guaranteeing the monopoly of the violence of the Venezuelan State and ensuring compliance with the National Constitution.

Throughout our history, the Armed Force has played a prominent political role by becoming a de facto power. It directly influences the Governments' ability to impose the law on the national territory and has the necessary governance to implement their measures and projects while guaranteeing social peace.

This influence has led to the granting of several privileges that have helped to strengthen their power in many sectors of society. The coming to power of President Hugo Chávez breaks with the political process that began on January 23, 1958. Once again the highest authority of the country belongs to the military thus strengthening the role they play in Venezuelan society.

MILITARY INFLUENCE IN THE CIVILIAN WORLD

The military power has had much influence in Venezuela's political life because of the different historical and cultural processes the country has undergone. In 2017 and in the past few years in general, the predominance has become an almost complete control of the key social sectors for society.

In the past few years, active and former military officers have had all types of responsibilities: secretary of state, ministries and ambassadors, representatives before international political and financial organizations, presidents and directors of public companies. Definitely they are in all spheres of power and national public administration.

Militaries have the constitutional obligation of controlling and leading processes related to security and defense of national sovereignty, but in the 2017 scenario their scope of action expanded to the almost absolute control of the civil processes of society. A good sample of the progressive supremacy is the number of ministries in the hands of military officers, in several areas.

Of the existing 32 ministries in November 2017, 37.5% (12 ministries) are under the direct responsibility of military officers, and not any ministry, as detailed below.

TABLE 1:
NATIONAL PUBLIC POWER MINISTRIES UNDER THE CONTROL OF MILITARY OFFICERS
(ACTIVE OR RETIRED).



POSITION	NAME AND TERM	RANK
Ministry of People's Power for Ecosocialism and Water	Ramón Celestino Velásquez (01/04/2017-ACT)	Colonel of aviation
Ministry of People's Power for Public Works	César Alberto Salazar (01/04/2017- ACT)	Admiral
Ministry of People's Power for Transportation	Juan de Jesús García Toussaint (06/21/2017- ACT)	Major general
Ministry of People's Power for Interior, Justice and Peace	Néstor Luis Reverol Torres (08/2016- ACT)	Major general
Ministry of People's Power for Defense	Vladimir Padrino López	General
Ministry of People's Power for Productive Agriculture and Lands	Wilmar Castro Soteldo	Lieutenant colonel

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POSITION	NAME AND TERM	RANK
Ministry of People's Power for Fishing and Aquaculture	Ángel Belisario Martínez	Admiral
Ministry of People's Power for Food	Luis Alberto Medina Ramírez (08/024/2017- ACT)	General
Ministry of People's Power for Housing and Habitat	Manuel Quevedo Fernández	Brigadier general
Ministry of People's Power for Electricity	Luis Motta Domínguez	Major general of the National Guard
Ministry of People's Power for New Border of Peace	Gerardo José Izquierdo	Major general
Ministry of People's Power for Oil	Manuel Quevedo	Major general

Source: Prepared by the author. November 2017.

The table above details how important areas for society such as electricity, housing and habitat, transportation, public works, water, food and interior are under the control of military officers, in addition to the Ministry of Defense since due to type of organization, it is common to appoint a military

The 2017 ministries, among other things, reflect that the branches of executive power are under the control and direct influence of military officials. But the influence is not only observed in the executive power at the national level. Similarly, there is an important presence of the military sector in state and municipal power. Among the new governors proclaimed by the National Constituent Assembly (NCA) are:

TABLE 2:
GOVERNORS SWORN BEFORE THE NCA UNDER THE CONTROL OF MILITARY OFFICIALS
(ACTIVE OR RETIRED)



GOVERNOR	STATE	MILITARY RANK	PARTY
Ramón Carrizales	Apure	Colonel	PSUV
Rodolfo Marco Torres	Aragua	Brigadier general	PSUV
Carmen Meléndez	Lara	Vice admiral	PSUV
Henry Rangel Silva	Trujillo	General in chief	PSUV
Jorge Luis García Carneiro	Vargas	Army commander	PSUV
Justo Noguera Pietri	Bolívar	Brigadier general	PSUV

Source: CNE

PDVSA AND CVG: EXAMPLES OF MILITARY CONTROL IN THE COUNTRY THROUGH PUBLIC COMPANIES

The military sphere reaches all levels of the Venezuelan administrative apparatus. It is easy to observe the occupation of public offices when referring to the ministerial branches of the executive power, as well as the direct influence on state and municipal power. But a sector where the influence is very decisive but not so evident, is the one regarding the public companies controlled and under the influence of important military officers. Proofs of this are the two most representative companies in the country: PDVSA and the CVG holding.

The President of Venezuela, by means of the Decree N°3.178, named Major General Manuel Quevedo as President of PDVSA at the same time he was designated Minister of Oil, not only undermining the process of accountability and counterweight of public management, but this was the action needed to affirm that the political and economic control of the military sector over the economic development of the country is complete.

The military influence over PDVSA is not only limited to the presidency. The company's directory in 2017 shows it is formed by the following citizens:

TABLE 3:
2017 PDVSA DIRECTORY



NAME	POSITION	BRANCH	PROFESSION
Manuel Quevedo	Presidency	Military	Mayor general
Maribel Parra	Executive Vice Presidency	Military	Vice admiral
Nelson Ferrer	Vice Presidency of Exploration and Production.	Civilian	Engineer
Simón Zerpa	Vice Presidency of Finance	Civilian	International Studies
Delcy Rodríguez	Vice Presidency of International Affairs	Civilian	Lawyer
Guillermo Blanco Acosta	Vice Presidency of Refinery	Military	Capitan
Ysmel Serrano	Vice Presidency of Commerce and Supply	Civilian	Lawyer
Marianny Gómez	Vice Presidency of Planning and Engineering	Civilian	Engineer

Continúa ▼

NAME	NAME	BRANCH	PROFESSION
César Triana	Presidency of PDVSA Gas	Civilian	Engineer
Yurbis Gómez	Non-executive Director	Civilian	Spokesperson for the workers
Ricardo León	Non-executive Director	Civilian	Spokesperson for the workers
Rodolfo Marco Torres	Non-executive Director	Military	Brigadier general
Ricardo Menéndez	Non-executive Director	Civilian	Geographer
Wills Rangel	Non-executive Director	Civilian	Spokesperson for the workers

SOURCE: PDVSA

The table shows that four management positions directly related to the operation of PDVSA are under the tutelage of military officials. Among these positions is the presidency of the company, under the responsibility of General Manuel Quevedo. It is the first time that an active or retired military officer has been in charge of the largest company in the country, demonstrating that the martial power has absolute control over the currency flows and the economic dynamics of Venezuela.

The executive vice presidency is in the hands of Vice Admiral Maribel Parra, who is also director of Camimpeg. This evidences that the second position with the highest influence in PDVSA is under the command of the person in charge of coordinating and representing all the military power in the Nation.

The refining process and the position of non-executive director with competence in the area of finance are likewise under the tutelage of military officials, observing a cycle that covers not only the internal functioning of PDVSA, but the interrelation with the productive, financial and exchange sectors, represented by the retired General Rodolfo Marco Torres.

The other great example of the military control process of the public administration is the CVG company holding. By listing only the presidents of the last 20 years we can determine the degree of military penetration in the basic companies.

PRESIDENTS	TERM	BRANCHES
Antonio López Reyna	2000	Military
Francisco Rangel Gómez	2000 - 2004	Military
Rafael Sánchez Márquez	2004 - 2005	Military
Víctor Álvarez	2005 - 2006	Civilian
Daniel Machado	2006 - 2008	Military

The table above shows that since the arrival of the deceased President Chavez's political process, seven of the last ten presidents of the CVG holding have been active or retired military officers.

The current CVG President, Justo Nogera, is also the Governor of Bolivar State, eliminating any political counterweight in the area and, basically, placing under his control the mineral and natural resources of almost a third of the physical territory of Venezuela.

TABLE 4:
PRESIDENTS CVG HOLDING 2000-2017



PRESIDENTS	TERM	BRANCHES
Rodolfo Sanz	2008 - 2010	Civilian
José Khan	2010 - 2011	Civilian
Rafael Gil Barrios	2011 - 2013	Military
Carlos Alberto Osorio	2013 - 2014	Military
Justo Noguera Pietri	2014 - 2017	Military

Source: RUNRUNES

The analysis should not only be limited to the important managerial positions. A look at the presidents of the companies from the CVG holding, results in the following:

TABLE 5:
PRESIDENTS OF THE COMPANIES OF THE CVG 2017 HOLDING



HOLDING CVG	SECTORS	PRESIDENTS	BRANCHES	PROFESSION
CVG Venalum	Primary Aluminium	Edgardo Alfonso Zuleta Rausseo	Military	Division general
CVG Cabornarca	Aluminium	Juan José Méndez	Civilian	Engineer
CVG Cabelum	Aluminium conductors	Carlos Azarri	Civilian	Engineer
CVG Bauxilum	Bauxite	Carlos Tovar	Civilian	Engineer
CVG Alucasa	Aluminium sheets	Gladys Romero	N/D	N/D
CVG Alcasa	Aluminium	Ángel Marcano	N/D	N/D
CVG Alunasa	Manufacture of aluminium sheets	Noel Martínez	Military	Division general

Continue ▼

HOLDING CVG	SECTORES	PRESIDENTES	RAMAS	PROFESIÓN
CVG Rialca	Aluminium rims	Alexi José Martínez	N/D	N/D
SIDOR	Iron	Justo Noguera Pietri	Military	General
CVG Ferrominera	Iron	Juan Arias	Civilian	Economist
Briqven	Merchandising of briquetted iron	Giovanny Tovar	Military	Brigadier general
Comsigua	Value added to iron	Yajaira Rangel	Civilian	Engineer
Briquetera del Caroni	Production of briquetted iron	Antonio Rangel	N/D	N/D
Refractario	Steel Mill	Gustavo Imeri	Civilian	N/D
CVG Ferrocasa	Construction	Juan Antonio Ferro Fernández	Military	General
CVG Internacional	Merchandising	Ysmel Serrano	Civilian	Lawyer
CVG Conacal	Lime	N/D	N/D	N/D
CVG Tecmin	Reaserch	N/D	N/D	N/D

Source: CVG

Opacity is present in each of the processes related to public administration, but Transparencia Venezuela's monitoring of 12 officers that act as presidents or general directors in the CVG basic industries reveals that five of them belong to the military.

The influence on the civil world is not only observed in the important ministerial and popular election positions. The Ministry of Defense has attached entities and public companies that place under his direct control important public resources and functions with transverse effects on the integral development of the Nation, as indicated.

SECURITY AND DEFENSE

Given the nature of the institution, the main objective of the FANB should be to guarantee the security and defense of the country, but when analyzing the available information there are no human or financial resources focused in these areas. They are diluted in several sectors with no direct connection to the defense of the country.

Of the 33 entities attached to the Ministry of Defense, only six have objectives directly related to the defense and security of our sovereignty. These six entities manage only 24 percent of the total resources allocated to the FANB:

TABLE 5:
ENTITIES ATTACHED TO THE MINISTRY OF DEFENSE IN RELATION TO THE SECURITY AND DEFENSE OF THE NATION



COMPANIES/ ATTACHED ENTITIES	ACTIVITIES	2017 BUDGET IN BOLIVARS	FINANCIAL RESULTS	EMPLOYEES
UCOCAR	Naval repairs	22,023,441,064		547
SAFAV	Military aviation services	374,454,038		1
SAMALGUARN	Naval maintenance	96,331,264		8
OCHINA	Hydrography and navigation	10,518,268,530		143
OCAMAR	Maritime support of the navy	13,324,150,761		163
CAVIM	Military industries	183,266,586,980	15,965,591,085	717
TOTAL		229,603,232,637	15,965.591,085	1,597

Source: PRESUPUESTO NACIONAL 2017

Of the 1,329,191 million Bolivars assigned to the military in 2017, 76% that is, 1,099,588 million are intended for expenses other than the country's security and defense. They are directed to sectors controlled by the military power without any direct and clear impact in the defense of our sovereignty.

Another highlight is the distribution of military human resources between the entities dedicated to defense and those dedicated to other purposes.



TABLE 7:
MINISTRY OF DEFENSE STAFF DESTINED TO ACTIVITIES OF SECURITY AND DEFENSE.



SOURCE: 2017 NATIONAL BUDGET

The entities dedicated to defense activities only concentrate 13,67% of the total of 489,497 administrative employees at the service of the military power.

If we go deeper into the security and defense projects in the 2017 Budget Law, we find only 11 projects managed by the entities:



TABLE 8:
SECURITY AND DEFENSE PROJECTS IN 2017

ENTITY	NAME	GOAL		2017 BUDGET IN BS.
		UNIT	AMOUNT	
UCOCAR (Naval unit coordinator of services for fairing, hull repair and ships system)	Promote the development of activities oriented to the maintenance of ships of public and private entities in the national territory	Ship	90	18,226,675,795
	Improvement of the operating level of the Bolivarian Navy ships	Ship	50	2,600,000,000
SAFAV	National and international expansion of the provision of aeronautical service	Service	107	9,210,720
	Preventive and corrective aeronautical strengthening of the Bolivarian Military Aviation	Maintenance	140	297,667,002
SAMALGUARN	Maintenance for ships of the Bolivarian National Guard and of the public and private sector	Maintenance	600	34,161,771

Continue ▼

ENTITY	NAME	GOAL		2017 BUDGET IN BS.
		UNIT	AMOUNT	
OCHINA (Coordinating office of maritime and navy support)	Operability and modernization of the national system for water navigation aids (Sinsema) and its attached entities.	Signage	174	6,216,685,000
	Technical services specialized in hydro oceanography and navigation.	Service	6	333,106,300
OCAMAR	Maritime transportation	Metric Tons	120,600	634,121,170
	Port operations	Ship	288	7,095,481,048
CAVIM	Offer diversification and empowerment through investment that generates productive linkages of new ranges of products	Unit	4,767,779	33,680,745,808
	Nationwide expansion of the operational capacity of the chemicals and explosives production lines.	Metric Tons	11,863	55,299,231,432
	Launch, segmentation and positioning of new intermediate and finished products	Unit	374,995,847	53,195,037,805
TOTAL				177,622,123,851

SOURCE: 2017 NATIONAL BUDGET

The projects detailed in the table above are directly related with the main objective the armed forces should follow: to efficiently comply with the mandate of the defense of the Nation, as established in the National Constitution. When observing the scope of the FANB, its functions cover different branches in addition to those intrinsic to its competence. The branch of security and defense of the Nation is not among its main priorities

As in the previous eleven years, the Ministry of Defense, the Ministry of Finance, and the National Budget Office have not reported on the execution of projects and/or resources. There was an advance in opacity this year. The ministries did not submit the 2016 Reports and Accounts to the National Assembly or published them through any means, nor did they deliver them in response to the petition resources introduced by Transparencia Venezuela.

FOOD

Of the eleven ministers in charge of the Ministry of Food, ten have been military.



MINISTROS QUE HAN PASADO POR EL MINISTERIO DE ALIMENTACIÓN



MINISTER	RANK / PROFESSION	TERM
Rafael Oropeza	General	2004 – 2006
Erika Farias	Civilian- Graduated from Instituto Pedagógico de Caracas	2006 - 2007
Rafael Oropeza	General	2007 – 2008
Félix Osorio	Army colonel	2008 – 2010
Carlos Alberto Osorio Zambrano	Major general	2010 - 2013
Félix Osorio	Army colonel	2013 – 2014
Hebert García	Major general	2014
Iván José Bello	Colonel	2014 – 2015
Carlos Alberto Osorio Zambrano	Major general	2015
Rodolfo Clemente Marco Torres	General	2016 – 2017
Luis Alberto Medina Ramírez	Major general	2017 - present

SOURCE: MPPA, WIKIPEDIA, PODEROPEDIA

Since the creation of the Food Mission, the State has invested US\$ 31,802 million, but hunger, malnutrition and death by starvation increases every year. These ministers have had a decisive control over the use of enormous amounts of resources not only in Bolívars, because food import, as every other import made by the Government, has been at an exchange rate of 10Bs./\$ and opaque. This refers to the possibility of brutal enrichment, with high discretion and a low or null possibility of sanction, for now.

In July 2016 the Grand Sovereign Supply Mission was created, led by the Minister of Defense Padrino López. Although he has not received direct transfers of resources, he was in charge of defining the parameters for budget execution of the entire portfolio of more than 15 organisms.

Additionally the military power has control of the national distribution of food and other basic consumer products through the Command for Sovereign Supply created in September 2016. In addition to the coordination of the nine major wholesale markets, 18 items were assigned to a general or high officer of the army:

- **Oil:** Brigadier general Jorge Pérez.
- **Rice:** General José González.
- **Poultry:** Rear admiral Ángel Rueda.
- **Sugar:** Brigadier general Ludwing Palima.
- **Beef:** Division general Luis Jiménez.
- **Coffee:** Rear admiral Juan Jiménez.
- **Black beans:** Brigadier general Reynzer Rojas.
- **Personal hygiene products:** Brigadier general Fernando Prieto.
- **Farnaceutical:** Division general Juan Rivas.
- **Corn flour:** Vice admiral Freddy Lozada.
- **Dairy:** Brigadier general José Gregorio Pérez.
- **Yellow corn:** Division general Javier Antonio Rosales.
- **Margarine:** Rear admiral Adolfo Contreras.
- **Toilette paper, sanitary pads, disposable diapers:** Brigadier general Manuel Vera.
- **Wheat:** Division general Francisco Yánez.
- **Fish:** Vice admiral Luisa María Lozada.
- **Pork Meat:** Brigadier general Rubén Barreto.
- **Soy:** Brigadier general José Jesús Hernández.



FINANCE

The Armed Forces has the constitutional obligation to ensure the defense of the territory and the national sovereignty, but when delving into what resources are invested and which are the priorities of our defense system institutions, it is observed that the Armed Force's main focus are the public finances of the country.

Seven finance organisms are attached to the Ministry of Defense: their own bank, an insurance company, a security transport company, institutions for the management of the different funds managed by the FANB and a social and financial investment agency.

TABLE 9:

EXPENDITURE ON FINANCIAL SERVICES OF THE MILITARY BRANCH IN 2017



COMPANIES/AFFILIATED ENTITIES	AMOUNT ALLOCATED IN 2017 BUDGET IN BS.	EARNINGS/LOSSES	EMPLOYEES
BANFANB	50,202,614,083	19,725,201,771	546
Emiltra (Security Transport Company of the FANB)	1,414,272,886	160,762,730	21
Horizonte Premium Financing	1,419,692,176	9,142,131	41
Investment Fund IPSFA	4,241,774,801	372,945,157	182
Investment Fund Misión Negro Primero	2,344,816,610	17,843,061	39
Seguros Horizonte	316,664,125,830	1,733,459,759	2500
FONDOEFA (Autonomous Fund of Investment and Socio-Economic Forecast for the Workers of the FANB)	516,203,225	-	110
TOTAL	376,803,499,611	22,019,354,609	3,439

SOURCE: 2017 NATIONAL BUDGET

The above table shows the cross cutting participation of the FANB in the entire chain of financial products and services. Given the accumulation of the several privileges granted to the military power, in practice they have become a parallel government with the capacity to manage important resources without the participation of the traditional financial sector.

The weight of the FANB's investments in finances can be illustrated when comparing the Bs. 376,803 million destined to the operation of its financial mechanism with the invested in 2017 in key public services such as electricity (Bs. 42,225 million) and water (Bs. 26,802 million). This shows how the Government prioritizes military spending before improving the quality of life of many citizens of the country.

The lack of access to public information makes it impossible to specify elements that are of interest to the citizens and necessary to determine the implications of the military power in the financial system, highlighting the following:

1. What is the capital of these entities? What is the investment that has been made and how much is the value of their movable and immovable properties?
2. What are the real, financial and non-financial benefits of these entities?
3. How much are these structures used to control sectors, groups, communities and voters?

The influence in the financial sector is not only limited to the direct actions of the military power but in the taking of key financial positions for a complete control of the public resources management, highlighting General Rodolfo Marco Torres, as the central axis of the military empire in the public finances.

Over the years, General Marco Torres has chaired or exercised functions in financial institutions such as:

- Minister of Economy, Finance and Public Banking
- Minister of Planning
- Member of Central Bank of Venezuela directory (First military in history)
- Member of Pdvsa directory
- President of Cencoex
- President of the Treasury Bank
- President of Bank of Venezuela
- National Treasurer

Currently, General Marco Torres fulfills the functions of Minister of Food and Governor of Aragua state, but unofficially, it is known that the appointment of the directors and those responsible for many of the financial branches of the executive branch are within his sphere of influence.

Another position with significant impact on public finances and also in the hands of a retired military is the National Integrated Service of Customs and Tax Administration, Seniat, which is under the administration of José David Cabello, a graduate of the Venezuelan military academy, and brother of the National Constituent Assembly's member and vice-president of the PSUV, Diosdado Cabello.

AGRIBUSINESS

Key national positions in the agribusiness and food sector depend on military officials. Also, the National Bolivarian Armed Forces through AGROFANB has an institutional role in the sector, reflecting the direct and indirect influence that the military power has over the complete food chain production and distribution in the country.

TABLE 10:
2017 AGROFANB PROJECTS



NAME	GOAL	
	UNIT	AMOUNT
Management system aimed at increasing the availability of basic food products	Production	7,655,044
2017 BUDGET = 1,273,627,798		
TOTAL = 1,273,627,798		

SOURCE: 2017 NATIONAL BUDGET

The project and the defined goal for AGROFANB in the 2017 Budget, not only shows the important amount of resources destined, but the FANB's role in the basic food products management for the population, thus replacing part of the primary food distribution and merchandising chain, gradually taking over the supply lines of the Venezuelan family.

However, the low level of national production, the high level of shortages, the continuous imports of virtually all the products of the CLAP food boxes distributed by the national Government at subsidized prices, indicate the failure of the objective and AGROFANB mission, but there is no information on the accountability of those responsible for the country's agro-industrial policy, nor on the destination and use of the resources allocated for that purpose.

OIL AND MINING

Since the nationalization of the oil industry in 1976, Pdvsa became one of the most important energy companies in the world, regardless of the political processes that the country was experiencing. The professional and autonomous operation of the company was one of the pillars for the economy of the last half of the 20th century in Venezuela.

With the coming to power of President Chávez and the subsequent modifications of the company after the oil strike, PDVSA lost its institutional character and became the most powerful political and financial tool at the service of a political process with a clear military bias.

But the creation of Caminpeg (military anonymous company of the mining, oil and gas industries) sets a dangerous antecedent never seen before in the hundred years of oil history in the country. A stratum of society appropriates oil production and exploitation. PDVSA lost control over national oil production.

This company's relevance is observed when analyzing their goals and objectives for 2017:

TABLE 11:
2017 CAMIMPEG PROJECTS



NAME	GOAL		2017 BUDGET
	UNIT	AMOUNT	
Extraction of hydrocarbons from oil waste pits, in the western and eastern parts of the country.	Barrel	250,000	6,987,040,532
Reduction of environmental impact, processing and merchandising of coke coal found in José's refinery	Tons	540,000	24,750,000,000
Superficial geophysical acquisition service and identification of geomorphological risks in the Feltana-Cigma Platform gas pipeline corridor	Study	1	3,860,999,999
Development of self-sustainability of recovery, recycling and thermochemical transformation of hydrocarbons for its application and merchandising as emulsified fuels and bases for lubricants.	Barrel	100	1,485,000,000
Technological update of the prevention and loss of control system (PCP) in matter of security and protection of the mining, oil and gas facilities.	Service	100	87,000,000,000
Construction of Caminpeg C.A. headquarters in Fuerte Tiuna	Square Meter	5,000	22,875,000,000
TOTAL			146,958,040,531

SOURCE: 2017 NATIONAL BUDGET

In a more detailed analysis we can see how a company capable of actively participating in the entire production chain of the industry is built. Undoubtedly the most remarkable point is the goal of daily oil production for 2017 of 250,000 barrels. If the current national oil production pace continues (1,938,000 barrels per day by June, according to the OPEC) the production of this company can represent 13% of the total national production, less than a year after its creation.

The military activity on the mining exploitation is not reduced only to the oil activity. Thanks to the operations carried out by Cancorfanb, the military also has a leading role in the production, exploitation and distribution of precious stones and other minerals with value in the commodity market.

The quantities produced represent significant foreign currency for the country. Only during 2017 the production of 72,000 tons of precious stones and their derivatives was planned, and will be sold in international markets. Due to the information barrier, there are no public access resources for an adequate follow up of those funds. What is certain is that Venezuela was expelled from the Kimberly Protocol more than 14 years ago, and does not submit data to any international entity.

EDUCATION AND HEALTH

Despite the clear deterioration resulting from the implementation of flawed public policies in recent years, the national Government advertises their achievements in education and health, mainly due to the scope that the social missions had in society during the height of oil prices.

Aside from the involvement of military officials in key positions of the public administration, the FANB has representative bodies in both sectors in order to have the implementation of projects under its direct competence.

In the education sector, FANB's institutions have the peculiarity of not focusing on the internal training area of the military and administrative officials belonging to the institution, but rather its mission is to sell the military vision, its values and focus on the civilian population, with the following organizations standing out:

- Ocpse (Office Coordinator of the Delivery of Educational Services of the Ministry of Defense)
- Muronto Foundation: Innovation Center for Development.



- Universidad Militar Bolivariana de Venezuela
- UNEFA

The relationship between health and the military power is complex. To begin with, the vast majority of large hospitals are militarized and informal components such as militias have an important power to make decisions about the daily functioning of health centers. But the influence of the military sphere is not only limited to the management of key positions in the public administration, but they also have entities with direct involvement in the sector:

- Sasfan (Autonomous Health Service of the Bolivarian Armed Forces)
- Fundacardin (Children's Cardiology Foundation)

SOCIAL SECURITY

Due to the nature of military service, an intrinsic quality of the military institutions around the world is to have additional social benefits. In the Venezuelan case, the distinction is in the weight that social security has within the total resources managed by the FANB.

A large proportion of the resources for the defense and sovereignty of the Nation are allocated to the social security of the military, becoming the main expense of the approved National Budget executed by the institution at a national level.

TABLE 12:
BUDGET ASSIGNED TO SOCIAL SECURITY
BY THE MILITARY POWER IN 2017



ENTITY	INITIAL BUDGET IN BS.	EMPLOYEES
IORFAN	112,810,641	70
IPSFA	199,064,585,418	1,127
SEDEFANB	2,231,526,243	146
FUNDASMIN	97,047,263	1
TOTAL	201.505.969.565	1.344

SOURCE: 2017 NATIONAL BUDGET

The table above shows the amounts allocated in 2017 for the main social security entities inside the FANB, without considering that the historic data points out that through additional credits these are some of the entities that receive the most resources throughout the year, making particular mention to the IPSFA.



INDUSTRIAL

Likewise, the FANB takes part in the country's industrial process through the organizations that focus on industrial production mainly in the manufacture of automobiles and industrial products, through the Fuerte Tiuna I Industrial Complex and the EMS Venezuelan Vehicles.

It's important to note that both public companies do not publish information regarding the management of their finances and financial results. Their accountability processes is not clearly established nor is auditable. It should be noted that there is no strategic or national security criteria for the industrial production. It takes place by the needs of the moment or a particular agenda that escapes the public domain.

TABLE 13:
FUERTE TIUNA I INDUSTRIAL COMPLEX



NAME	GOAL		2017 BUDGET
	UNIT	AMOUNT	
Increase the production of uniforms for military, school and public employees.	Unit	2,803,197	35,024,995,616
Diversify the production of drinking water through the controlled use of natural resources	Litre	15,600,000	25,307,190,408
TOTAL			60,332,186,024

SOURCE: 2017 NATIONAL BUDGET

The Fuerte Tiuna I Industrial Complex is one of the most recent attempts of the FANB to continue permeating its influence on the productive processes of the country. The table clearly shows the lack of strategy and vision of military power in the industrial sector. For example, the Fuerte Tiuna I Industrial Complex, only in 2017, covered unlikely projects such as the production of military and school uniforms and, at the same time, the treatment of drinking water and other natural resources.

Regarding the automotive sector, in spite of having the installed capacity working at 15%, according to information from Conindustria, the company EMS Venezuelan Vehicles assigns Bs. 34,819,377,745 of public resources for the manufacture of 1,100 vehicles in 2017. This means that each vehicle would cost Bs. 31,653,979.77 relying on that everything necessary can be bought at a super preferential dollar (10Bs / \$). Information regarding models, marketing process, manufacture and financial statements is completely opaque to public access.

CONSTRUCTION

Construction is a key element for economic development. It is an activity that multiplies employment, the demand for industrial inputs and contributes to the gross capital formation of a country.

The performance of the construction sector offers a good diagnosis of the general behavior of an economy. The influence of military power also reaches this vital sector. The organizations with competence in these areas are the Constructora IPSFA and CONSTRUFANB, which in 2017 are going to build 672,601 square meters, representing for the State the investment of Bs. 5,716 for each square meter to be carried out in 2017:

TABLE 14:
SQUARE METERS TO BE CONSTRUCTED BY FANB IN 2017



NAME	GOAL		2017 BUDGET
	UNIT	AMOUNT	
Increase of infrastructure works of the Bolivarian National Armed Forces	Square Meter	375,000	2,939,128,516
Development of infrastructure works by the Venezuelan civilian population.	Square Meter	78,800	177,203,871
Construction, expansion and improvement of civil and military infrastructure works, nationwide	Square Meter	218,801	728,849,339
TOTAL	Square Meter	672,601	3,845,181,720

SOURCE: 2017 NATIONAL BUDGET

TELECOMMUNICATIONS AND MEDIA

The influence of military power in the construction sector was previously pointed out. Like all key sectors for the economic functioning of the country, the FANB actively participates in telecommunications services through EMCO-FANB, a company that works both for services for internal use within the military world as well in other spheres of national public power.

The FANB's active participation in all sectors of the country has generated the need to create their own means of communication in order to expand their influence on society. With this goal in mind, since October 2017 TVFANB was created as an instrument of emotional and communicational connection between the Armed Forces and the population.

The idea behind the creation of this television station, rather than becoming a means of institutional communication, reflects the power of the institution in all sectors of society as it is proactively a parallel government with installed capacity to self-administer without the need for external participation of any element of society that is not part of the military sector.

TOURISM

The incidence of military power is scattered in the nation's priority sectors such as oil, mining, telecommunications and construction. Its influence also reaches sectors such as tourism that traditionally have no direct relationship with the military world.

The public companies Viajes y Turismo IFAMIL and IACFA, are tour operators that although not exclusively, emphasize in the care and provision of tourist services for the military family in the country. They have an important role not only to provide tourism services to many citizens, but for being companies of the most privileged political and economic sector of the Nation, not governed by market laws. They exert unfair pressure when competing with traditional tourism services providers that do not have the financial and political capacity to affect the prices of the service.

PROCUREMENTS OF THE MILITARY

As in previous years, during 2017 the military permeated different social sectors in the country. Their involvement is increasingly evident, thus losing the purpose of both the armed institution and civility, in its space and competences in the development of society.

The national Government has promoted this situation and has entrusted the contracting, control, administration and management of several sectors such as construction, food and medicine, among others, to the military. An investigation carried out by the journalistic research portal "Armando.info"¹ reviews the connection of 785 active officers in several procurements and in high-ranking positions. In the construction sector there are 286 officers, 75 in food, 38 in medical material / medicines and 70 in computer science, to name a few.

Other sectors commanded by the military, as far as procurement is concerned, are: automotive parts, transportation, oil / mining, sporting goods, general trade, security, tourism, maintenance, agriculture, clothing, and footwear.

Given this consideration and together with the procurement relationships, it is subjectively implied the preponderance of the military in the different environments and actors that make life in civil society. This shows the imposition in the economic relations as well as in the chains of command and hierarchies in spaces that are not of a military nature.

IRREGULARITIES OF PUBLIC FUNDS AND MILITARY MANAGEMENT

According to information compiled by Transparencia Venezuela through a systematic monitoring of the website of the Public Prosecutor's Office (MP), there are registered cases of irregularities from officials of the Bolivarian National Armed Forces (FANB). Some of them are:

Three officials were imputed after the police review on February 9¹, allegedly for transporting equipment for illegal mining. The officials are the Frigate Lieutenant Verónica Barradas Uya; the Sergeant Major, Edgar Veliz Bárcenas and the First Sergeant, Leonel Guillen Cova for attempted illegal exercise of the mining activities, embezzlement and criminal association. Also Alexander Millán, Rainier José Ciampi Medeiro and Frankino Rafael Ciampi Manganiello were imputed for being accomplices in attempted illegal

exercise of mining activities and as co-authors in the use of motor vehicle parts and in the alteration of serial numbers, in addition to criminal association. The 3rd, 4th and auxiliary prosecutors of the Chambers for Flagrant Acts of the aforementioned jurisdiction, Edmundo Márquez, Fernando Betancourt and Zoraida Betancourt, ordered deprivation of liberty.

The second case presented by the MP on March 24^{th2} is the contraband of gold by three GNB officials identified as: Juan Guanipa Aceituno, César Romero Prieto and Luis Vizcaya Alvarado, the company's security agent, Yeniré Rodríguez Carta and the passenger, Rubén Rodríguez Made, as co-authors for the crime of aggravated contraband of minerals and corruption. The prosecutor of the Chambers for Flagrant

1 http://www.mp.gob.ve/web/guest/buscador/-/journal_content/56/10136/15263529

2 http://www.mp.gob.ve/web/guest/buscador/-/journal_content/56/10136/15235696

Acts of the aforementioned jurisdiction, Milagros Ortega and the 2nd and 9th prosecutors of the aforementioned state, Lenin Del Guidice and Danny Garrido, pronounced deprivation of liberty.

On April 20th³, the case of the Second Sergeant Major of the Bolivarian National Army, Jhonny Alberto Lucena Rodríguez who committed the crime of embezzlement, by removing 244 rebar belonging to the Táchira Institute of Housing, is reported. The 23rd and auxiliary prosecutors of that federal entity, Yuly Osorio and Ana María Hernández, requested the admission of the conclusive act, the prosecution of the military officer and that the custodial measure of deprivation of liberty is maintained.

Another irregularity links five officials of the Bolivarian National Guard (GNB) who answer the names of Eriberto Antonio Salazar González, Enrique José Junior Vásquez, Junior Alberto Abreu Cedeño, Rafael Angel Carrillo and Anderson Enrique Urrieta Rosa, for aggravated extortion, embezzlement and association to extort a 23-year-old

person, on May 31st, in the García municipality of Nueva Esparta state, as reviewed by the MP website on June 7, 2017⁴. The 10th prosecutor, auxiliary of the aforementioned federal entity, Mary Carmen Belo related the fact to presentation hearing.

Finally, a former official of the GNB identified as Yhan Piero Quevedo Alcalá and other individuals were involved in the crime of theft of equipment or electrical installations as perpetrators, according to a news report published on September 29⁵. Members of the Criminal and Financial Investigations Office of the Bolivarian National Guard of Puerto Cabello arrested them in flagrante delicto on September 15, when entering irregularly in the Bolipuertos headquarters to extract strategic material, allocated to the National Electric Corporation (Corpoelec). The 6th prosecutor of that jurisdiction, Francisco Leal, sentenced them to the Tocuyito prison.

WHEN SECRECY AND OPACITY ARE THE NORM

Much research is needed to know the power of the military world on the Venezuelan State. This report could have more information. There are countless cases to investigate, many questions to clarify but secrecy and opacity are the norm in the military universe. It is also necessary to consider the

use of military courts to prosecute civilians, when the Attorney General of the Nation, Luisa Ortega Díaz, became an obstacle in the fulfillment of the wishes of the Government, in the first half of 2017.

3 http://www.mp.gob.ve/web/guest/buscador/-/journal_content/56/10136/16089730

4 http://www.mp.gob.ve/web/guest/buscador/-/journal_content/56/10136/15263529

4 http://www.mp.gob.ve/web/guest/buscador/-/journal_content/56/10136/15235696

4 http://www.mp.gob.ve/web/guest/buscador/-/journal_content/56/10136/16089730

4 http://www.mp.gob.ve/web/guest/buscador/-/journal_content/56/10136/16752531

5 http://www.mp.gob.ve/web/guest/delitos-comunes?p_p_id=101_INSTANCE_v0K8&p_p_lifecycle=0&p_p_state=maximized&p_p_mode=view&p_p_col_id=column-2&p_p_col_pos=1&p_p_col_count=2&_101_INSTANCE_v0K8_struts_action=%2Fasset_publisher%2Fview_content&_101_INSTANCE_v0K8_urlTitle=privados-de-libertad-ex-gnb-funcionario-del-cicpc-y-otras-9-personas-por-sustraccion-de-material-e-d&_101_INSTANCE_v0K8_type=content&redirect=%2Fweb%2Fguest%2Fdelitos-comunes



GENERAL PROSECUTOR OF THE REPUBLIC

A change of path that impacted
the country

MINISTERIO PUBLICO
FISCAL GENERAL DE LA REPUBLICA

GENERAL PROSECUTOR OF THE REPUBLIC

A CHANGE OF PATH THAT IMPACTED THE COUNTRY



Since 2016, General Prosecutor of the Republic, Luisa Ortega Díaz began to show distance from National Executive Branch. The evidences were increased until some court rulings from Supreme Court of Justice (TSJ for its acronyms in Spanish) which overrode unconstitutionally, National Assembly's powers; it was forced to report the lack of rule of law and a coup in breach of the Constitution. Later on came her dismissal, the appointment of Tarek William Saab by National Constituent Assembly and the abrupt turn that has shown national and internationally, the absence of independence of powers.

Since the beginning of 2017, General Prosecutor of The Republic showed signs of carrying out investigations about corruption cases that involve to important politic leaders and high-level officials. The case of Odebrecht and the case of buoy tanks and cranes from Petrochemical Complex José Antonio Anzoátegui, for example. Even, corruption cases from other important State Companies and branches were counted, such as Conviasa, linked to commercialization of tickets, the case of Ferrominera del Orinoco by the diversion of resources granted by the National Executive to carry out projects within the framework of the Plan Patria Guayana 2013. But dismissal and persecution of Prosecutor Luisa Ortega Díaz and her team of Directors and Prosecutors, since April 201 and the designation of Tarek William Saab in 2017, brought many changes into the institution and the work direction, paralyzing some investigations and opening others.

General Prosecutor of The Republic was on charge of Dr. Luisa Ortega Díaz during 2008-2014, appointed by a National Assembly entirely official on December 13, 2007. In 2014, the prosecutor Ortega Díaz was ratified by the parliament for a seven years second period, on December 22, 2014 (2014-2021) also by a mostly official National Assembly. She exercised that position until August 05 2017, when the Full Chamber of Supreme Court of Justice (TSJ) ruled that there were evidence to prosecute her, and the illegal and illegitimate National Constituent Assembly (ANC) decided her dismissal and appointed to the Ombudsman, Tarek William Saab, as the new General Prosecutor.¹

Public Ministry is the only State organ which wields², constitutionally and legally, the power of execution of criminal action for public crime cases.³ This competence gives vital importance and independence, objectivity and impartiality in criminal investigations; it depends to a large extent, that acts of corruption such as violations of human rights in which state officials are not left unpunished.

Venezuela has been involved in two large junctures of social convulsion during the months of February, March and April 2014 and april, may, june and july 2017, characterized by continuous citizen protests of a massive nature and the incessant and excessive repression of the State security organs (civil and military) against protesters, as well as the actions of groups of armed civilians who operated under the protection or acquiescence of the national government. However, the response of General Prosecutor of the Republic in both occasions was diametrically different. This performance by the General Prosecutor of the Republic meant a change of direction that mark, in a definitive way, politic actions and procedures that happened after march 31 2017.

Before protests of april-june 2017 and since 2016, General Prosecutor Luisa Ortega had begun to show distance and lack of fidelity to National Government, which became visible as she was taken some actions. For example, one case that touched public opinion during the first trimester of 2016, was the slaughter of Tumeremo in Bolivar State, where the Governor, General Francisco Rangel Gómez,

- 1 El Universal. ANC dismisses Ortega Díaz and appoints Saab as general prosecutor. August 05, 2017. Information available at: http://www.eluniversal.com/noticias/politica/anc-destituye-ortega-diaz-designa-saab-como-fiscal-general_664462.
- 2 Venezuelan criminal system has an accusatory nature, that is to say, that the functions of investigation and judgment are fully differentiated and at no time fall on the same figure.
- 3 Article 285.4 Constitution of The Bolivarian Republic of Venezuela. The powers of the Public Prosecutor's Office are: 4. To exercise criminal action in the name of the State in cases in which, in order to try or continue it, a request from a party is not necessary, except for the exceptions established by law.

had denied that the events had occurred⁴. Days after, President Maduro, in a televised speech, said that paramilitaries in the mining areas of Bolívar state were involved in the extermination⁵. But days later, the General Prosecutor announced that the slaughter had occurred and that several bodies belonging to the disappeared persons had been found.⁶

Another example of decoupling between the General Prosecutor of the Republic and the National Executive was given with the People's Liberation Operations (OLP for its acronyms in Spanish). In several opportunities in 2016, the General Prosecutor spoke out against the way in which OLP were running⁷ and even, she communicated that she was investigating the alleged participation of "collectives" (civilians' armed groups) in OLP.⁸

On February 14, 2017, after uncovering the global scandal of the Brazilian construction company Odebrecht, the Public Prosecutor's Office, through the Military Counterintelligence Directorate, raided the Odebrecht offices, located in the city of Caracas, with the purpose of gathering elements of criminal interest. Two days after, Prosecutor Luisa Ortega Díaz met in Brazil with the General Prosecutor of that country, Rodrigo Janot, to discuss actions on the case.⁹



- 4 Venezolana de Televisión. Interview with Governor Francisco Rangel Silva. March 5, 2016. Available at: <https://www.youtube.com/watch?v=XQBRAXomLIM> (minutes 0:30 al 1:40).
- 5 National Radio and Television Network of President Maduro. March 10, 2016. Available at: <https://www.youtube.com/watch?v=s-rpZrRSv18&pbjreload=10> (minutes 3:00 al 4:00).
- 6 Correo del Caroní. Prosecutor: "It can not be that there is a pranato, a State within the State." March 14, 2016. Available at: <http://www.correodelcaroni.com/index.php/sucesos/violencia-minera-en-guayana/item/43199-fiscal-general-anuncia-hallazgo-de-cuerpos-de-mineros-desaparecidos-en-tumeremo>
- 7 Globovisión. General Prosecutor exhorts to review PLO procedures. November 30, 2016. Available at: <http://globovision.com/article/fiscal-general-exhorta-a-revisar-procedimientos-de-la-olp>
- 8 RunRunes. Prosecutor's Office investigates the participation of groups in OLP after complaints by Runrun.es. July 20, 2016. Available at: <http://runrun.es/nacional/271331/fiscal-ortega-diaz-nos-preocupan-denuncias-sobre-las-olp.html>
- 9 El Nacional. Luisa Ortega Díaz met with the general prosecutor of Brazil. February 17, 2017. Available at: http://www.el-nacional.com/noticias/politica/luisa-ortega-diaz-reunio-con-procurador-general-brasil_81415

The definitive separation of the General Prosecutor of the Republic from the National Executive occurred on march 31, 2017, after the Constitutional Chamber of the Supreme Court of Justice (SC-TSJ), dictated its court ruling 155 (march 28) and 156 (march 29), in which the faculties of the National Assembly as a National Legislative Power were completely ignored and all constitutional competence was definitively taken from it. It is worth remembering that before such decisions, since December 2015, the Supreme Court of Justice (TSJ) has impeded the functioning of the National Assembly, beginning with the decision regarding the case of the deputies of the Amazonas state through which the effects were suspended of the acts of totalization, adjudication and proclamation of the deputies of that state. That ruling was the basis for the TSJ to continue acting against the National Assembly and end up declaring it

in “contempt” and preventing any of its legislative acts from having effects.¹⁰

Court ruling 155 from SC-TSJ ruled the nullity of the agreement that the National Assembly adopted on march 21, 2017, in which requested the reactivation of the Inter-American Democratic Charter procedure of application by the Organization of American States, OAS. It also initiated a process of innominate control of the constitution, a subject that is not established in Venezuelan law and that does not know how it is applied. In addition, and the most serious of the ruling, was the granting of unlimited powers to the President of the Republic to be allowed to legislate on any matter and do whatever he wants in relation to the constitutional powers of the National Assembly. One of the paragraphs of the judgement stated:



*“[the President of the Republic] in the exercise of its constitutional powers and to guarantee the governability of the country, take the civil, economic, military, criminal, administrative, political, legal and social measures it deems pertinent and necessary to avoid a state of commotion; and in the framework of the State of Exception and before the contempt and continued legislative omission on the part of the National Assembly, exceptionally review the substantive and adjective legislation (including the Organic Law against Organized Crime and Financing of Terrorism, the Anti-Corruption Law, the Criminal Code, the Organic Code of Criminal Procedure and the Code of Military Justice - since crimes of a military nature may be committed—), that allows to conjure the serious risks that threaten the democratic stability, the peaceful coexistence and the rights of Venezuelans; all in accordance with the letter and spirit of articles 15, 18 and 21 of the Organic Law on States of Exception in force”.*¹¹

10 Transparencia Venezuela and other organizations. Memorial of Torts. December 2016. Available at: <https://transparencia.org.ve/project/memorial-de-agrivos-del-poder-judicial-una-recopilacion-de-mas-de-100-sentencias-del-tsj/>

11 Court ruling N° 155/2017 march 28, 2017 of the Constitutional Chamber TSJ.

In ruling 156 SC-TSJ continued with the thesis of the National Assembly “contempt” and it was expressed about the comptroller power of this organ on the creation of joint ventures, indicating that due to the contempt of the AN, it was not necessary to have the approval of the AN for the creation of joint ventures and that it was enough that the

Executive will notify the TSJ. In addition to this, the SC-TSJ established that due to “contempt”, that same Chamber would have all the powers of the National Assembly, thus specifying the definitive rupture of the constitutional and democratic order of the country. The ruling specifically established:

“Finally, it’s warned that while exists the contempt and disability situation of the National Assembly actions, This Constitutional Chamber will guarantee that parliament powers be exercised directly by this Chamber or by the organ that it warns that as long as the situation of contempt and invalidity of the actions of the National Assembly persists, this Constitutional Chamber will guarantee that the parliamentary powers are exercised directly by this Chamber or by the body that it has, to ensure the rule of law”¹²

After the publication of such rulings, various political sectors of the country attacked the decisions and described them as “Coup d’État”. The General Prosecutor of the Republic, Luisa Ortega Díaz, spoke on the same at the presentation of the annual management report of the Public Ministry, on March 31, 2017.

In that act, the prosecutor criticized the rulings dictated by SC-TSJ expressing that those compromised the Rule of Law in the country and that they broke the constitutional order.¹³ In her speech, she expressed specifically the following:

“I am against any foreign interference, against any fact that threatens the self-determination of Venezuela. To conclude, I consider an inescapable historical duty not only as a prosecutor of the Republic, but as a citizen of this country, refer to recent decisions signed with numbers 155 and 156 of the Constitutional Chamber of the Supreme Court of Justice. In such sentences are evident several violations of the constitutional order and ignorance of the model of State, established in our Constitution of the Bolivarian Republic of Venezuela, what constitutes a rupture of the constitutional order. It is my obligation to express to the country my high concern for such an event, and above all, considering that all Venezuelans through the constituent process of 1999, achieved to generate this social contract that is the Constitution of the Bolivarian Republic of Venezuela”¹⁴ (Bold and underlined ours)

12 Court ruling N° 156/2017 march 28, 2017 of the Constitutional Chamber TSJ.

13 El Nacional. Ortega: Sentences of the Constitutional Chamber violate the constitutional order. April 1, 2017.

Information available at: http://www.el-nacional.com/noticias/gobierno/ortega-sentencias-sala-constitucional-violan-orden-constitucional_88365

14 Fragment from the speech of the General Prosecutor of the Republic, on March 31, 2017, during the presentation of the annual management report of the Public Ministry from the main headquarters of the body. Speech and video available at: <https://www.youtube.com/watch?v=DBblOpsXWGY> (minutes 16:08 al 18:15).

The General Prosecutor's declaration added to intern and international pressures, that fell on the national government and made that finally, this one acted to try to enmend the ruptura on the constitutional and democratic order of the country. So, the president Nicolas Maduro qualified the Prosecutor's intervention as an "impasse" and called that same day to the National Defense Council to an urgent meeting. The dawn of April 1, 2017 announced that the Council asked the Supreme Court to modify sentences 155 and 156. On the morning of April 1, the president of the TSJ, Maikel Moreno, in an address from the seat of the tribunal -attended by the vice president of the Republic and who sat next to the president of the Supreme Court- indicated that the highest court had decided to reverse sentences 155 and 156, suppressing what they considered were the controversial paragraphs of the judgments.¹⁵

After this announcement, the General Prosecutor of the Republic undertook a series of legal actions aimed to the restoration of the rule of law in the country. These steps were answered by the different chambers of the Supreme Court of Justice, all of which became direct attacks against the General Prosecutor and served as an excuse for the creation of a case against her that would allow -even illegally- dismissing her through a preliminary hearing.

Venezuelan Chapter of Transparency International (Transparencia Venezuela) made a compilation of the Supreme Court of Justice's (TSJ) rulings, which has become in torts against the General Prosecutor of the Republic:

TABLE 1:
COLLECTION OF JUDGMENTS OF THE SUPREME TRIBUNAL OF JUSTICE



NO.	CHAMBER	FILE	SENTENCE #	DATE	CAUSE
1	SC-TSJ	2017-0519	441	06/07/2017	Application for clarification of Judgment No. 378 of 05/31/2017, which resolved the interpretation of articles 347 and 348 of the Constitution of the Bolivarian Republic of Venezuela
2	SC-TSJ	2017-0625	454	06/12/2017	Nullity appeal for unconstitutionality interposed by the General Prosecutor against the Parliamentary Agreement appointing 33 Judges of the TSJ
3	SE-TSJ	2017-0036	67	06/12/2017	Contentious Electoral Appeal against the acts that approve the convocation, the electoral bases, the beginning of the nomination phase, and is fixed the opportunity for the elections of the National Constituent Assembly.

¹⁵ Tal Cual. TSJ retracted and reversed sentences that "closed" the National Assembly. April 1, 2017.

Information available at: <http://www.talcualdigital.com/Nota/141050/tsj-reculo-y-echo-para-atras-sentencias-que-cerraban-la-asamblea-nacional>

NO.	CHAMBER	FILE	SENTENCE #	DATE	CAUSE
4	SC-TSJ	2017-0649	469	06/27/2017	Interpretation of the Constitution and the Organic Code of Criminal Procedure that allows the Ombudsman to assume procedural representation of the legitimate interests of the victim
5	SE- TSJ	2017- 0043	84	06/27/2017	Contentious Electoral Appeal against the acts that approve the convocation, the electoral bases, the beginning of the nomination phase, and is fixed the opportunity for the elections of the National Constituent Assembly.
6	SC- TSJ	2017-00665	470	06/27/2017	Appeal for Nullity for Unconstitutionality against the Decree emanating from the President of the Republic that establishes the bases for the National Constituent Assembly
7	SP- TSJ	2017- 0073	43	06/27/2017	Court ruling that admits the request of preliminary hearing against the General Prosecutor of the Republic Luisa Ortega Díaz
8	SP- TSJ	2017- 0073	44	06/28/2017	Court ruling that sets audience in the preliminary hearing against the Republic Prosecutor Luisa Ortega Díaz
9	SP- TSJ	2017- 0072	45	06/28/2017	Court ruling dismissing preliminary hearing against the magistrates of the TSJ, proposed by the General Prosecutor of the Republic
10	SC- TSJ	2017- 0711	528	07/03/2017	Court ruling declaring the nullity of the summons made by the Public Prosecutor's Office to Major General Benavides Torres, and in turn, nullifies any action by any Public Ministry official against Benavides Torres. The sentence has extensive effects, and can be invoked by anyone who is in the same situation.
11	SC- TSJ	2017-0665	532	07/03/2017	Court ruling designating Katherine Harrington as Deputy General Prosecutor of the Republic.
12	SP- TSJ	2017- 0073	51	07/04/2017	Court ruling ordering the CICPC to carry out the graphical test in the record No. II of the ordinary session of the Republican Moral Council dated January 21, 2016

NO.	CHAMBER	FILE	SENTENCE #	DATE	CAUSE
13	SC- TSJ	2017- 0658	537	07/12/2017	Ruling that determines that the status of accused is acquired when the Judge of Control has been informed of the facts attributed to the person under investigation
14	SC- TSJ	2016- 1172	544	07/20/2017	Court ruling that requires the General Comptroller of the Republic to initiate an administrative investigation into the aircraft, allegedly used by the GPR to leave the country
15*	SP- TSJ	2017-0073	65	08/04/2017	Ruling that agrees with the request of the preliminary hearing to the GPR, suspending it from its position, freezing its accounts, prohibiting its exit from the country and the alienation of its assets. It is also disabled for the exercise of any public office. A copy of the decision is sent to the NCA to “determine what is appropriate”
16*	SP-TSJ	2017- 0097	66	08/16/2017	Ruling that orders the detention of the Deputy Germán Ferrer (deputy of the NA for PSUV and husband of the General Prosecutor) and makes the concept of “flagrancy” more flexible.

This TSJ's intense task, answering to the requests of the National Executive and National Constituent Assembly, results in an example of how much can cost the autonomy and independence of officers of the organs of the State, and when it occurs all the institutional force in its power is used to discredit and get out of the way to whom are against it. Esta intensa tarea del TSJ, respondiendo a las solicitudes del Ejecutivo Nacional y de la Constituyente, resulta un ejemplo de cuánto puede costar la autonomía e independencia a los funcionarios de los órganos y entes del Estado, y que cuando ello ocurre se utiliza toda la fuerza institucional bajo su poder para desacreditar y sacar del camino a quienes les adversan.

In conclusion, the new position of the General Prosecutor, in relation of the rulings of TSJ, added strength to the action that opposition sectors exercised in the international plane, requesting key and timely pronunciations, and specific from several States and other international actors, specifically inside the Organization of American States. In the national plane, it served as a demonstrative flag of the democratic order's rupture in the country, in the protests that rise since April 1°, 2017 and the following months of protests. For the first time, it was seen an opposition supporting the exercised actions by the General Prosecutor of the Republic.

The General Prosecutor of the Republic exercised an active role and concrete criminal actions during the 4 months of citizen demonstrations that followed the breaking of the constitutional and democratic order by the Supreme Court.

16 El Mundo. La oposición apoya la llamada de la fiscal general a rechazar la Constituyente de Nicolás Maduro. Disponible en: <http://www.elmundo.es/internacional/2017/06/09/5939dcfa268e3e62498b471d.html>

During that period she kept up-to-date information about the victims that were murdered in the protests context, as well as the manner in which the events occurred and the alleged perpetrators. In many of the cases, the Public Prosecutor's Office succeeded in demonstrating the links between the State security forces, civilian and military, in the murder of people who were in the protests, as well as the participation of civilians' armed groups who acted under the protection of the national government. All this evidenced that the national government made excessive use of force during the protests and that its actions were circumscribed in a systematic policy of attack against the Venezuelan opposition.

One of the most relevant cases during these interventions was the assassination of the 20 years old student Juan Pernaleté, who passed away on April 26, 2017, due to a tear gas bomb shot by a Bolivarian National Guard in a riot in Altamira, Caracas.¹⁷ At the time, the spokesman and deputy of the National Assembly for PSUV, Diosdado Cabello, indicated that the Bolivarian National Guard would have had nothing to do with the murder of Juan Pernaleté. Then the Minister of Communications, Ernesto Villegas, presented to the country a supposed digital reconstruction of the events, in which he accused the protesters themselves in the murder of Pernaleté. The Prosecutor presented the results of the autopsy and graphical evidence that showed that the young man had received a shot of a tear gas bomb thrown horizontally at a short distance from the direction in which

Venezuela is the only country of the Latin American region that has refused to investigate the Odebrecht case, which evidences the intention to hide the biggest corruption plot that we have known and that Venezuelans perceive watching public works unfinished, abandoned but paid for.

the bodies were "security", demonstrating the falsehood of the assembly prepared by the government.¹⁸

But autonomy and independence are vital in the fight against corruption. Since 2014, the world corruption scandal related to the Brazilian company Odebrecht was uncovered, which linked a large number of personalities from the Latin American political world. Especially, in the Odebrecht case, the Venezuelan State and many of its officials and political figures were linked by having this company active participation in major infrastructure works in the country, many of which remain. Even though, after the dismissal of the General Prosecutor, she has announced from exile that she has proof against President Maduro, Diosdado Cabello and Jorge Rodríguez for the Odebrecht case (see the chapter about Odebrecht in this report).¹⁹

17 El Nacional. Ortega Díaz: Juan Pernaleté was killed by a tear gas bomb by GNB. May 24, 2017.

Available at: http://www.el-nacional.com/noticias/politica/ortega-diaz-juan-pernalete-fue-asesinado-por-una-bomba-lacrimogena-gnb_183965

18 El Nacional. Cabello: The GNB "was not" in Altamira when Pernaleté was murdered. April 26, 2017.

Available at: http://www.el-nacional.com/noticias/gobierno/cabello-gnb-estaba-altamira-cuando-asesinaron-pernalete_179310

19 El Nacional. "I have evidence against Maduro, Cabello and Rodriguez for Odebrecht." August 24, 2017.

Available at: http://www.el-nacional.com/noticias/politica/tengo-pruebas-contra-maduro-cabello-rodriguez-por-odebrecht_200246

THE NEW GENERAL PROSECUTOR AFTER AUGUST 05, 2017

After the Constituent Assembly was held, on July 30, 2017, the members decided to dismiss Prosecutor Luisa Ortega Díaz and to replace her, the then Defender of the People, Tarek William Saab.

The differences between the management of Luisa Ortega Díaz and the recent action of Tarek William Saab in charge of the Public Prosecutor's Office are evident from the beginning. It is notable to watch that the declarations of the new general prosecutor appointed by the Constituent Assembly have been constant attacks on the previous administration, indicating that no relevant investigations were carried out in cases of corruption and other crimes. Meanwhile, the last actions of General Prosecutor Luisa Ortega Díaz, have been aimed at responding to the situation of national crisis that arose during the protests of April-July 2017. In addition, it began to announce the investigation of corruption cases linked to the state oil company PDVSA and the construction company Odebrecht.

For its part, Tarek William Saab's acts in front of the Public Ministry it has been to reveal cases of corruption in the different organs, entities and companies of the State, which shows that they were not duly investigated by the General Prosecutor Luisa Ortega Díaz. While this is not entirely true, given that some investigations have begun in the last mandate, during the last months of the year investigations into corruption cases in Pdvsa and Cadivi-Cencoex were deepened.

Thus, the Prosecutor appointed by the Constituent Assembly has taken specific actions in matters of corruption in cases such as:

At the end of August 2017, the Prosecutor appointed by the Constituent Assembly revealed that there had been embezzlement in the Orinoco Oil Belt, which exceeded 200 million dollars in only 12 contracts that were awarded, directly, to 10 companies that had been revised until that moment. Among the irregularities that produced the offense revealed by the Public Prosecutor's Office, the large overprices stipulated in the contracts stand out, including increases in dollars, since these transactions are handled in that currency. The increases have been calculated at 230 percent.²⁰

In October, arrests were announced for the cases of Petrozamora and Petropiar, linked to the state oil company Pdvsa. Specifically, due to the Petropiar case, it arrested Carlos Humberto Pereira Aguilera, Carlos Armando Bello Romero, Luis Alberto Olivier Torres y Abraham Valentino Lezama Hernández. It highlights crimes corresponding to irregular purchase orders among which is the company "Romara Construction and Maintenance Services", linked to contracts with surcharges of up to 10,000 percent.

However, it is emphasized that Petropiar's investigations would have begun during the previous General Prosecutor's administration, as can be seen in the citation of the Venezuelan actor, Manuel "El Coco" Sosa, to be charged on July 4, 2017 and the citations, in early August 2017, of the presidents of the companies Wespro Spare The Oil Industry Corp. and Soluval de Venezuela, CA, Oval Moreno and Héctor Abarca, respectively, for allegedly incurring irregularities in the awarding of contracts in the joint venture Petropiar of PDVSA.

In the Petrozamora case, Orlando Enrique Chacín Castillo, who served as president of the Venezuelan Petroleum Corporation, was arrested. They were also apprehended, Luis Delgado Martínez Cardoso, superintendent of oil treatment; Adolfo Ramón Artigas, laboratory technician; Héctor Manuel Hurtado, crude movement technician; Raibet Atención, leader in crude accounting; Harold Antonio Granado Rodríguez, superintendent of tank operations; and Nori Alberto Peroso Villanueva, representative of the Ministry of Energy and Mines. This case is related to sabotage actions that would have produced between 2015 and 2017 the loss of more than 15 million barrels of crude oil.²¹

At the beginning of November 2017, the arrest of Francisco Antonio Jimenez, who served as president of Bariven, manager Joaquín Torres and purchasing analyst, Javier Alexander Sosa, was reported for the crimes of conspiracy to commit a crime and intentional graft. In this regard, the existence of corruption was reported in the Bariven joint venture, in which contracts with overpricing between 100 and 98,000 percent were discovered. Likewise, he indicated that between January and September there were 1,317 alerts of increases in bolivars and 76 of increases in dollars.²²

In november 2017, Tarek William Saab pointed out that in all the subsidiaries of the Venezuelan state oil company, Petróleos de Venezuela, SA, PDVSA, there had been corruption cases and that until now, the Public Ministry had

arrested 50 managers, of whom 12 held senior management positions in some of the company's subsidiaries. He has even said that the most important cases of corruption to investigate in depth in Venezuela are those of Cadivi-Cencoex and Pdvsa.²³

Also in November 2017, the Public Ministry announced the apprehensions of the former Minister of Energy and Petroleum, Eulogio Del Pino and the former president of Pdvsa, Nelson Martínez for fraudulent embezzlement and money laundering.²⁴

On December 12, 2017, Tarek William Saab reported that an investigation was opened against the former president of PDVSA, Rafael Ramírez, who until recently was Venezuela's ambassador to the United Nations in New York City. Ramírez is accused of being linked to the case of money laundering in the private banks of Andorra.

Then, at the end of December 2017, Tarek William Saab indicated that, according to recent investigations by the Public Prosecutor's Office, a new plot of corruption in PDVSA had been discovered that would have cost the country, since 2009 to the present, more than 4,800 millions of dollars. He said that the Director General of the Office for the Determination of Crude Oil for Export, Nérida Iris Izarra Espinoza, is linked to this case, and that the investigation showed that the data of the estimates of the real value for the commercialization of crude oil supplied by the JBC Energy company, were intentionally modified to favor individuals and companies that carried out oil purchase and sale transactions with the state oil company Pdvsa.

21 Ministry of Popular Power for Communication and Information. Another 11 arrested for corruption in Petropiar and Petrozamora. October 26, 2017.

Available at: <http://minci.gob.ve/2017/10/otros-11-detenido-por-corrupcion-en-petropiar-y-petrozamora/>

22 RunRunes. Tarek William Saab confirmed Bariven president's arrest for corruption. November 02, 2017.

Available at: <http://runrun.es/nacional/330420/tarek-william-saab-confirmando-detencion-del-presidente-de-bariven-por-corrupcion.html>

23 El Universal. Public Prosecutor makes new arrests for "corruption" in Pdvsa. November 29, 2017.

Available at: http://www.eluniversal.com/noticias/politica/ministerio-publico-realiza-nuevas-detenciones-por-corrupcion-pdvsa_679448

24 El Universal. Eulogio Del Pino assured that his arrest is an "unjustified attack". December 01, 2017. Available at: http://www.eluniversal.com/noticias/politica/eulogio-del-pino-aseguro-que-detencion-ataque-injustificado_679597

Also, that by that date, the corruption investigation related to PDVSA had achieved the arrest of 69 people, including 18 senior officials, according to the information transmitted by the Prosecutor appointed by the Constituent Assembly.

By the other hand, the new representative of Public Ministry, also had begun inquiries related with the Cadivi-Cencoex case, linked to the preferential currency allocation to certain public and private companies, which had billed with overprice to get more dollars in the transactions that they made.

Until October 18, 2017, it has been announced the detention of 21 people linked to the irregular currency allocation to suitcase and fake companies which received preferential dollars, according to the stipulated by the exchange control regime imposed by the National Government. It was pointed that apprehensions of these people had practiced by the commission of crime between 2004 and 2013. Also it was said that, at least, 900 companies are directly related with overpricing cases in the fraud made to Cadivi-Cencoex.

Between the examples highlights the case of the company Bates Gil, C.A., which had acquired foreign currencies irregularly to purchase prime material with overbilling that oscillate between 14.000 and 130.000 per cent. The company received 17.2 million dollars between 2005 and 2014 to import chemicals necessary in the elaboration of funeral plaques and to decompose ferrous material which were quoted at 650 and 724 dollars per kilo, even though their

price in the international market fluctuated between 0.5 and 5 dollars per kilo. It was determined that the Lozano brothers obtained 15.56 million dollars in the period from 2011 to 2014, through the modality of “Productive Enterprises”, in order to make use of the simplification of procedures enjoyed by firms that work with first needs products. It was known that they have a company in Panama, where they placed the money extracted, in addition to being shareholders of at least 25 other companies.

This case also highlights the case of the Azucarera Río Turbio, C.A, which would have obtained more than 156 million dollars between 2004 and 2017, having charged overpricing to obtain greater amounts of dollars. In this case Gabriela Riera Peña and María Margarita Zigala de Muñoz were arrested.²⁵

Another relevant case is the company Envasadora Aguas del Orinoco, CA, for the illegal obtaining of foreign currency, the use of a false public document, association to commit a crime and legitimization of capital, having overcharged by more than 16,000 percent for the purchase of acid products. phosphoric.²⁶

Now, among the cases that the Public Ministry has announced that it will investigate, it stands out that of the Corporación Eléctrica Nacional, Corpoelec, since it reported that it had enough material to open an investigation into corruption cases.²⁷

25 La Prensa de Lara. The owners of Azucarera Río Turbio are detained. October 04, 2017. Available at: <http://www.laprensalarara.com.ve/?p=392204>

26 Efecto Cocuyo. Anticorruption operation has arrested 21 people for irregular use of foreign currency. October 18, 2017.

Available at: <http://efectococuyo.com/principales/operativo-anticorrupcion-ha-detenido-a-21-personas-por-uso-irregular-de-divisas>

27 YVKE Radio Mundial. Public Ministry will initiate investigation to Corpoelec for alleged cases of corruption. November 29, 2017.

Available at: <http://www.radiomundial.com.ve/article/ministerio-p%C3%BAblico-iniciar%C3%A1-investigaci%C3%B3n-corpoelec-por-presuntos-casos-de-corrupci%C3%B3n>

Among other actions carried out by Tarek William Saab, is the dismissal, imputation and accusation of public prosecutors who have been linked to acts of corruption. It recent-

ly announced the dismissal of 13 prosecutors who allegedly extorted people with the intention of incriminating them in crimes for obtaining personal benefits.²⁸

TAREK WILLIAM SAAB AND THE ODEBRECHT CASE

Going against the Latin America countercurrent that is committed to investigating the great corruption case of recent years, Odebrecht, the General Prosecutor appointed by the Constituent, has expressly indicated that President Nicolás Maduro will not be investigated, since, according to his own statements, the Brazilian company has denied the accusations in the Venezuelan case and that the Public Ministry does not move by speculation.²⁹

On september 07, 2017, Tarek William Saab stated that the previous General Prosecutor had not acted in the Odebrecht case and that he had decided to reopen it.³⁰ However, this is contradicted by indicating that the president of the Republic will not be investigated, especially when in the region all the presidents are under the scrutiny of the respective national justices.

On September 25, 2017, Saab pointed that he had met four times with Odebrecht lawyers and indicated that they were going to give him important information about the corruption network present in the Brazilian company and that they would help clarify the matter.³¹

On October 11, Saab He explained that former prosecutors appointed by General Prosecutor Luisa Ortega Diaz, Pedro Lupera, Luis Sanchez and Maria Gabriela Lucena, were involved in irregularities in the Odebrecht case and, in particular, with the company's law firm. According to Saab's statements, these prosecutors would have lifted the precautionary measures against Jorge Faroh Cano, Sergio Ferraz and Maryorie Garboza and against the bank accounts, assets and assets of the Odebrecht Company in Venezuela, after reaching agreements. He also reported that he had requested the imputation against Faroh, Ferraz and Garboza.

Beyond these statements, there are no known significant advances in the investigation of the most important case of corruption in the Latin American region, with which, Venezuela becomes the only country in the region splashed by the corruption plot of the Brazilian company that He has not devoted himself to investigating the case.

- 28 El Universal. January 10, 2018. Saab: Thirteen prosecutors from the Public Prosecutor's Office have been dismissed. Available at: http://www.eluniversal.com/noticias/politica/saab-han-destituido-fiscales-del-ministerio-publico_683830
- 29 El impulso. Tarek William Saab rules out investigating Maduro for Odebrecht case. September 8, 2017. Available at: <http://www.elimpulso.com/home/tarek-william-saab-descarta-investigar-maduro-caso-odebrecht>
- 30 El Carabobeño. Tarek William Saab said he is investigating the Odebrecht case. September 7, 2017. Available at: <https://www.el-carabobeno.com/tarek-william-saab-aseguro-investiga-caso-odebrecht/>
- 31 Contrapunto. Tarek William Saab: Odebrecht is going to give us evidence of corruption. September 25, 2017. Available at: <http://contrapunto.com/noticia/tarek-william-saab-odebrecht-nos-va-a-entregar-pruebas-de-corrupcion-161228/>
- 32 El Nacional. Saab: Three MP prosecutors are linked to the Odebrecht case. October 11, 2017. Available at: http://www.el-nacional.com/noticias/politica/saab-tres-fiscales-del-estan-vincullados-caso-odebrecht_207232



CNE,

elections and corruption

PODER ELECTORAL

AN ELECTORAL BODY THAT LOST ITS SHAME AND DOES NOT PAY ATTENTION TO FORMS



The National Electoral Council openly favors the ruling party and constantly violates the legal system to negatively affect the Venezuelan opposition that opts for the electoral path as a way to change the regime of Nicolás Maduro.

The National Electoral Council (CNE) sinned by action and by omission in 2017. The body chaired by Tibisay Lucena carried out a process for the election of the members of the Constituent Assembly, characterized by irregularities, and subsequently, gave part of its competences to that body comprised by Chavista militants.

In 2016, the CNE postponed - without any reason- the regional elections that had to be held in December, and together with the instance tribunals, eliminated the request for a recall referendum against the administration of President Nicolás Maduro. These actions further weakened the credibility of the institution, due to its clear identification with the ruling party.

However, the turning point was marked by the rigged election of the Constituent Assembly, which took place on Sunday 30 July. First, the CNE lent itself to organize a consulta-

tion, whose nullity was demanded by several sectors of the civil society and the Attorney General of the Republic herself, for openly violating the Constitution and undermining basic principles of suffrage. According to the Venezuelan Observatory of Conflict, in 22 states of Venezuela, citizens demonstrated against the Constituent Assembly.

Director Luis Emilio Rondón -the only member of the board who is not linked to the Chavez regime- denounced the deviations that led to the installation of the Constituent Assembly. "The balance is a process without people's response, which is carried out with fewer audits, without the indelible ink, using electoral sub-registers, without respecting proportionality, the universality of the vote or the personalization of the suffrage," said Rondón, who also stressed that "the technical controls that guarantee the principle of "1 elector 1 vote" have been weakened."

Public employees and many citizens participated on 30 July in the election of the Constituent Assembly under threat of dismissal and elimination social benefits.

Prior to the election date, the Office of the Attorney General opened offices throughout the country in order to receive complaints from public employees and citizens who claimed to have been threatened with their dismissal or elimination of social benefits, in case of not voting in the election of the members of the Constituent Assembly. The NGO Provea has received 212 complaints of harassment and pressure on public officials through the email medios@derechos.org.ve.

On the day of the election, the NGO Foro Penal announced that on 30 July, they registered 96 arrests: 3 in Anzoátegui, 6 in Aragua, 8 in Lara, 4 in Carabobo, 5 in the Capital District, 1 in Cojedes, 2 in Miranda, 11 in Mérida, 5 in Monagas, 14 in Táchira, 2 in Trujillo and 34 in Zulia.

The National Trade Union of Workers of the Press (SNTP) counted 15 attacks on journalists and media workers by state security forces. Among the attacks are 4 arrests, 4 intimidations and/or threats, 4 injured and 2 robberies. According to IPYS Venezuela, the CNE denied credentials to at least 9 of 15 national and foreign media that requested accreditation to cover the day of 30 July. The CNE prohibited the coverage of two voting centers enabled by contingency, located in the Metropolitan Area of Caracas. It also reported that media should be located 500 meters from the polling stations, outside the “security perimeter.”

The holding of the Constituent Assembly elections left a balance of 16 deaths between the night of 29/7/2017 and the 30/7/2017. The events were reported in five states of the nation: Lara, Sucre, Zulia, Mérida and Táchira. The bulk of the homicides took place in towns and not in the state capitals. Villages such as Chiguará, Tovar and San Jacinto, in Mérida; Tucapé, Capacho Viejo and La Grita, in Táchira; and Aguada Grande, in Lara, now appear on the map of deaths in the middle of demonstrations.

The day after the election, the Smartmatic company -responsible for automated voting in the country- said that the participation figures in the election of the Constituent Assembly were manipulated by the electoral body, that in the mouth of Lucena announced that 8,089,320 Venezuelans had attended the call to the polls. “There was manipulation of the participation data. The difference between the amount advertised and that thrown by the system is at least one million voters. An audit would allow knowing the exact amount of participation,” said the Smartmatic representative.

Far from allowing an audit, the president of the institution reduced everything to a new discursive battle. Lucena declared herself a victim of “permanent aggression” and commented that the complaint about the manipulation of participation data “is an irresponsible assertion based on unfounded estimates in the data that is exclusively handled by the CNE.”

The illegitimate Constituent Assembly is not recognized by most of the Latin American countries, the European Union, the United States, Canada and organizations such as the OAS and Mercosur.

The international community spoke about the facts. Organizations such as Mercosur, the OAS, the European Union and influential countries in the hemisphere such as the United States, Canada, Brazil, Mexico, Argentina, and almost all of Latin America, rejected the Constituent Assembly and supported the Venezuelan National Assembly in all international forums, originated from the democratic election held on 6 December 2015.

In addition, it was not only by action, but also by omission. The CNE handed over to the Constituent Assembly the power to call regional and municipal elections, favoring the dates in the political calculations of the United Socialist Party of Venezuela (PSUV). Lucena had reported in May that the regional elections would be held on 10 December, but then the Constituent Assembly indicated that the elections would take place on 15 October.

Irregularities were also the order of the day in the regional elections. Two of the three outgoing opposition governors were disqualified by the Office of the Comptroller General of the Republic, which prevented their application for re-election, while the ruling party nominated 5 candidates, despite having sanctions for corruption and human rights violations¹. The PSUV's 5 sanctioned candidates are: Rodolfo Marco Torres, who received a no-confidence vote

from the National Assembly in April 2016², Henry Rangel Silva³ and Justo Noguera Pietri⁴, who have sanctions imposed by the United States Department of the Treasury -the first due to links with the Revolutionary Armed Forces of Colombia (FARC) and drug trafficking, and the second appears in the famous presidential decree of the Obama administration of March 2015- and Carmen Meléndez and Aristóbulo Istúriz, who are on the list of 40 Venezuelan officials sanctioned by the government of Canada since 22 September 2017.⁵

During the electoral process, it was denounced the rushed nature of the schedule. The CNE decided that registration applications would be made between 8 and 9 August and that modifications of the candidates could be made until 16 August, violating with that period the electoral regulations that state that modifications can be made up to 10 days before the election. As a result, modifications should be allowed until 5 October 2017.

At the end of September, the opposition asked the electoral body to modify their candidacies in most of the states. The substitution of candidatures is an act that must be carried out entirely by the applicant organizations and that can be set -via the Internet- through the Automated Application System, but the CNE kept it disabled.

1 Información disponible en: <https://transparencia.org.ve/cinco-candidatos-del-psuv-tienen-sanciones-corrupcion-violaciones-ddhh/>

2 Información disponible en: <https://transparencia.org.ve/asamblea-nacional-otorgo-voto-de-censura-al-ministro-de-alimentacion-rodolfo-marco-torres/>

3 Información disponible en: <http://www.eluniversal.com/nacional-y-politica/130825/nueve-altos-funcionarios-en-la-lista-de-narcos-de-eeuu>

4 Información disponible en: http://www.el-nacional.com/noticias/mundo/conoce-los-siete-funcionarios-venezolanos-sancionados-por-estados-unidos_64692

5 Información disponible en: <http://efectocuyo.com/politica/canada-sanciona-a-maduro-junto-a-otros-39-funcionarios-del-gobierno-de-venezuela>

Liliana Hernández -the opposition alliance's electoral coordinator- said that this omission sought to increase abstention and stated that "When the CNE and its directors omit the substitution of candidates, they are acting as an instrument of the policy of Nicolás Maduro's government, and not as representatives of a public power."

In view of this situation, the deputy of the MUD, Omar Ávila, filed an appeal for interpretation of Article 63 of the Lopre in the Constitutional Chamber of the Supreme Tribunal of Justice. On 5 October, the Chamber declined its jurisdiction in favor of the Electoral Chamber and on the same day, the Electoral Chamber issued the judgment number 165, which justified the violation of the Lopre in the schedule, by establishing that the phase of substitution and modification of applications could be done until 16 August 2017.⁶

Thus, the phase of substitution and modification of applications could not be carried out. The result was that the votes casted in favor of the candidates that could not be replaced or modified would be counted as invalid.

One of the principal directors of the CNE, Tania D'Amelio, said on 11 October that 119 voting centers had been relocated that -allegedly- would have been affected by violent acts during the development of citizen demonstrations that took place between April and July 2017.

Unlike what was announced by director Tania D'Amelio, the Coordinator of the Electoral Team of the Democratic Unity, Liliana Hernandez, reported that a total of 205 polling stations were relocated, which would affect more than 450,000 voters. She also indicated that the most affected states would be Anzoátegui, Lara, Mérida, Miranda, Ara-

gua, Monagas and Táchira, these being federal entities where the opposition coalition has achieved large percentages of participation in previous electoral processes.^{7 8}

The result of the regional elections widely favored the Chavismo, who conquered 18 of the 23 regional governments of the country. Through a communiqué, the opposition Democratic Unity Roundtable (MUD) asserted that on 15 October "a fraudulent electoral process that was unprecedented in our history materialized." In a first balance, the MUD highlighted the following irregularities:

- An electoral population of at least 1,000,080 voters was prevented or hindered from voting in centers historically favorable to the opposition, by damaged machines, tables that did not open or that had unjustified delays until late at night.
- More than 700 thousand Venezuelans were migrated from their centers 48 hours before the election, and even on the day of the election itself.
- An electoral population of at least 350,000 citizens was affected by violence and intimidation inside and outside the polling stations, which prevented or hindered the free exercise of the vote.
- There were at least 90,537 invalid votes -because of the impediment to replace already retired candidates, in contravention of the law- that should have been awarded to the opposition candidates.
- Coercion and blackmail of public employees and beneficiaries of social programs forcing them to vote with the accompaniment of PSUV leaders and through the Carnet de la Patria, which prevents the free exercise of the vote.

6 Información disponible en: <https://www.el-carabobeno.com/cne-reubico-119-centros-votacion-las-regionales/>

7 Información disponible en: <http://www.unidadvenezuela.org/noticias/7862=unidad-informa-a-la-ciudadania-reubicacion-de--los-205-centros-de-votacion>

8 Información disponible en: <https://elpitazo.com/ultimas-noticias/lista-estos-los-centros-votacion-reubicados-cne/>

- Voters who exercised multiple votes and disrespecting the principle “one elector a vote”, facilitated by the absence of indelible ink for the first time in our history.
- Irregular extensions of time after the legal closing time.
- Obstruction of audits of the citizen verification process, which makes it impossible to verify the consistency between the casted votes and the transmitted results.
- Numerical inconsistency of historical electoral results as well as with all the carried out studies, polls and exit polls.

“All this in addition to previously reported irregularities that are worth remembering again and not getting used to them: i. The persecution, imprisonment and disqualification of candidates; ii. The absence of reliable national and international electoral observation; and iii. The use of state resources to promote candidates and mobilize votes for the candidates of the regime,” the opposition coalition stressed.

In the specific case of the state of Bolívar, the opposition candidate Andrés Velásquez exposed to the public evidence that would demonstrate the “forging of acts” to benefit the Chavista candidate, Justo Noguera Pietri, retired general of the National Guard who was sanctioned by the government of the United States.

The opposition leader said that “on Monday [16 October] at 5:12 in the afternoon, the CNE website showed 272,960 votes for me, 49.37%, and 268,361 votes, 48.54%, for Noguera. Then, they removed it. There was forging of acts, a public document was forged to alter an election result. They were transmitting [the data in an automated way], but when they realized this result they stopped to see what had happened. It took 48 hours. When the transmission stopped, they went to manual and that is when they manipulated the numbers,” he said.

“1,996 votes were added and 150 votes were subtracted from me. And, the advantage that finally appears in favor of Justo Noguera is 1,740 votes. That is, if these ten acts were recorded correctly in the sum, we would resolve the



matter”, Velásquez explained. However, his claim was dismissed by the CNE, which took more than 48 hours after the closing of the process to proclaim Noguera Pietri the new governor of Bolívar.

As a sign of protest for all these irregular facts, the main parties of the MUD decided not to participate in the municipal elections of 10 December, which also took place and left in the hands of Chavismo 295 of the 335 of the country’s municipalities.

Another one of the glaring omissions on the part of the CNE has been its marked inaction in front of the denunciations made by violation to the norm during the electoral campaign. In the 2015 parliamentary elections, Transparencia Venezuela, through its DILO AQUÍ app, received 834 complaints for electoral irregularities, specifically for: (i) the use of twitter accounts and web pages of public entities to publish messages that promoted or supported the vote for a certain candidacy, (ii) the use of some public offices to favor a certain candidacy, and (iii) the dissemination of electoral propaganda outside the time established in the law.

In light of the complaints received at the end of 2015, Transparencia Venezuela submitted several letters before the Commission of Political Participation of the National Electoral Council (CNE) requesting an investigation and sanction for those responsible, not obtaining an answer.

Faced with the CNE’s omission, in January 2016, Transparencia Venezuela presented an action in respect of failure to act to the Electoral Chamber of the Supreme Tribunal of

Justice (SE-TSJ) requesting the TSJ to order the CNE to investigate the facts denounced.

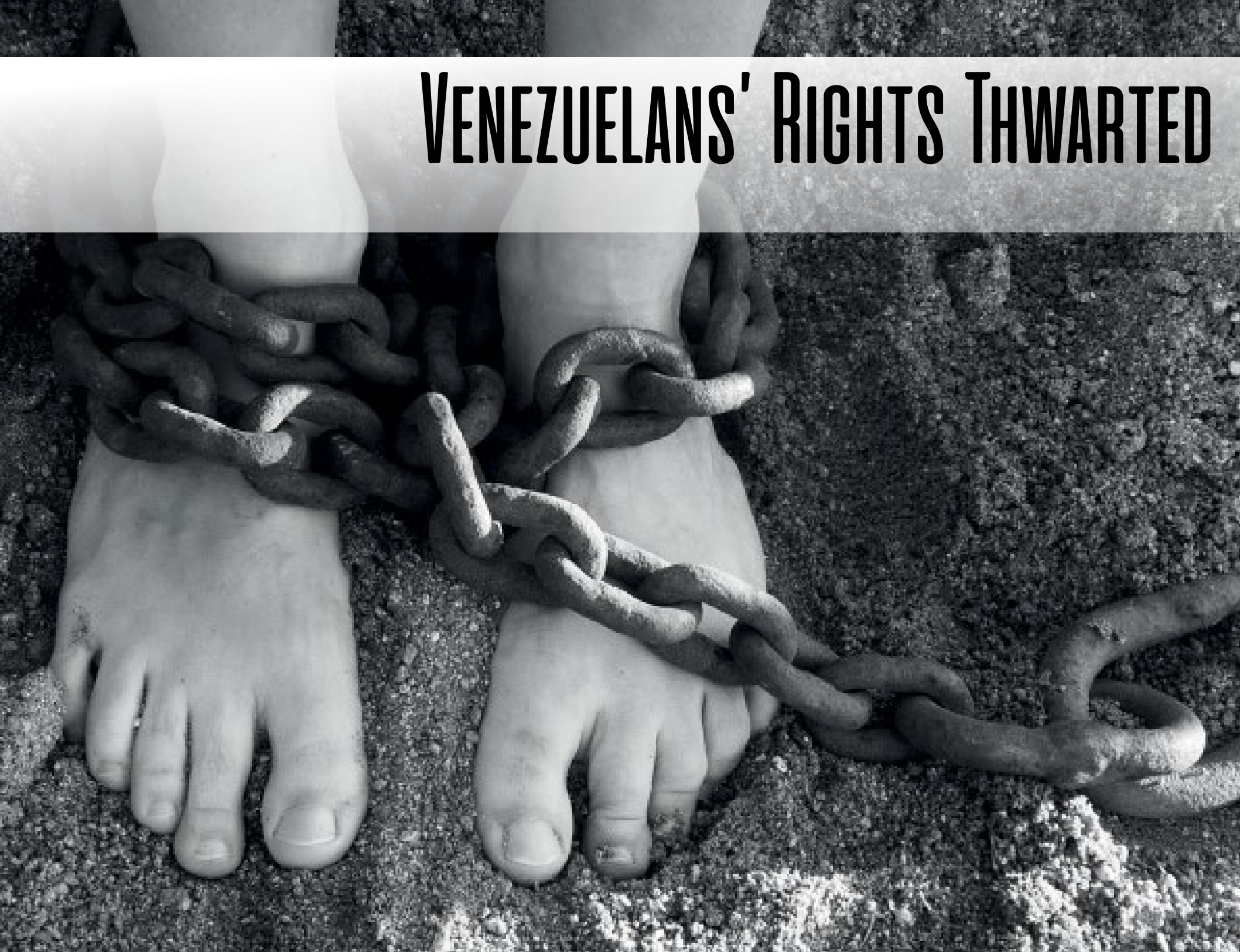
In 2017, only two of the appeals filed were admitted. However, the CNE did not answer the complaint, did not promote evidence, did not oppose the evidence promoted by Transparencia Venezuela and did not attend the oral hearing either.

In December 2017, two years after the filing of the lawsuits, the SE-TSJ decided to declare the lawsuits filed null and void. It is worth adding that history was repeated during the campaigns for the 2017 election of governors and mayors, highlighting the use of public resources and the use of positions to favor candidacies.

The electoral issue is central in the negotiating agenda developed by the Chavez regime and the opposition. The MUD not only demands the restructuring of the CNE Board of Directors, but also the necessary guarantees so that the will of the people can express themselves with freedom and be listened to fully.

Counting on the complicity of the leadership of the electoral body, the ruling party violated the Constitution and devalued the vote of substance, closing the electoral exit to the Venezuelan crisis and, consequently, pushing the country towards the abyss of violence. Having a clean and transparent electoral system is essential to advance in the construction of the democracy in Venezuela.

VENEZUELAN'S' RIGHTS THWARTED



CORRUPTION HAS CAUSED THE HUMANITARIAN CRISIS AND HUMAN RIGHTS VIOLATION



The right to health, food and housing are violated by corrupt practices and a total opacity of public governance, which prevents the social oversight. It vindicates discrimination and the absence of rights, which contributes to the institutional weakening of the Venezuelan State in terms of human rights.

Corruption in Venezuela, together with democratic weakness and the lack of independence of the branches of government, the absence of public policies and transparent mechanisms, opacity in public governance, cronyism in the appointment of officials, the criminalization of social

protest, and impunity, form a perfect breeding ground for human rights violation. This is evidenced through a review of two key variables for understanding the relationship between the two areas: guarantees and exercise of rights.

INSTITUTIONAL WEAKNESS IN MATTERS OF HUMAN RIGHTS

From the point of view of the guarantees the State is obliged to provide based on international human rights law, the nation faces a situation in which corruption has permeated public administration and the relevant institutions responsible for guaranteeing human rights, which implies and entails the absence of public policies and clear, independent and effective protection mechanisms.

Cases such as the Prosecutor General, the Ombudsman and the Supreme Court reflect the incompetence of the Venezuelan government to formally meet citizens' needs to claim their rights in case of violations.

The biggest concerns about the Supreme Court of Justice are based on its lack of independence with respect to the Executive Branch. This has been evidenced in situations such as the 51 judgments against the legislature after the parliamentary elections in December 2015¹, after the irregular appointment of the Supreme Court Justices and the violation of the appointment procedure established in Article 38 of the Organic Law of the Supreme Court of Justice². Furthermore, the appointed Justices are people with ties with the ruling party, PSUV, and actually held public offices in representation of the ruling party that voted them in³. To add insult to injury, 77 percent of the new Justices do not meet the requirements of that position⁴.

During the period 2004-2013 the Supreme Court favored the Executive Branch and the administration in general in 93 percent of the cases⁵. Some 102 judgments have been systematized, where the Supreme Court has: i) declared constitutional and lawful all requests for states of exception requested by the President and their extensions, ii) limited the parliamentary powers of the National Assembly, transferring them to the Executive Branch and to the Judiciary itself, iii) denied the right of access to public information, iv) endorsed the refusal to render account by government agencies, etc.

It should be noted that between 2014 and 2017, the Supreme Court has not even once ruled against the government for violating a constitutional right. For example, during 2015 none of the legal actions against the government, the Prosecutor General or the Ombudsman, were declared admissible by the Supreme Court⁶. This hinders or limits the exercise of the right to constitutional protection, access to justice and the respective reparations, enshrined in the Constitution as rights of victims of violations of human rights⁷.

In the case of the Ombudsman's Office, whose role is the promotion, defense and monitoring of rights and guarantees set forth in the Constitution and international treaties on human rights, in addition to the legitimate, collective interests of citizens (Art. 280 of the Constitution), the situation is of great concern and the Venezuelan human rights movement has evidenced and denounced how this institution has supported policies and statements that run counter to human rights and for its inaction in the face of the events of recent years,⁸ as reflected in the report "And who is defending you? Second Management Report of the Ombudsman's Office" prepared in August 2016 by five social organizations in the country.⁹

1 Suprema Injusticia. Ocho ONG denunciarán en la CIDH el control que el gobierno ejerce sobre la justicia. Available at: <https://goo.gl/etOcTM>

2 Published on Official Gazette No. 39.522 dated Oct. 1, 2010.

3 Final Report of the Special Committee to study the selection process of principal justices and alternates of the Supreme Court, National Assembly, March 3, 2016. Available at: <http://goo.gl/e8z11X>

4 Red Justicia (2016). Tort Record. Available at: <https://goo.gl/JZ93ub>

5 Canova A., Herrera L., Rodríguez R., Graterol G. (2014). El TSJ al servicio de la revolución. La toma, los números y los criterios del TSJ venezolano (2004-2013). Editorial Galipán: Venezuela.

6 Provea. Informe Anual sobre la Situación de Derechos Humanos en Venezuela. Capítulo Acceso a la Justicia. Available at: <https://goo.gl/fxsdI5>

7 Principios y directrices básicos sobre el derecho de las víctimas de violaciones manifiestas de las normas internacionales de derechos humanos y de violaciones graves del derecho internacional humanitario a interponer recursos y obtener reparaciones. Available at: <https://goo.gl/lmqmEL>

8 Lorena Meléndez. Organizaciones de DDHH exigen renuncia a Defensor del Pueblo por falta de independencia y apoyo fraudulento al TSJ. Available at: <https://goo.gl/Foocb3>

9 See report at: <https://goo.gl/aQq2qH>

At the international level, since 2014, the Accreditation Subcommittee of the International Coordinating Committee of National Human Rights Institutions, ICC, which is responsible for monitoring compliance with the Paris Principles that regulate the actions of Ombudsmen worldwide, warned of the presence of measures taken by Venezuela's Ombudsman, or their absence, in critical human rights situations in the country.¹⁰ For the Subcommittee, the seriousness of such actions and inactions have an impact on the real or perceived impartiality and independence of the Ombudsman's Office as an institution, and compromises the Ombudsman's capacity to fulfill its mandate of promotion and protection of human rights, in accordance with the Paris Principles.

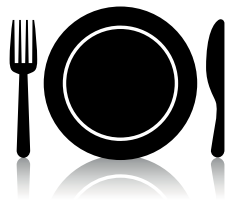
By May 2016, in its session period report, the Subcommittee concluded that the "Ombudsman is not prepared to speak forcefully and promote respect for human rights in response to reasonable allegations of serious human rights abuses committed by government authorities. That inaction demonstrates a lack of independence. Therefore, the Subcommittee believes that the Ombudsman's Office is not operating in full compliance with the Paris Principles." And in this connection, it recommends to degrade its current accreditation "A" status (member with speaking and voting rights) to accreditation "B" (observer member).

¹⁰ Report of the GANHRI Committee on Accreditation – May of 2016. Available at: <https://goo.gl/ETKbBx>

QUESTIONABLE ACCESS AND EXERCISE OF RIGHTS IN 2017

We have witnessed a continuation of the same practices of past years. These abuses limit and thwart universal access and enjoyment of human rights for citizens, including participation and social oversight on governance as fundamental principles of democracy, which are and necessary for enforcement and justiciability of rights, and even discrimination in access to goods and services.

In this sense, and based on the analysis of the situation of three social rights, we can see how the implementation of multiple corrupt practices, namely conflict of interest, diversion of public funds, embezzlement and abuse of power, among others, impinges directly and indirectly on rights and has led to a decrease in the quality of life of Venezuelans and consequently, a humanitarian crisis.



Food

Corruption, in its various forms, was commonplace in 2017 in the violation of the right to food. The centralization in access to food through the Local Committees for Supply and Production (CLAP), implies a violation of food security by not guaranteeing physical availability, universal access and without discrimination, use and stability of food, not to mention the questionable nutritional quality.

In early 2017 the President noted that “by the first anniversary of the Local Supply and Production Committees¹¹ on March 12, we should have achieved the goal of serving, assisting and providing food to six million homes in Venezuela, i.e. more than 24 million people.” However, based

on the monitoring of numerous complaints received by Transparencia Venezuela, we determined that discretion has permeated the CLAPs, based on the complaints about irregularities such as overpricing, late deliveries, political discretion and inconsistency in delivery patterns, among others.

In addition, CLAPs have become an instrument to impose social control and its various facets. A new order by President Nicolás Maduro stated that “governors assume the main task of supporting the Local Supply and Production Committees and delegate other responsibilities to the Secretary of Government”¹².

11 AVN. Clap se propone atender a seis millones de hogares en primer trimestre de 2017. Available at: <https://goo.gl/oErbPm>

12 El Universal. Edwin Rojas es el nuevo secretario general del gobierno de Sucre. Available at: <https://goo.gl/CT1L71>

And there is another discretionary component that violates human rights: the Carnet de la Patria ID card. The argument for its implementation is that it aims to improve the effectiveness of social programs in meeting the needs of Venezuelans. According to the president “All Venezuelans who want prosperity, happiness and peace must join the new *Carnet de la Patria system*.”¹³ This new instrument should be, in theory, a social protection mechanism under a principle of social justice and guaranteeing the rights of those most vulnerable. However, this ID card has become a system of exclusion for those most in need, who are nowhere near from reaching the prosperity announced by the president.

The purchase of CLAP food bags with the Carnet de la Patria ID card and the call to participate in the elections for the National Constituent Assembly¹⁴ has implied surveillance, monitoring and show of strength at all levels of government with respect to the population that access this welfare measure. In addition, it promotes discrimination in other social strata, e.g. when the head of the CLAP National Control Center, Freddy Bernal, assured that “the middle and upper middle classes have enough money to buy (products) in the regular market or to import them,”¹⁵ which represents a violation of the universal access to food and the social segmentation that this implies.

“The middle class and upper middle class have enough money to buy (products) in regular markets or to import them.” .

Freddy Bernal, Head of the CLAP National Control Center.

Food production is another variable in the complex problems of the food sector. In late 2016, the Minister of Industry and Commerce and vice president for the economic area, Carlos Faría, announced that “the government’s main concern in 2017 will continue to be primary food production and that they are working in expanding the measures taken in the last quarter of last year to guarantee these.”¹⁶ In contrast, in the first quarter of 2017, 4,264,605¹⁷ tons of food have reached the country at the nation’s ports, which shows that food production, far from increasing, has been

decreasing. In addition, the Economic Commission for Latin America and the Caribbean (ECLAC) estimates that “imports will decrease by 21.8 percent after declining 35.7 percent in 2016.”¹⁸

According to this, it should be noted that the budget allocated to the Food Mission from 2003 to 2016 was Bs.113,109,100,328 which is equivalent to US\$23,498,178,764, but this program has yet to provide a timely solution that enables access to food for the

13 AVN. Carnet de la Patria es un instrumento para mejorar misiones y grandes misiones. Available at: <https://goo.gl/PfRPBz>

14 El Nacional Web. Usarán el Carnet de la Patria para hacer el 1x10 en las elecciones. Available at: <https://goo.gl/aZS6W7>

15 Loreibis Caicedo. Freddy Bernal: CLAP son sólo para los más vulnerables. Available at: <https://goo.gl/dK3vYi>

16 Hinterlaces. Prioridades del gobierno en 2017 será la “producción nacional de alimentos”. Available at: <https://goo.gl/w2cxZ9>

17 Noticiero Venevisión. Mas de 4 millones de toneladas en insumos arribaron en el primer trimestre de 2017. Available at: <https://goo.gl/OkvaeF>

18 El Cambur.com. CEPAL estima que importaciones venezolanas caerán 21,8% al cierre del año. Available at: <https://goo.gl/j9mRwb>

population and lays the foundations for food security and sovereignty. In 2017, Bs.4,182,559,418,385 were allocated, which includes additional appropriations and food distribution companies.

As part of the government's interest in stimulating food production, it has encouraged the presence of Chinese companies in Venezuela through the China-Venezuela High Level Joint Commission, which aims to "help Venezuela to safeguard their food security,"¹⁹ through the training of human talent, financing, technology transfers and strengthening different agro-industrial areas. Meanwhile, the Venezuelan Chamber of Dairy Industries, Cavilac, announced that all affiliated companies are working at only 50 percent of their capacity.²⁰ The productive sector received no support. Mechanisms to encourage production and marketing of food failed, as well as surveillance at different stages of the marketing chain. No caution and no transparency in giving loans to the agricultural sector, and many other variables led to the current food shortages.

A very concrete example of how the guarantee and exercise of rights are linked to corruption through inefficiency of strategies implemented by the government is the problems of food and nutrition that have emerged among the population. A clear example is in a study conducted by the regional coordination of Transparencia Venezuela in Zulia state, which reports that the decline in food production has permeated different sectors and education is no exception. At the Manuel Ángel Puchi Fonseca School, located on the main avenue of Integración Comunal de Maracaibo, the staff is still waiting, since March 16, for the food that the School Food Program of Zulia State (PAEZ) should have delivered.

Thirty-six sixth-grade children were instructed to write a news story. Seven of them decided to interview and gather testimonies from teachers, principals, cooks in their cafeterias and younger classmates, in order to substantiate their writings, on the fact that their school has not received food since March 16. "Sometimes we get it, sometimes we don't," the assistant principal of the primary school told the young reporters. He also explained that this program "is a benefit they receive from the government of Zulia state under the Arias Cárdenas administration." One of the seventh-graders interviewed by the reporters told them that low-income people are most affected because of their needs. A small fifth-grade student confessed that she is very hungry and cannot concentrate on her activities.

The children did not stop in their search for sources, and one teacher told them about the irreparable effects of this fact that the children decided to report: "This situation reduces school enrollment rates and academic performance. Children without food go hungry." At the end of their research, they had to write the news report. It was time for recess. In the sixth grade classroom, a few, maybe 15 percent of the class stepped outside to have breakfast. They leave their classroom because those who stay inside do not have anything to eat.

However, there are many other examples and studies that reflect the critical situation of food shortage across the nation:

19 El Siglo. China ayudará a Venezuela con la producción de alimentos. Available at: <https://goo.gl/eQB3E9>

20 El Nacional web. Industrias lácteas en Venezuela trabajan a 50% de su capacidad. Available at: <https://goo.gl/mnSwq6>

- In the community of Ciudad Varyná, El Samán sector in Barinas, some 320 families live in vulnerable conditions and dwellers complain about the delay in delivery, having to wait for more than 15 days. (Transparencia Venezuela, regional coordination of Barinas, January 16, 2017)
 - In Mérida, in the Spinetti Dini Parish of the Libertador municipality, as part of the CLAP logistics, the community was informed that the boxes would be sold for Bs.10,200, which had to be paid in cash, plus Bs.200 for transportation. The boxes contained 23 products. Interestingly, the cornmeal, Maseca, is made in Mexico. The other products are from Colombia and the tuna, canned in Venezuela, is actually from Ecuador. Because they were imported, they were obviously paid with dollars. Accordingly, the following analysis can be made: the cost in dollars is \$47.63, which can be converted at the Dipro (Bs.475.06), Simadi (Bs.32,763.45) or Spot market rate, with reference to the exchange market in Cúcuta (Bs.158,236.88). The cost is calculated in local currency, based on the representative market rate for each currency and then the conversion of unit prices is made and then added up. (Transparencia Venezuela, Mérida regional coordination, February 8, 2017)
 - Residents of La Concordia sector, in the city of Barquisimeto, denounced that CLAP discriminates against them. For several months the food bags were not distributed in the sector. According to one of the members of the communal council, this was because most of the residents were involved in collecting signatures for the presidential recall referendum. Therefore, as a punishment, they stopped sending food. (Transparencia Venezuela, Lara regional coordination, April 11, 2017)
 - Malnutrition rates are increasing and 54 percent of children have some level of nutritional deficiency. Acute/moderate malnutrition affects 8 percent of children under 5, and severe malnutrition is at 3 percent. (Caritas International, El Nacional, August 28, 2017)
 - At least 62 percent of the people in Caracas know someone who has had to eat from the garbage due to the food crisis in the nation. (Varianzas Survey, El Pitazo, September 26, 2017)
 - Fifteen out of every hundred children in Venezuela suffer from acute malnutrition. Four out of 10 children must beg in order to eat. (Cáritas de Venezuela, El Impulso, September 28, 2017)
 - At least eight inmates have died from malnutrition so far this year in Venezuelan prisons, due to the food crisis. (Carlos Nieto Palma in El Impulso, October 3, 2017)
 - There are three million children in Venezuela without access to the School Food Program. Some \$85 million authorized by Cencoex for 18 companies to import food and medicines were “lost.” (Councilman Yosmar González , El Diario de los Andes, October 5, 2017)
- These scenarios exacerbate the already delicate situation of the food sector, while the government devises various strategies to try to minimize the crisis: the creation of the maternal CLAP, food distribution trucks to serve the School Food Program at municipal level, Plan Conejo (rabbit plan) and reinvigoration of the Food Houses under three guidelines:

- Food houses
- Food supplements
- Subsidies with the delivery of the CLAP combo

Far from guaranteeing

the right to food with a human rights approach, CLAP is a shortsighted, makeshift measure.

Far from guaranteeing the right to food with a human rights approach, CLAP is a shortsighted, makeshift measure. A culture of food security and nutrition planning should be promoted, taking into account agricultural production, land use, cultural and social traditions that lead to food security and sovereignty.



Another example of how corruption erodes food security and has become one of the most pressing issues in food strategies and policies implemented in the nation, is the diversion of public funds earmarked for social spending, directly or indirectly, preventing the full realization of the right to food. The upshot is inflation and a steady increase of the monthly cost of food in the course of this year. By August 2017, it stood at 33.7 percent and by September, at 40 percent,²¹ which has hindered the ability of Venezuelans to purchase staple foods, as shown in the table below:

**Evolution of Monthly Cost of Basic Food
vs.
Minimum Wage**

MONTH	MONTHLY COST OF BASIC FOOD, BS	MINIMUM WAGE, BS.
January	40,638.15	40,638.15
February	40,638.15	40,638.15
March	40,638.15	40,638.15
April	40,638.15	40,638.15
May	65,021.04	65,021.04
June	65,021.04	65,021.04
July	97,531.56	97,531.56
August	97,531.56	97,531.56
September	136,544.18	136,544.18

Source: Center for Documentation and Social Analysis of the Venezuelan Teachers Federation (Cendas-FVM) 2017

In addition, the critical state of malnutrition of the population is alarming, especially in infants. In this regard, Caritas Venezuela, through monitoring of malnutrition in children between 0 and 5 years of age conducted in Zulia, Miranda and the Capital District, reported in April-August 2017²² some relevant indicators:

- The total number of children with some type of nutritional deficit increased to almost 70 percent of the sample, but the sharpest increase was in moderate and severe malnutrition.
- The increase in acute malnutrition rate triples the increase in previous periods, which suggests that major aggravating factors were present.
- Food inflation in Venezuela has been the highest in the last 20 years, affecting even the food sales program through the CLAPs. Access to food increased in the period, but given their high cost, families are purchasing them collectively, which suggests that their supply is not sufficient to meet household demand.

²¹ Venezuela's National Assembly

²² Caritas de Venezuela (2017). Monitoreo de la Situación nutricional en niños menores de 5 años. Available at: <https://goo.gl/Xxwt9z>



Health

The violation of the right to health has been worsening in recent years, impacting the different standards of this human right, suggesting that corruption is one of the causes of the backwardness on this issue, to the detriment of the quality of life of Venezuelans.

Our first impression is that the health sector, as well as the other social sectors, was characterized in 2017 by the opacity in the access to public information. The national budget and annual report of the Ministry of People's Power for Health, MPPPS, are matters of strict secrecy. Based on the President's announcement on the increase of investment in health for 2017 of 1,026 percent,²³ Transparencia Venezuela got a hold, through an official request, of the national budget and prepared the 2017 budget report,²⁴ which includes important aspects such as the investment earmarked for the purchase of supplies, medicines and conditioning of hospitals, at Bs.39,811 million; that is, 399.1 percent less compared to the 2017 budget for internal security and public order which is Bs.158,893 million.

The hospital crisis is one of the aspects of the complex public health problem. On January 15, the President in his annual statement to the nation said that "through investment, boosting national production and work with international organizations, we expect to strengthen the supply of medicines and hospital service of the nation during 2017."²⁵ Despite this, the precarious state of the hospital system has worsened even more.

A brief diagnosis made by Transparencia Venezuela to health centers in different regions of the nation shows the following:

Hospital Clínico Universitario, Caracas:

The HCU budget with additional appropriations for the year 2016 was Bs.15,085,314,832 and still there was a constant shortage of supplies, equipment and food, insecurity, inadequate sanitary conditions, insufficient, poorly paid medical and technical staff, among other issues.

La Guajira Binational Hospital, Bolivarian Indigenist Municipality of Guajira, Zulia:

Irregular drinking water supply, power cuts and the hospital does not have a power generator. In terms of infrastructure, it is in permanent renovation, so most of its areas are closed.

23 Telearagua. Abastecimiento de medicamentos y atención de hospitales serán prioridades durante 2017. Available at: <https://goo.gl/7ejsGS>

24 Transparencia Venezuela. Análisis del presupuesto nacional 2017. Available at: <https://goo.gl/pebUJb>

25 AVN. Inversión y mayor producción reforzarán abastecimiento de medicamentos y atención de hospitales. Available at: <https://goo.gl/T6uDqs>

There are no adequate conditions for access for people with motor disabilities. Total closure of operating rooms. There are only two wheelchairs available. The number of beds available are less than a dozen. In 2012, after a visit from the then Vice President of PSUV in Zulia and candidate for governor, Francisco Arias Cárdenas, and the then Minister of Health, Eugenia Sader, a Bs.27-million investment was pledged for the modernization and supplies for the hospital. The investment was never made. In December 2014, with the presence of Elías Jaua, Minister of Communes and coordinator of the presidential commission appointed to address the problems in the Guajira region, the national government again promised to help the binational hospital, with a Bs.284-million investment, which is yet to be fully executed.

Instituto Autónomo Hospital Universitario de Los Andes, IAHULA, Mérida:

It was equipped with high-tech equipment: a Toshiba axial tomograph, with a cost in the excess of \$2 million; monitors and ventilators (for the Intensive Care Unit), x-ray machine. These devices are not operating due to lack of maintenance or lack of parts that need to be replaced. The large investment made did not translate into improvements in sustained patient care over time, as the equipment stopped working and now the shortages affect even basic supplies.

Uyapar Hospital, Puerto Ordaz:

There are no supplies for surgeries, beds to care for patients especially in the ICU, reagents to process samples in the laboratory, medical-surgical material such as catheters, cotton, alcohol, antibiotics, endotracheal tubes, spinal needles, epidural needles and cannulas. Several thefts and robberies have been reported in this hospital.

Dr. Raúl Leoni Hospital, San Felix:

It has 360 beds, which is not enough for the number of users. The staff works with many difficulties since the demand is infinitely larger than their capacities. Twenty doctors are required on average and currently there are only three. Of the 9 operating rooms in the hospital, only four are active. The x-ray machine does not work and other special equipment and incubators are damaged.

Venezuelan Social Security Institute, IVSS - Dr. Renato Valera Aguirre Medical Center, Puerto Ordaz:

It cannot offer all specialties due to lack of doctors. There are no antibiotics, analgesics, antispasmodics, reagents for special tests, nebulization medications, or x-rays. Patients are generally people from nearby communities sometimes. Water and power supply often fail. Medical consultations are only from 7:00 a.m. The hospital barely operates in the afternoons, only some emergencies, and after 1:00 p.m. there are only appointments for the preparation of medical charts.

Dr. Luis Razetti Hospital, Barinas:

Every month, an average 3,500 people are treated. The number varies according to the season. At present, the food problem persists. The burn unit is not operating according to infrastructure and service standards.

These cases prove that the health emergency in Venezuela is complex and multifaceted. The resurgence of vector diseases (pathogen-transmitting agents) was commonplace this year, probably due to the neglect of vital sectors such as health education, environmental sanitation and prevention policies. Examples include diseases such as malaria, chikungunya, and diphtheria, among others. In the case of malaria, the Epidemiology Network warns that “it has been totally out of control” for four or five years, and in the case of measles, whose last major epidemic was recorded in 1994, 38 confirmed cases have been recorded in several municipalities of Bolívar²⁶ since July this year until September 19. In face of the outbreak of diseases, health authorities published in May an epidemiological report, which “acknowledges 324 cases of diphtheria and 240,613 of malaria during 2016.”²⁷ This bulletin is not regularly published, and from November 1, 2014²⁸ to February 2015 the official information was not available on the Health Ministry’s website.

Similarly, the government implemented the National Surgical Plan, registering people who need to have surgery through the Somos Venezuela Movement. By June, 23,036 surgeries were performed and 69,438 patients were awaiting surgeries. Only in the Capital District it had registered 14,630 cases. “Of the 14,630 cases, 8,100 patients have already undergone preoperative examinations and 2,320 have undergone surgery.”²⁹ This measure ensures to a certain extent the right of the most vulnerable to receive health care, as well as the obligation of the government to guarantee a certain level of public health with the community in general. However, irregularities have resulted in malpractice, as happened in the José Ignacio Baldó and Magallanes de Catia hospitals, where three cases of wrong surgical procedures were reported.³⁰

In other health centers such as the Instituto Autónomo Hospital Universitario de Los Andes, IAHULA, there were also cases of medical malpractice by “integral community doctors”. An investigation carried out by the Human Rights Observatory of Universidad de Los Andes and Transparencia Venezuela, Mérida regional coordination, resulted in the report on the tragedy of being a patient of this hospital,³¹ in which three children died between June 12 and 21 due to alleged medical malpractice, lack of treatment, or the combination of both.

26 El Nacional. Repunte de enfermedades en Venezuela desnuda debilitado sistema sanitario. Available at: <https://goo.gl/53Z2sU>

27 Idem.

28 Transparencia Venezuela: El silente Boletín Epidemiológico Semanal. Available at: <https://goo.gl/eGL4zH>

29 Magdalena Valdéz. Plan Quirúrgico Nacional estima intervenir 100 mil personas este 15-J. Available at: <https://goo.gl/qYGeb7>

30 El Nacional. Plan Quirúrgico Nacional dejó 3 pacientes mal operadas en Caracas. Available at: <https://goo.gl/CSgspp>

31 Transparencia Venezuela. Por presunta mala praxis o falta de suministro de tratamiento en junio pasado murieron tres niños en el Hospital Universitario de Mérida. Available at: <https://goo.gl/xxnSFJ>

In addition, the budget required by the IAHULA for 2016 was Bs.1.6 billion, yet it received only 3 percent, i.e. Bs.48 million. By 2017, there was no official information available on the budget allocated to the institution, but authorities indicate that Bs.6.0 billion are required for proper operation. If only 3 percent of the budget requested by the hospital is allocated for 2017, it would receive Bs.180 million.³²

The Carnet de la Patria ID card is used to purchase food, but also to receive health care. A testimony gathered by the regional coordination of Transparencia Venezuela in the state of Barinas, tells the gloomy story of a grandmother trying to save the life of her newborn granddaughter. She had to find a medicine that was only available at Comprehensive Diagnostics Centers (CDIs), in the Health Directorate or at the IVSS. “You can imagine my surprise when I went to request it, and the first thing I had to do was show my Carnet de la Patria, which, based on my principles as a Venezuelan, I refuse to get.”³³ Thus, the government is not complying with the obligation to respect, protect, fulfill without discrimination the right to health as established by the United Nations Committee on Economic, Social and Cultural Rights.³⁴

Another goal in the issue of health for this year was the integration of the hospital system with the Barrio Adentro Mission and declaring Venezuela as 100 percent Barrio Adentro territory. To this end, the Mission had a budget for 2017 of Bs.57,390,339,205, or \$5,739,033,921 and “since its inception, in 2003, it has received \$17.95 billion from Petroleos de Venezuela, through budgets, additional

appropriations and state-managed funds.”³⁶ This figure that does not match the reality observed across the country: most of the health care modules are closed, shortage of medicines prevails in those that remain open. There is insufficient provision of equipment and supplies, there are no management indicators and Venezuelan professionals are excluded.

At present, millions of Venezuelans are victims of the great centers of corruption and diversion of funds, which rather than being invested in social projects are used in other activities. Many health care centers are currently inoperative and others, in conditions not suitable for operation. Such is the case of some centers visited by Transparencia Venezuela:³⁷

- Integral Diagnostic Center (CDI) Camilo Restrepo, Mérida. It has no medications, antibiotics or analgesics.
- Barrio Adentro module El Ditirambo, Caracas. Closed.
- “Las Heroínas de Mérida” High Technology Diagnosis Medical Center. The bone densitometry equipment does not work. MRI appointments will be made in December to be performed in January 2017. There are no reagents for laboratory tests (TSH-T4).
- CDI Camilo Restrepo, Mérida. There is a shortage of medicines such as folic acid, paracetamol and metronidazole. In addition, the center is in unhealthy conditions since the waste builds up in the lower part of the facilities.

32 Ídem.

33 Transparencia Venezuela. Niegan medicina a infante porque su abuela no tiene Carnet de la Patria. Available at: <https://goo.gl/TSCpjh>

34 United Nations Committee on Economic, Social and Cultural Rights (2000). General Comment No. 14 of the International Covenant on Economic, Social and Cultural Rights. Available at: <https://goo.gl/6jxo4W>

35 AVN. Venezuela plantea consolidar en abril Barrio Adentro 100% en todo el territorio. Available at: <https://goo.gl/sTcEpW>

36 Transparencia Venezuela. Barrio Adentro, el retroceso de una misión bandera. Available at: <https://goo.gl/4jgT1b>

37 Ídem.

- CDI Castillito, Puerto Ordaz. It was an old module of the Public Health Institute in Bolívar and was renovated into a primary health care module. Currently, it does not offer medical consultations or examinations of any kind. The x-ray equipment has been broken for months.



Housing

We have witnessed a continuation of the State policy of delivering houses within the framework of the Gran Misión Vivienda Venezuela, GMVV housing program. According to official propaganda, on January 19, 2017, the government will have delivered 1,400,000 houses,³⁸ in Ciudad Bicentennial in Santa Teresa del Tuy.

The figure is based on government statements: “The Housing Mission builds a house every three minutes, at a rate of 20 per hour and 175,000 units built each year.”³⁹

On January 14, 2018, President Maduro said in his statement to the Constituent Assembly, that the GMVV had delivered 1,932,869 homes. This means that in 2017, according to the President, 532,869 were delivered. There is not a single piece of evidence of construction in any part of the country.

Based on monitoring by Transparencia Venezuela on the official broadcasts by the government on the delivery of houses, we have the following:

They do not have medicines like antihistamines, antibiotics, and pediatric medicines. The medicines they provide are from Cuba and other countries.

- January 2, 2017, house No. 1,300,000, Ciudad Caribia Housing Development, Vargas.
- January 19, 2017, house No. 1,400,000, Ciudad Bicentennial, Santa Teresa del Tuy municipality, Miranda state.
- February 23, 2017, house No. 1,500,000, Ciudad Bicentenario, Valles del Tuy, Miranda.
- April 30, 2017, house No. 1,600,000, La Ahuyama housing development, Maneiro municipality of Nueva Esparta state.
- July 28, 2017, house No. 1,700,000, Ciudad Tiuna, Caracas.
- October 13, 2017, house No. 1,800,000, Gigante Hugo Chávez Housing Development, Heres municipality, Bolívar state.
- December 9, 2017, house No. 1,900,000, Los Cedros Urbanization, Araure municipality, Portuguesa state.

38 Telesur. Presidente de Venezuela entrega la vivienda un millón 400 mil. Available at: <https://goo.gl/VLro6G>

39 Special Broadcast. Nicolás Maduro, April 19, 2015.

The housing projects delivered have been characterized by discretionality, corruption and lack of planning, which have prevented citizens from having access to a GMVV housing unit. In addition, it is difficult to verify achievement of the goals, as a result of opacity in the policy, divergence and inconsistency in the figures disclosed by different agencies involved, inflation, economic crisis and relative population of the region.

There are many variables involved in this complex social program that has used funds in the excess of \$67 billion. One of them, which has drawn most attention, is infrastructure. In 2015, the then Minister for Housing and Habitat, Ricardo Molina, denied the existence of infrastructure failures in the urban design of the GMVV units and, in addition, he ensured that the materials used were of high quality.⁴⁰

However, there are numerous projects with construction failures. The most emblematic is in the Argelia Laya housing development, located in the Paulo VI sector of Petare, in Miranda state. On October 14, 2013, one of the buildings in this urban complex, No. 5 on Terrace 10, was demolished due to collapse risk. Neither the technical studies, nor the reinforcement of the foundations with construction materials, were sufficient to avoid the consequences of having been built on top of a geological fault. After five years, that complex still has deficiencies. Residents of the sector argue that since the project was built and inhabited, the walls cracked and the ground where their structures were erected started to cave.⁴¹

Deficiencies in housing construction have become a common feature of this social program. Different projects visited by Transparencia Venezuela in different areas of the country are a proof thereof.⁴²

- Quebrada Honda A and Quebrada Honda B. Bellas Artes, Caracas. Seepage on walls.
- El Gigante de la Patria. Bellas Artes, Caracas. Absence of direct gas pipes and inoperative trash chutes because they are too narrow.
- OPP 12. Av. Bolívar, Caracas. Leaking roof.
- Villa Brasil, stage 1 and 2. Ciudad Bolívar, Bolívar state. Problems with electrical wiring and infrastructure.
- Brisas del Alba, Mérida. Construction in risk area: Albarregas River basin. Construction risk according to Presidential Decree No. 194 of 07/03/1979.
- City Tavacare, Barinas. Geological fault, irregularity detected in sector A of the Ciudad Tavacare urban development, which required a piling work that was not performed.
- Estrellas Revolucionarias de La Rinconada, Caracas. Towers that were built in inadequate areas such as hills. In an urban complex in Caracas, the anchored wall was not finished, so the towers are unsupported.
- Tanaguarenas urban complex, Vargas. Infrastructure failure.
- Che Guevara Commune, Lara. There are no feasibility studies for water, power or road impact.

40 Cámara Inmobiliaria de Venezuela. Ministro Molina negó fallas de infraestructura en casas de la Misión Vivienda Venezuela. Disponible en: <https://goo.gl/ed3fTW>

41 Transparencia Venezuela. La Gran Misión Vivienda Venezuela: entre el riesgo y la corrupción. Disponible en: <https://goo.gl/f7yxUj>

42 Ídem

Similarly, there has been a delay in the delivery of housing units. Many urban complexes have been built and thus benefited vulnerable groups, which has prevented citizens from having access to housing. Such is the case of Ciudad Fabricio Ojeda, CFO, in Maracaibo, an urban complex diagnosed by Transparencia Venezuela, regional coordination of Zulia, and which constitutes the largest housing development of the GMVV in Zulia. The social program, however, has not solved the housing problem or the social debt with those affected in the east coast of Lake Maracaibo.



Gran Misión Vivienda Venezuela does not meet the requirements to ensure human rights of the residents of these homes.

This construction began in 2008, before the creation of the GMVV. The CFO is running one decade behind schedule and the construction of the buildings that complete the first phase is halted. The construction of the project is one of the deliverables of the Venezuela-Iran Binational Agreement, which cost, in principle, \$74,108,945.72 and PDVSA was entrusted with solving the housing problem of the oil producing sector of Lagunillas caused by the subsidence of the east coast of the lake. By 2017 it was still at a standstill.

The GMVV does not meet the requirements to ensure the human rights of the residents of these houses. It was determined that no previous studies were conducted on the risk and feasibility of the land, access to utilities and infrastructure and the cultural adaptation of the residents to the new dwellings is not guaranteed. As for home ownership, these are all assigned in such a way, that no legal security is provided to their tenants.

The violation of the right to housing is linked to a large extent, among other factors, to corruption. Funds allocated to a social housing program may be affected, for example, by bribery in the selection of contractors. In addition, the plans, execution and maintenance of works, contracts and tenders are unknown, which prevents monitoring and oversight as a social program. There is no record of assigned homes, beneficiaries, selection criteria, or monitoring and impact assessment, in order to establish social indicators and make projection analyses.

SOME FINAL THOUGHTS

In 2017 corruption affected the exercise of rights, promoted and worsened an unequal distribution of benefits, and excluded those who are still in vulnerable situations. This situation is evidenced by the humanitarian emergency and the implementation of discretionary measures. In practice, millions of Venezuelans today are victims of the great centers of corruption, diversion of funds that are not being invested in social projects but end up in corrupt groups or outside activities.

Situations like these regarding the right to health, food and housing, show how the implementation of corrupt practices, including diversion of public funds, discriminatory policies or fraudulent tenders for selecting contractors, and total opacity of governance, prevents social oversight. These imply serious violations to the exercise of citizens' rights and contribute to the institutional weakening of the State in this matter. These are aggravated by the impossibility of accessing effective remedies for claiming these rights before protection agencies that are clearly at the service of the government.



OPACIDAD

LA REGLA IMPUESTA DESDE EL ALTO GOBIERNO

OPACITY

A GOVERNMENT-IMPOSED RULE

In Venezuela, disclosure of information is the exception while opacity and government silence is the rule. The permanent refusal of the administration to respond to any type of information request is business as usual, and it is actually encouraged not only by legal instruments that impinge on or limit the right of access to public information¹, but has also been endorsed by the Supreme Court of Justice (TSJ), which has ruled against 99% of the redress cases that were filed in matters of access to basic information such as health, inflation, imports of medicines or salaries of civil servants.

During 2017 there has been a worrying increase in opacity levels in the various government agencies and entities, especially the National Executive Branch, with the complicity of entities such as the Supreme Court and the Comptroller General (CGR). The management reports of agencies and entities of the Executive Branch were not disclosed, there are no annual reports of the ministries for the year 2016 and the Budget Law for the year 2017 is not available despite being supposedly published in the Official Gazette of the Bolivarian Republic of Venezuela.

At the same time, there has been an increasing lack of interest by public officials in responding to requests for information from citizens. Until August 2017, Transparencia Venezuela filed 130 requests for information with various government agencies and entities (at national, state and municipal level), and a total of 14 were answered, that is, only 11% of the requests.

¹ According to a study conducted by Transparencia Venezuela, between 1999-2014, out a total of 475 legal instruments enacted, 60 impinge on or limit access to public information (see: <https://transparencia.org.ve/es-legal-pero-injusto/>). As of 2017, Venezuela does not have a law on access to information, the only Latin American country without such legislation.

EXECUTIVE BRANCH

2017 has been one of the most opaque years for the various agencies and entities in the National Executive Branch. In addition to the failure to disclose the 2017 budget and the 2016 annual reports, many websites had availability problems, hindering not only access to information, but also the processing of various administrative procedures, and hampering governance monitoring.

Below is a list with outdated, unavailable data for the year 2017:



Ministries

Based on a review of 32 ministries, we observed the following information disclosure issues:

- They disclose only 14 types of information, out of the 30 types required in national legislation and the Inter-American Model Law on Access to Public Information (location of the Ministry, profile of the Minister, organizational chart, identity of top officials, mission, vision, strategic plan, operational plan, execution of strategic plans, annual reports, quarterly budget execution, laws, binding interpretations, manuals, services rendered, requirements for procedures, status of procedures, procedures for complaints, Citizen Services Offices, procurement procedures, contract awards, assignment of social responsibility commitments, open calls for applications, wages and salaries, affidavit of assets, affidavit of interests, report of activities, list of gratuities and donations).
- Four ministries do not have active websites, including the Ministry of People's Power for Health, so citizens cannot access any of their services.
- None of the 32 Ministries discloses how they spend their budgets, which impedes citizen oversight of public administration.
- In terms of public contracts, 68% of ministries fail to disclose calls for tenders.
- All Ministries fail to comply with the legal duty to dis-

close contract awards and Social Responsibility assignment.

- 82% of ministries do not disclose the procedure for citizens to make inquiries, file complaints at their entities.
- Only 5 of the 32 ministries have a special format for filing complaints.
- Information on top officials is not available in 79% of ministries.
- 75% of ministries do not disclose the profile of the incumbent Minister, or the term for which he or she is in office.
- Of the 32, only the Ministry for Indigenous Peoples has disclosed its Annual Report for 2016 on its official website, following its submittal to the Supreme Court.
- The legal framework for the matter under their jurisdiction is not disclosed in 57% of the ministries.
- Only one of the 32 Ministries (Electric Power) has posted the Strategic Institutional Plan on its website.
- Only the Ministry of Tourism has published an institutional procedure manual.

Economic Indicators

Regarding the economy, there has been not only a decrease of available information, but also some official figures are inconsistent or incomplete. The Central Bank of Venezuela (BCV) stopped publishing in 2015 the figures of key macroeconomic variables, such as:

- Consumer Price Index (IV-2015). This indicator allows measuring the price variation of basic monthly costs of goods and services and inflation.
- Gross Domestic Product (IV-2015).
- Balance of Payments (III-2015).
- PDVSA contributions to the Nation (III-2015), among others.

Health Indicators

On the issue of health, there is a great lack of information being disclosed by the national government, which is vital for monitoring policies and programs implemented by the State.

The most relevant data and documents that are not regularly disclosed by the Ministry of People's Power for Health include:

- Epidemiological Bulletin.
This bulletin, which must be issued on a weekly basis, has not been published since July 2015, and it was not until May 2017 that the data for the period August 2015 to December 2016 were published, after one full year without any official health figures.

- Mortality Yearbook. The last yearbook published dates back from 2013. This document reports the main causes of death from noncommunicable diseases in Venezuela.
- Vital statistics. The statistics available on the website of the National Statistics Institute are for the year 2012.
- Maternal and infant mortality rate. Epidemiological bulletin No. 52 indicates only the total number of maternal and infant deaths during the year 2016. The website <http://venezuelasocialista.avn.info.ve/> has published infant mortality rates in children under 5 years of age up to the year 2010. There are no official figures for the year 2017.
- Hospital indicators (outpatient care, hospitalization, number of beds per 100,000 inhabitants, number of doctors per 100,000 inhabitants). The latest available information is in the 2015 annual report.
- Child malnutrition percentage. The latest information available is for the year 2011 and was published by the National Statistics Institute.²

Social Indicators

With regard to social indicators, we have observed that the Venezuelan government has disclosed figures that are inconsistent with the data handled by various civil society organizations, which raises doubts.

Also noteworthy is that in recent years the government has used indicators that are not comparable with those of other countries in the region and do not measure or reflect the current crisis in Venezuela. An example of this is the hoarding index used by the BCV, which came to replace the shortage index. This hoarding index aims to measure the “perception of hoarding” and it was the mechanism used by the government to stop showing the deteriorating access of the population to food, medicines and other basic needs of Venezuelans.

The social indicators questioned by experts and civil society organizations include the poverty index. According to data published by the vice-presidency of the Republic on the website <http://venezuelasocialista.avn.info.ve/>, only 18.30% of households are in general poverty, while the figures of the National Survey on Living Conditions 2016³ show that 81.83% of Venezuelan households are poor.

² See: http://www.ine.gov.ve/documentos/Social/Salud/pdf/Indicadores_Basicos_Salud.pdf

³ <http://www.fundacionbengoa.org/noticias/2017/images/ENCOVI-2016-Pobreza.pdf>

Similarly, there are social indicators that are vital to assess the situation and context that have not been updated by the government. These indicators include:

- Gini Index, which assesses social inequality. The latest available data are for December 2015.⁴
- Human development index. The latest data disclosed on official websites are for the years 2013 and 2014.⁵

Environmental Indicators

The environmental issue has the least information available. A review of the website of the National Statistics Institute shows that the latest information available dates back to 2009, 2010 and 2011, while the website <http://venezuelasocialista.avn.info.ve/> does not report the publication of any information related to the environmental sector.

The impact and the consequences on the environment of the Orinoco Mining Arc (AMO) project are unknown. Similarly, citizens do not have access to updated information on the following issues:

- Deforested area
- CO² emissions
- Percentage of water suitable for human consumption
- Average annual concentration of suspended particulate (PM10) in the air, which allows measuring atmospheric pollution
- Beaches suitable and not suitable for human use
- Solid waste and residues collected

⁴ <http://www.fundacionbengoa.org/noticias/2017/images/ENCOVI-2016-Pobreza.pdf>

⁵ See: <http://venezuelasocialista.avn.info.ve/>

and <http://venezuelasocialista.avn.info.ve/> y http://www.ine.gov.ve/documentos/Social/IndicedeDesarrolloHumano/pdf/Desarrollo_Humano.pdf

- Surface area affected by fires
- Fossil fuel consumption of vehicles

Educational Indicators

The Ministries of People's Power for Education and University Education, Science and Technology do not have updated information or disclose the following information:

- Continuation, repetition and dropout rates
- Net schooling rate
- Completion rate

The latest data available are for 2015. Noteworthy is that these indicators reflect the behavior of the Venezuelan educational system and evaluate the possible measures and policies that can be implemented to guarantee the right to education of children and young people. They also aim to determine the possible causes of these indicators.

National Contractor Registry

The National Contractor Registry (RNC) reduced since August 2017 the amount of information it published about companies contracting with the government. On the RNC website, where data of each entity contracting with the government were detailed in 29 items, now there are only five, namely: 1. Whether or not it is qualified to contract with the government, 2. Name, 3. Tax Registration Number, 4. Whether it is an entity or an individual, and 5. Years of experience in the activity or service it provides.

NATIONAL ASSEMBLY (NA) MUST ALSO IMPROVE TRANSPARENCY

Based on a review of the website <http://www.asambleanacional.gov.ve>, we observed that the National Parliament has not published the following information:

- Affidavit of assets and interests of each Member
- Use of budget and the amounts allocated for salaries of parliamentarians, per diems, travel records, and any counseling they receive

It should be noted that the Constitutional Chamber of the Supreme Court, in ruling No. 05 of 01/19/2017, authorized the Executive Branch through the National Budget Office (ONAPRE) to pay the salaries of Parliament workers

- Calls for public tender made in 2017, companies awarded or the assignment of Social Responsibility
- Resolutions, reports, decisions taken by the National Assembly. We observed that the agreements reached in plenary sessions in the

different areas of national interest were updated to November 2017

- Minutes, votes, shorthand records, citations and reports, as well as the debate journal
- The documents to be discussed in plenary sessions and in permanent, special or mixed committees are not disclosed prior to debate



SUPREME COURT OF JUSTICE (TSJ) AND ITS ROLE IN PROMOTING OPACITY

Opacity has been encouraged not only by legal instruments that impinge on or limit the right of access to public information, but also because the Supreme Court of Justice has restricted this right by issuing rulings that prevent citizens from accessing public information and exercising oversight of public management in accordance with provisions in Articles 51 and 62 of the 1999 Constitution.

By establishing limits outside the Constitution, the Supreme Court has denied access to information in cases of highest interest to Venezuelans, such as ensuring social rights like health and housing, defense of human rights, management of economic resources, list of companies that have been assigned foreign currency at preferential rates, salary scales for public officials, status of reports of alleged acts of corruption or related to elections; data, statistics and reports on public safety; design of public policies and programs on violence against women, and their outcomes; causes of the slow internet connection and lack of internet access in some sectors; publication of vital data by the Central Bank, among other aspects. Various local courts have used these limits to deny requests for information filed by individuals.

During 2017, Transparencia Venezuela reported 12 rulings denying requests for access to information filed by various NGOs (see annex), which, together with the 33 rulings reported by our organization in previous years, are a clear sign of the Supreme Court's intent to legalize secrecy and opacity, violating the right to citizen participation, the creation of oversight mechanisms for institutions, and democracy itself.

In addition, the Supreme Court not only favors opacity within the Executive Branch but also applies it as part of its governance. According to the Index of Web-based Access to Judicial Information 2017⁶ (an instrument that measures the active transparency of the judiciary and ministries in the Americas), the Supreme Court ranks 11th with a score of 51%. The information not available to the public includes:

- Information related to public procurement processes (call for tenders, awards, assignment of social responsibility commitments)
- Access regime (level of access to services provided by the website, for example, the jurisprudence search option, access to statistics, and others)
- Statistics of cases filed, resolved and pending
- Physical resources, materials and human resources (Infrastructure or property of the judiciary, technology resources: number of computers and internet connections, and human resources: number of judiciary officials, by hierarchies and/or occupational categories)
- Salaries, professional background, assets and disciplinary issues of relevant officials

6 See: <http://www.cejamericas.org/noticias/614-ceja-publica-resultados-de-10-indice-de-accesibilidad-a-la-informacion-judicial-en-internet-iacc>

In addition, in a review by Transparencia Venezuela to the website <http://www.tsj.gob.ve>, we observed the following:

- Budget execution is not published with the appropriate disaggregation
- No information is disclosed on the judge selection procedure, their credentials, selection criteria
- No instructions or forms for complaints are available
- Affidavits of assets and interests of Justices are not disclosed
- Salaries of Justices, list of gratuities and donations are not disclosed



El presidente del Tribunal Supremo de Justicia de Venezuela (TSJ), el magistrado Maickel Moreno.

COMPTROLLER GENERAL (CGR), AN ACCOMPLICE TO OPACITY

The Comptroller General's Office is the highest body of national fiscal control system in Venezuela. Its authorities are responsible for issuing standards and policies that promote and encourage citizen participation, transparency and accountability, and facilitate monitoring and oversight of public governance; however, it has become a great accomplice to opacity in Venezuela.

In the management reports or other publications by the CGR, we observe total inaction in face of the marked lack of disclosure by government entities and agencies of information related to the nation's budget, macroeconomic indexes, quarterly reports on the use of funds, contract awards, management plans, among other documents, and no procedures have been initiated for apportioning administrative liability for breach of current legislation.

In addition, upon review of website <http://www.cgr.gob.ve/> we observed that the CGR has not disclosed the following information:

- Notices that must be published in compliance with Law-Decree on Public Procurement DRVFLCP (calls for tender, amendments to the specifications, responses to requests for clarifications, time extension, among others)
- The associations to which social responsibility has been assigned, in violation of Article 8 of the DRVFLCP and 42 of the Regulation of the Procurement Law



- Information on public officials who have been declared administratively liable, or the data of the Official Gazettes in which the decision declaring administrative liability has been published, despite the fact that Article 101 of the Regulations of the Law of the General Comptroller's Office and the National System of Fiscal Oversight (LOCGRSNCF) establishes the obligation to publish this information
- Similarly, the information on the officials on whom penalties have been imposed (disqualification, suspension from office without pay and dismissal) provided in the LOCGRSNCF is not updated. The latest information available is in the Official Gazette of the Bolivarian Republic of Venezuela No. 40.119 dated 02/27/2013, despite the fact that said law, in Article 105, establishes the obligation of this entity to keep a record of disqualified individuals

PUBLIC PROSECUTOR (MP)

The Public Prosecutor's Office ranked 13th with a score of 38.53% on the Index of Web-based Access to Judicial Information in 2017. According to this study, the Prosecutor's Office does not make the following information available to citizens:

- Resources available to the Prosecutor's Office, budget, use of funds
- Salary, professional, patrimonial and disciplinary background of officials
- Calls for recruitment
- Information related to public procurement processes (call for tenders, awards, assignment of social responsibility commitments)



OMBUDSMAN'S OFFICE

The entity responsible for promoting and defending human rights of Venezuelans did not disclose in 2017 any information regarding its budget, annual operational plan, or activities. The last management report available is for the year 2015.

In a review in October 2017, we observed that the profile of the Ombudsman was not updated, despite the fact that Tarek William Saab was removed from office as he was appointed by the National Constituent Assembly to hold the position of Prosecutor General.

The organizational chart, the identity of senior officials, the mission, vision, strategic plan, operational plan, implementation of strategic plans, procurement procedures, awards, assignment of social responsibility, calls to applications, salaries and wages, affidavit of assets, conflict of interest affidavit are not available. This information must be published in accordance with national legislation and the Inter-American Model Law on Access to Public Information.

Similarly, there is no way of knowing whether the Ombudsman has taken any action to ensure the correct functioning of public utilities, despite their serious deterioration.

7 See: <http://www.cejamericas.org/noticias/614-ceja-publica-resultados-de-10-indice-de-accesibilidad-a-la-informacion-judicial-en-internet-iacc>

NATIONAL ELECTORAL COUNCIL (CNE)

A review of the website of the National Electoral Council reveals the lack of importance that this institution gives the right of citizens' access to public information. This entity has not published the information on use of the 2017 budget or its management report for the year 2016.

Although the results of the different elections held in 2017 are available on its website, the Electoral Council does not disclose information on the amounts of funds used in each election, how they were spent, the participating officials, payments made to suppliers contracted during the process, and any other information that allows evaluating the entity's management.

In addition, the Civil Registry Statistical Yearbook (a document that compiles the data from the Civil Registry, associated with the number of administrative records and procedures filed with the different Civil Registry offices, such as birth, marriage, death, common-law marriage certificates, among others) is for the year 2014, and is the latest official data on the various civil status procedures filed by citizens.

In terms of public contracting, only calls for public tenders in 2017 were disclosed, but we did not observe data of the companies that were awarded the contracts or the assignment of Social Responsibility.

CONCLUSIONS

The Executive Branch has imposed a policy of opacity endorsed by most branches of government. Citizens, academics, associations and social stakeholders are increasingly deprived of information, which makes it difficult to evaluate and monitor policies and programs developed by the government, as well as the presentation of proposals that seek to meet the needs of the population.

In addition, the limited information available is questionable when compared to data handled by civil society organizations or specialized entities in the relevant areas.

The lack of information is a limitation on the right of access to public information and citizen participation in the oversight of public management.

The State must allow access to complete, up-to-date and clear information on the use and management of public funds, and must publish the data relevant for citizens through verifiable and reliable indicators.

LIST OF RULINGS IN 2017 WHICH LIMIT ACCESS TO PUBLIC INFORMATION

Action:

Recourse on inaction against the Comptroller General

Parties:

Transparencia Venezuela v. Comptroller General

Date of filing:

22-09-2016

Date of ruling:

15-03-2017

Ruling details:

POLITICAL-ADMINISTRATIVE COURT.
Case File No. 16- 502. Judgment No. 191

Judgment:

INADMISSIBLE

Presenting Justice:

Inocencio Figueroa Arizaleta

Action:

Recourse on inaction against the Minister of the People's Power Industry and Commerce

Parties:

Transparencia Venezuela v. Ministry of the People's Power for Industry and Commerce

Date of filing:

17-03-2016

Date of ruling:

23-03-2017

Ruling details:

POLITICAL-ADMINISTRATIVE COURT.
Case File No. 2016-245. Judgment No. 229

Judgment:

INADMISSIBLE

Presenting Justice:

Inocencio Figueroa Arizaleta

Action:

Recourse on inaction against the Government of the Capital District

Parties:

Transparencia Venezuela v. Government of the Capital District

Date of filing:

22-09-2016

Date of ruling:

28-03-2017

Ruling details:

SECOND HIGH COURT IN CIVIL AND ADMINISTRATIVE MATTERS OF THE JUDICIAL CIRCUIT OF THE CAPITAL REGION. Case File No. 007846.

Judgment:

INADMISSIBLE

Presenting Justice:

Ángel Vargas Rodríguez

Action:

Recourse on inaction against the Minister of the People's Power for Banking and Finances

Parties:

Transparencia Venezuela v. Ministry of the People's Power for Banking and Finances

Date of filing:

22-09-2016

Date of ruling:

29-03-2017

Ruling details:

POLITICAL-ADMINISTRATIVE COURT.
Case File No. 2016-0507. Judgment No. 254

Judgment:

INADMISSIBLE

Presenting Justice:

Inocencio Figueroa Arizaleta

LIST OF RULINGS IN 2017 WHICH LIMIT ACCESS TO PUBLIC INFORMATION

Action:

Recourse on inaction against the Ministry of the People's Power for Ecosocialism and Water on the environmental impact of concessions on the Mining Arc

Parties:

Civil Association Espacio Público

Date of filing:

03-11-2016

Date of ruling:

08-06-2017

Ruling details:

POLITICAL-ADMINISTRATIVE COURT.
Case File No. 2016-0719. Judgment No. 0686

Judgment:

INADMISSIBLE

Presenting Justice:

María Carolina Ameliach Villarroel

Action:

Recourse on inaction against SAIME

Parties:

Transparencia Venezuela v. SAIME

Date of filing:

12-07-2017

Date of ruling:

27-07-2017

Ruling details:

SECOND COURT IN ADMINISTRATIVE MATTERS.
Case File No. AP42-G-2017-00127.
Judgment No. 2017- 00561

Judgment:

INADMISSIBLE

Presenting Justice:

Eleazar Alberto Guevara Carrillo

Action:

Clarification on Judgment on Recourse on inaction against the Ministry of Commerce

Parties:

Transparencia Venezuela v. Ministry of Commerce

Date of filing:

20-06-2017

Date of ruling:

09-08-2017

Ruling details:

POLITICAL-ADMINISTRATIVE COURT.
Case File No. 2016- 0245. Judgment No. 974

Judgment:

INADMISSIBLE

Presenting Justice:

Inocencio Figueroa Arizaleta

Action:

Clarification on Judgment on Recourse on inaction against the Ministry of Banking and Finance

Parties:

Transparencia Venezuela v. Ministry of Banking and Finance

Date of filing:

20-06-2017

Date of ruling:

09-08-2017

Ruling details:

POLITICAL-ADMINISTRATIVE COURT.
Case File No. 2016- 0507. Judgment No. 981

Judgment:

INADMISSIBLE

Presenting Justice:

Inocencio Figueroa Arizaleta

LIST OF RULINGS IN 2017 WHICH LIMIT ACCESS TO PUBLIC INFORMATION

Action:

Clarification on Judgment on Recourse on inaction against the Comptroller General's Office

Parties:

Transparencia Venezuela v. Comptroller General's Office

Date of filing:

20-06-2017

Date of ruling:

09-08-2017

Ruling details:

POLITICAL-ADMINISTRATIVE COURT.
Case File No. 2016- 0502. Judgment No. 980

Judgment:

INADMISSIBLE

Presenting Justice:

Inocencio Figueroa Arizaleta

Action:

Recourse on inaction against the Ministry of the People's Power for Food (PDVAL)

Parties:

Transparencia Venezuela v. Ministry of Food

Date of filing:

16-05-2017

Date of ruling:

09-08-2017

Ruling details:

POLITICAL-ADMINISTRATIVE COURT.
Case File No. 2017- 0456. Judgment No. 982

Judgment:

INADMISSIBLE

Presenting Justice:

Inocencio Figueroa Arizaleta

Action:

Recourse on inaction against the Ministry of the People's Power for Health

Parties:

PROVEA v. Ministry of Health

Date of filing:

18-03-2009

Date of ruling:

09-08-2017

Ruling details:

POLITICAL-ADMINISTRATIVE COURT.
Case File No. 2009- 0202. Judgment No. 995

Judgment:

ORDERED TO ISSUE A NOTICE, IN ORDER TO CONFIRM THE DISMISSAL

Presenting Justice:

Eulalia Coromoto Guerrero Rivero

Action:

Appeal of Recourse on inaction against CANTV

Parties:

Transparencia Venezuela v. CANTV

Date of filing:

14-07-2017

Date of ruling:

17-10-2017

Ruling details:

POLITICAL-ADMINISTRATIVE COURT.
Case File No. 2017- 0634. Judgment No. 1108

Judgment:

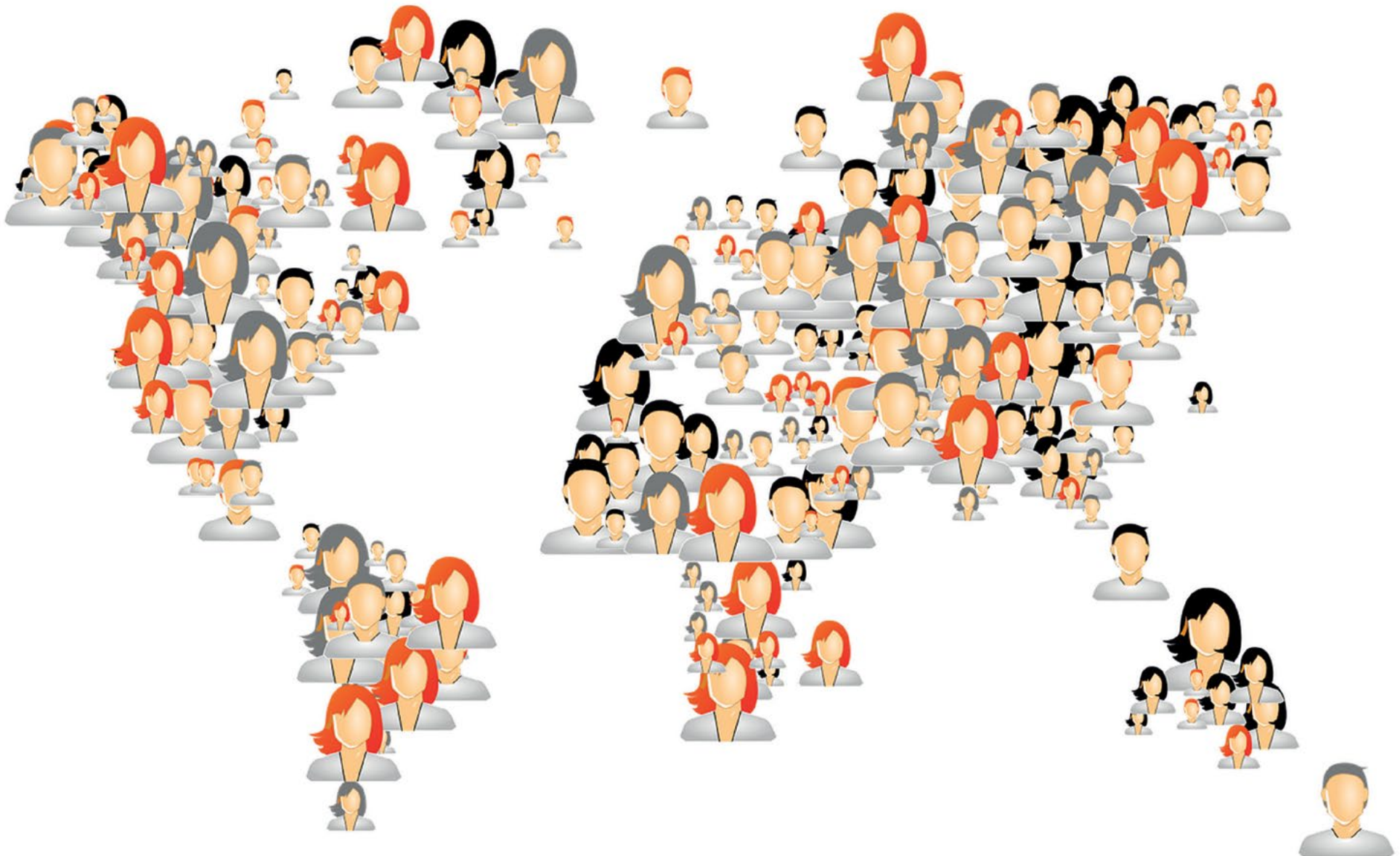
DISMISSED

Presenting Justice:

Marco Antonio Medina Salas

THE INTERNATIONAL COMMUNITY

crisis and corruption in Venezuela



THE INTERNATIONAL COMMUNITY

CRISIS AND CORRUPTION IN VENEZUELA

In the context of the acute crisis that Venezuela is going through, the year 2017 was characterized by the mobilization of the international community around the internal situation and the search for a possible solution.

Among the specific actions of the international community is the broad rejection and the non recognition of the Constituent Assembly; the imposition of packages of individualized sanctions on Venezuelan officials, family members or allies; the creation of the so-called Grupo de Lima that monitors the Venezuelan crisis and whose voice lies with the 12 ministers of foreign affairs of the countries that comprise it; the serious limitations imposed on the mechanisms of refinancing and indebtedness of the Venezuelan state and the state-run oil company PDVSA, and the accompaniment of Latin American countries in the process of dialogue and negotiation between government and opposition held in the Dominican Republic, at the initiative of this country.

Igualmente, el Secretario General de la OEA ha impulsado el pase del caso Venezuela a instancias de la Corte Penal Internacional, por lo que la situación nacional estuvo sometida a la consideración de un panel multinacional de expertos que buscó determinar la comisión de crímenes de lesa humanidad.

Among the specific actions of the international community is the broad rejection and the non recognition of the Constituent Assembly; the imposition of packages of individualized sanctions on Venezuelan officials, family members or allies; the creation of the so-called Grupo de Lima that monitors the Venezuelan crisis and whose voice lies with the 12 ministers of foreign affairs of the countries that comprise it; the serious limitations imposed on the mechanisms of refinancing and indebtedness of the Venezuelan state and the state-run oil company PDVSA, and the accompaniment of Latin American countries in the process of dialogue

and negotiation between government and opposition held in the Dominican Republic, at the initiative of this country.

At the hemispheric level, the Secretary General of the Organization of American States (OAS), Luis Almagro, held the leadership in coordinating proposals to address the Venezuelan crisis. This was reflected in the writing of four reports - three of which were presented in 2017 - in which, after meeting with



personalities, academics, politicians and members of Venezuelan civil society, he described in detail the situation of the country and presented it to the diplomatic representatives of the Western Hemisphere, always advocating for tougher sanctions against high officials of the Venezuelan government, considered as responsible for the widespread crisis and the weakening of democracy and institutionalism.

Likewise, the Secretary General of the OAS has promoted the passage of the Venezuelan case to the International Criminal Court, so the national situation was submitted to the consideration of a multinational panel of experts that sought to determine the commission of crimes against humanity.

On the other hand, the calling of the Constituent Assembly on the part of the Venezuelan Executive and its subsequent installation, brought as immediate consequence in the international scope, not only the massive condemnation of Europe and America and its consequent non-recognition, but the creation of the so-called Grupo de Lima, made up by 12 Latin American nations and Canada that base their actions in support of the National Assembly of Venezuela elected on 6 December 2015. In this way, the Grupo de Lima convened three meetings of ministers of foreign affairs that took place on 8 August, 18 September and 26 October 2017, in which the ministers repeatedly expressed their recognition to the National Assembly and their non-recognition of the newly established Constituent Assembly, urged the Venezuelan government to release the political prisoners, to improve the electoral conditions and allow the entry of humanitarian aid to Venezuela. This group of ministers of foreign affairs also expressed their support for a credible dialogue process acceptable to the parties and agreed

to inform the Secretary General of the United Nations of their concern and encourage him to become involved in the search for a solution to the Venezuelan crisis. Finally, they agreed to follow up on the national situation through a fourth meeting, to be held in January 2018.

With regard to the establishment of sanctions, the use of numerous evidences of grand corruption as the basis for the imposition of individualized sanctions against high officials of the Venezuelan government stands out.

Violations of human rights, electoral irregularities and cases of great corruption in the Venezuelan state have been reason enough for the imposition of international sanctions against the high officials considered responsible for diverting public funds -originally allocated for food or public health-, or private enrichment at the expense of Venezuelan citizens.

In this sense:



On 3 November 2017, under the Justice for Justice for Victims of Corrupt Foreign Officials Act, the Minister of Foreign Affairs of Canada, Chrystia Freeland, announced individualized sanctions against 19 Venezuelan officials, including the president of the republic himself, the vice-president, the director of the intelligence service, ministers and senior members of the armed forces. In this way, Canada sanctioned those it considered “(...) responsible for, or accomplices in, blatant violations of internationally recognized human rights or significant acts of corruption, or both,” according to the press release from Canada’s Ministry of Foreign Affairs.



On 9 November 2017, the US government sanctioned 10 senior Venezuelan officials - including directors of the National Electoral Council, ministers and members of the Constituent Assembly- for irregularities in the election of mayors held on 15 October 2017, specifically for violations of human rights and acts of corruption. In this regard, the Secretary of the Treasury of the United States, Steven Mnuchin, said when he announced the individual sanctions: “We will maintain our vigorous efforts to sanction the government officials, who are accomplices with Maduro’s attempts to undermine democracy, violate the human rights, inhibit freedom of expression and peaceful assembly, or participate in public corruption (...)”



Comisión Europea

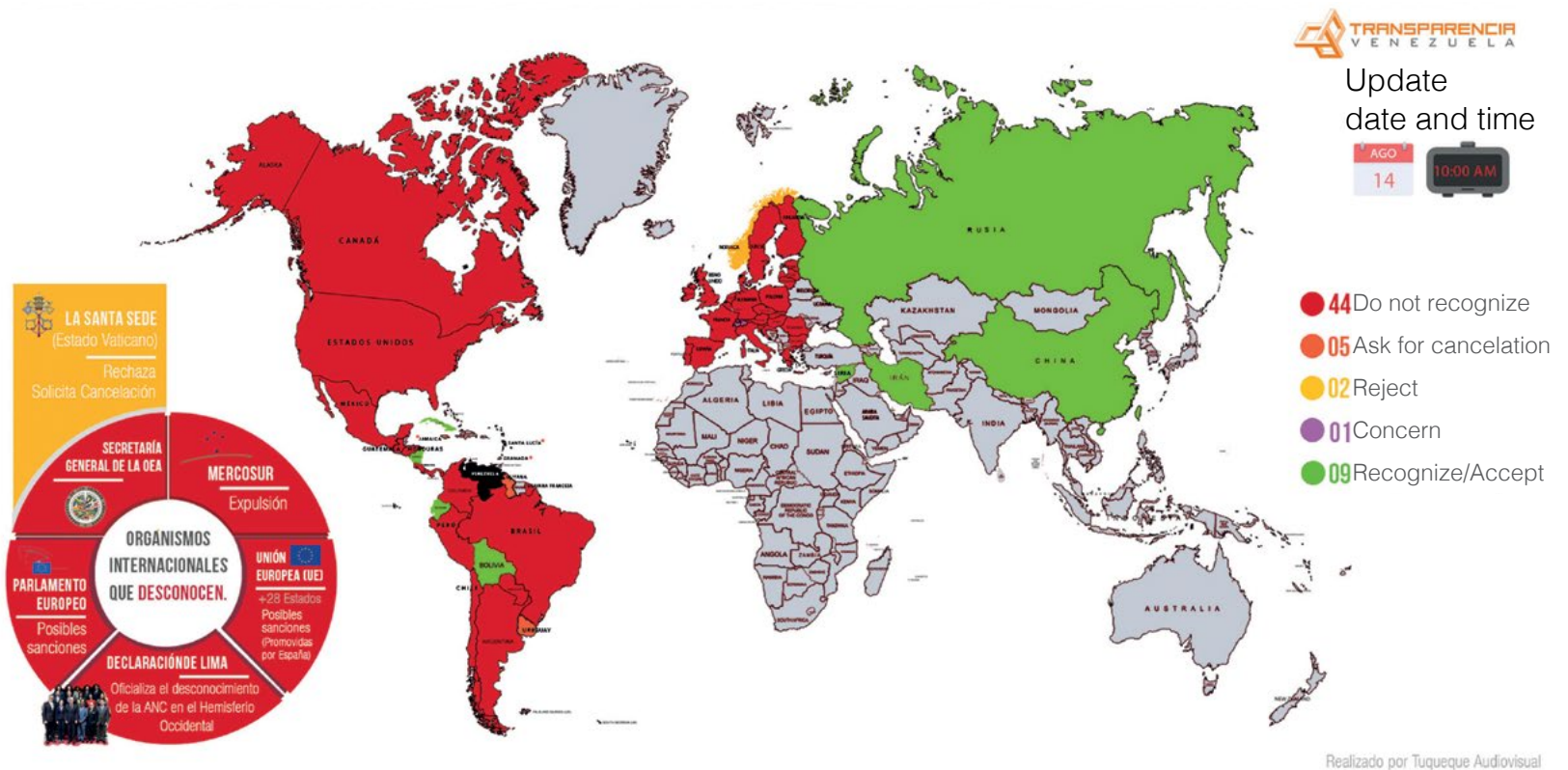
On 13 November 2017, the European Commission adopted a sanctions package against Venezuela in the form of an embargo on certain type of weapons that could be used by the security forces for the repression of citizen demonstrations. As basis for such a measure, the European Union cites serious irregularities in the electoral process for the election of governors, mentioning the case of the disqualification of the governor-elect of Zulia state, Tomás Guanipa, reasserts the non-recognition of the

Constituent Assembly and expressly leaves open the possibility for the expansion of sanctions towards individuals who are considered responsible for the origin or continuity of the crisis in Venezuela.



It is noteworthy the sanctions imposed on **5 January 2018 by the United States against four generals of the Venezuelan armed forces, notably Rodolfo Marco Torres, who served as Minister of Food, Minister of Economy and external director of PDVSA.** In the words of the US Secretary of the Treasury, “this action highlights the determination of the United States to demand responsibility from Maduro and others involved in corruption in Venezuela (...)” Thus, the United States has focused on the unilateral approach of the Venezuelan case, which has addressed the strategy of incremental sanctions, leaving its diplomatic representation at meetings convened by the OAS to deal exclusively with the Venezuelan crisis at the level of Ambassador.

PRONOUNCEMENTS OF THE WORLD BEFORE THE CONSTITUENT NATIONAL ASSEMBLY



On 30 July 2017, the election of 545 constituents that would be part of the new Constituent Assembly on the initiative of the Venezuelan executive took place.

On 4 August of the same year, the Constituent Assembly was formally installed in the Elliptical Hall of the Federal Legislative Palace (also the seat of the National Assembly).

Since then, the international community has spoken out largely in support of the Venezuelan National Assembly, considering it as the legitimately representative institution

of the Venezuelan legislative power. In this regard, organizations such as MERCOSUR, OAS, the European Union and influential countries in the hemisphere such as the United States, Canada, Brazil, Mexico, Argentina and almost all of Latin America, have rejected the Constituent Assembly composed entirely by followers of the Chavismo, and have supported in all international fora the Venezuelan National Assembly originated from the democratic election held on 6 December 2015.

TABLE 1:
COMPLETE LIST OF INDIVIDUALS SUBJECT TO SANCTIONS
 

OFFICIAL POSTURE OF THE INTERNATIONAL COMMUNITY IN FRONT OF VENEZUELA'S CONSTITUENT ASSEMBLY		
COUNTRY	POSTURE	CONTINENT
UNITED STATES	Do not recognize /Sanctions	America
EUROPEAN UNION (+28 STATES)	Do not recognize	Europe
MEXICO	Do not recognize	America
ARGENTINA	Do not recognize	America
COLOMBIA	Do not recognize	America
CANADA	Do not recognize	America
BRASIL	Do not recognize	America
PERU	Do not recognize	America
PARAGUAY	Do not recognize	America
COSTA RICA	Do not recognize	America
PANAMA	Do not recognize	America
HONDURAS	Do not recognize	America
CHILE	Do not recognize	America
BELICE	Do not recognize	America
GUATEMALA	Do not recognize	America
JAMAICA	Ask for cancelation	America
GRENADA	Ask for cancelation	America
SAINT LUCIA	Ask for cancelation	America
URUGUAY	Ask for cancelation	America
GUYANA	Ask for cancelation	America
VATICAN CITY STATE	Reject	Europe

OFFICIAL POSTURE OF THE INTERNATIONAL COMMUNITY IN FRONT OF VENEZUELA'S CONSTITUENT ASSEMBLY

COUNTRY	POSTURE	CONTINENT
NORWAY	Reject	Europe
SWITZERLAND	Concern	Europe
IRAN	Recognize/Accept	Asia
CHINA	Recognize/Accept	Asia
NICARAGUA	Recognize/Accept	America
BOLIVIA	Recognize/Accept	America
CUBA	Recognize/Accept	America
ECUADOR	Recognize/Accept	America
EL SALVADOR	Recognize/Accept	America
RUSSIA	Recognize/Accept	Europe
SIRIA	Recognize/Accept	Asia
EUROPEAN PARLIAMENT	Do not recognize /Possible sanctions	Europe
OAS GENERAL SECRETARIAT	Do not recognize	America
MERCOSUR	Do not recognize /Suspension	America

42 | Countries +
OAS and
MERCOSUR (44)
**DO NOT
RECOGNIZE**

5 | Countries
**ASK FOR
CANCELATION**

2 | Countries
REJECT

1 | Country
CONCERN

9 | Countries
**RECOGNIZE/
ACCEPT**

OFFICIALS AND FORMER OFFICIALS OF THE VENEZUELAN GOVERNMENT SANCTIONED BY THE UNITED STATES AND CANADA


TABLE 2:



Name	Position	Institution	Public Power	Status	Sanctioned by OFAC (Human Rights violations)	Sanctioned by OFAC (Drug trafficking)	Sanctioned by Canada (1° List)	Sanctioned by Canada (2° List)	Nationality
Albisinni Serrano, Rocco	President of CENCOEX	National Center for Foreign Trade (CENCOEX)	Executive Power	Civil	X			X	Venezuelan
Ameliach Orta, Francisco José	Former governor of the state of Carabobo	State of Carabobo governorship	Regional Executive Power	Military	X		X		Venezuelan
Benavides Torres, Antonio José	Former commander of the GNB	Bolivarian National Guard (GNB)	Executive Power	Military			X		Venezuelan
Bernal Rosales, Freddy Antonio	President of the Local Committees for Supply and Production (CLAP)	Ministry of Food	Executive Power	Civil	X	X	X		Venezuelan
Cabello Rondón, Diosdado	Constituent	Constituent Assembly	Legislative Power	Military			X		Venezuelan
Cabello Rondón, José David	President of SENIAT	The Integrated National Service of Customs and Tax Administration (SENIAT)	Executive Power	Military				X	Venezuelan
Osorio Zambrano, Carlos Alberto	Former minister of food	Ministry of Food	Executive Power	Military	X			X	Venezuelan
Carreño Escobar, Pedro Miguel	Constituent	Constituent Assembly	Executive Power	Military			X		Venezuelan
Carvajal Barrios, Hugo Armando	Deputy	National Assembly	Legislative Power	Military		X			Venezuelan
Ceballos Ichaso, Remigio	Head of CEOFANB	Operational Strategic Command of the FANB (CEOFANB)	Executive Power	Military			X		Venezuelan
Chávez Frías, Argenis De Jesús	Governor of the state of Barinas	Bolivarian National Armed Force (FANB)	Executive Power	Military				X	Venezuelan
Chávez Frías, Adán Coromoto	Constituent	Constituent Assembly	Executive Power	Civil	X			X	Venezuelan
D'Amelio Cardiet, Tania	Director of the National Electoral Council (CNE)	National Electoral Council (CNE)	Electoral Power	Civil	X		X		Venezuelan
Damiani Bustillos, Luis Fernando	Justice of the TSJ	Supreme Tribunal of Justice (TSJ)	Judiciary	Civil	X		X		Venezuelan

Continue ▼


Name	Position	Institution	Public Power	Status	Sanctioned by OFAC (Human Rights violations)	Sanctioned by OFAC (Drug trafficking)	Sanctioned by Canada (1° List)	Sanctioned by Canada (2° List)	Nationality
Del Pino Díaz, Eulogio Antonio	Minister of Petroleum	Ministry of Petroleum	Executive Power	Civil				X	Venezuelan
Delgado Rosales, Arcadio De Jesús	Justice of the TSJ	Supreme Tribunal of Justice	Judiciary	Civil	X		X		Venezuelan
Escarrá Malavé, Hermann Eduardo	Constituent	Constituent Assembly	Legislative Power	Civil	X		X		Venezuelan
Farías Pena, Erika Del Valle	Minister of the Office of the Presidency	Ministry of the Office of the Presidency	Executive Power	Civil	X				Venezuelan
Fernández Meléndez, Manuel Ángel	President of National Telephones Company of Venezuela (CANTV)	Ministry of University Education, Science and Technology	Executive Power	Civil					Venezuelan
Fleming Cabrera, Alejandro Antonio	Former director of CENCOEX	National Center for Foreign Trade (CENCOEX)	Executive Power	Civil	X			X	Venezuelan
Galindo Ballesteros, Manuel Enrique	Comptroller General of the Republic	Office of the Comptroller General of the Republic	Citizen Power	Civil			X		Venezuelan
García Duque, Franklin Horacio	Director of the Bolivarian National Police (PNB)	Ministry of Interior, Justice and Peace	Executive Power	Military	X				Venezuelan
González López, Gustavo Enrique	Director of the Bolivarian National Intelligence Service (SEBIN)	Ministry of Interior, Justice and Peace	Executive Power	Military			X	X	Venezuelan
Gutiérrez Alvarado, Gladys María	Justice of the TSJ	Supreme Tribunal of Justice	Judiciary	Civil	X		X		Venezuelan
Harb, Abbas Hussein	Member of Hezbollah	Terrorist group Hezbollah	Terrorist group Hezbollah	Civil		X			Lebanese-Venezuelan
Hernández Hernández, Socorro Elizabeth	Director of the National Electoral Council (CNE)	National Electoral Council	Electoral Power	Civil	X		X		Venezuelan
Hidrobo Amoroso, Elvis Eduardo	Legal Consultant of the Presidency	Ministry of the Office of the Presidency	Executive Power	Civil	X		X		Venezuelan
Istúriz Almeida, Aristóbulo	Vicepresident of the Constituent Assembly (ANC)	Constituent Assembly	Legislative Power	Civil	X		X		Venezuelan
Jaua Milano, Elías José	Constituent	Constituent Assembly	Legislative Power	Civil	X		X		Venezuelan
Rangel Ávalos, José Vicente	Constituent	Constituent Assembly	Legislative Power	Civil				X	Venezuelan

Continue 

Name	Position	Institution	Public Power	Status	Sanctioned by OFAC (Human Rights violations)	Sanctioned by OFAC (Drug trafficking)	Sanctioned by Canada (1° List)	Sanctioned by Canada (2° List)	Nationality
Kan'an, Fawzi Mustafa	Merchant	Terrorist group Hezbollah	Terrorist group Hezbollah	Civil		X			Lebanese-Venezuelan
López Bello, Samark Jose	Merchant	Contractor of the Ministry of Food	Executive Power	Civil		X			Venezuelan
Lucena Ramírez, Tibisay	Director of the National Electoral Council (CNE)	National Electoral Council	Electoral Power	Civil	X		X		Venezuelan
Lugo Armas, Bladimir Humberto	Commander assigned to the National Assembly	Bolivarian National Guard (GNB)	Executive Power	Military	X		X		Venezuelan
Reyes Reyes, Luis Ramón	Former governor of the state of Lara	State of Lara governorship	Regional Executive Power	Military				X	Venezuelan
Maduro Moros, Nicolás	President of the Republic	Presidency of the Republic	Executive Power	Civil	X		X	X	Venezuelan
Makled García, Walid	Drug-trafficker	Drug-trafficker	Narcotraficante	Civil		X			Venezuelan
Malpica Flores, Carlos Erik	National Treasurer	National Treasury	Executive Power	Civil	X				Venezuelan
Marco Torres, Rodolfo Clemente	Former governor of the state of Aragua	State of Aragua governorship	Regional Executive Power	Military				X	Venezuelan
Márquez Monsalve, Jorge Elieser	Director of CONATEL	National Telecommunications Commission (CONATEL)	Executive Power	Civil	X				Venezuelan
Matos Chaderton, Roy Antonio María	Former ambassador to the OAS	Ministry of Foreign Affairs	Executive Power	Civil			X		Venezuelan
Meléndez Rivas, Carmen Teresa	Governor of the state of Lara	State of Lara governorship	Regional Executive Power	Military	X		X		Venezuelan
Méndez González, Andrés Eloy	Constituent	Constituent Assembly	Legislative Power	Civil			X		Venezuelan
Mendoza Jover, Juan José	Justice of the TSJ	Supreme Tribunal of Justice	Judiciary	Civil	X		X		Venezuelan
Merentes Díaz, Nelson José	Former president of the Central Bank of Venezuela (BCV)	Central Bank of Venezuela (BCV)	Executive Power	Civil				X	Venezuelan
Molina Peñaloza, Ricardo Antonio	Director of the School of Planning of Venezuela	Ministry of Planning	Executive Power	Civil				X	Venezuelan
Moreno Pérez, Maikel José	Justice of the TSJ	Supreme Tribunal of Justice	Judiciary	Civil	X		X		Venezuelan

Continue ▼

Name	Position	Institution	Public Power	Status	Sanctioned by OFAC (Human Rights violations)	Sanctioned by OFAC (Drug trafficking)	Sanctioned by Canada (1° List)	Sanctioned by Canada (2° List)	Nationality
Oblitas Ruzza, Sandra	Director of the National Electoral Council (CNE)	National Electoral Council	Electoral Power	Civil	X		X		Venezuelan
Ortega Ríos, Calixto Antonio	Justice of the TSJ	Supreme Tribunal of Justice	Judiciary	Civil	X		X		Venezuelan
Padrino López, Vladimir	Minister of the Defense	Ministry of Defense	Executive Power	Military			X		Venezuelan
Pérez Ampueda, Carlos Alfredo	Former director of the Bolivarian National Police (PNB)	Bolivarian National Guard (GNB)	Executive Power	Military	X		X		Venezuelan
Quintero Cuevas, Carlos Enrique	Assistant director of the CNE	National Electoral Council	Electoral Power	Civil	X				Venezuelan
Ramírez Carreño, Rafael Darío	Ambassador to the United Nations	Ministry of Foreign Affairs	Executive Power	Military				X	Venezuelan
Rangel Gómez, Francisco José	Former governor of the state of Bolívar	State of Bolívar governorship	Regional Executive Power	Military				X	Venezuelan
Rangel Silva, Henry De Jesus	Governor of the state of Trujillo	State of Trujillo governorship	Regional Executive Power	Military		X			Venezuelan
Reverol Torres, Néstor Luis	Minister of Interior, Justice and Peace	Ministry of Interior, Justice and Peace	Executive Power	Military	X		X		Venezuelan
Rivero Marcano, Sergio José	Commander of the Bolivarian National Guard (GNB)	Bolivarian National Guard (GNB)	Executive Power	Military	X		X		Venezuelan
Rodríguez Barreiros, Susana Virginia	Public Defender, former judge	Public Defense	Judiciary	Civil			X		Venezuelan
Rodríguez Chacín, Ramon Emilio	Former governor of the state of Guárico	State of Guárico governorship	Regional Executive Power	Military		X			Venezuelan
Rodríguez Díaz, Julián Isaías	Ambassador to Italy	Ministry of Foreign Affairs	Executive Power	Civil	X				Venezuelan
Rodríguez Gómez, Delcy Eloína	President of the Constituent Assembly (ANC)	Constituent Assembly	Legislative Power	Civil			X		Venezuelan
Rodríguez Gómez, Jorge Jesús	Mayor of the Libertador Municipality (Caracas)	Mayoralty of the Libertador Municipality	Regional Executive Power	Civil			X		Venezuelan
Saab Halabi, Tarek William	Attorney General of the Republic	Office of the Attorney General of the Republic	Citizen Power	Civil	X		X		Venezuelan

Continue 

Name	Position	Institution	Public Power	Status	Sanctioned by OFAC (Human Rights violations)	Sanctioned by OFAC (Drug trafficking)	Sanctioned by Canada (1° List)	Sanctioned by Canada (2° List)	Nationality
Saleh, Kassem Mohamad	Member of Hezbollah	Terrorist group Hezbollah	Terrorist group Hezbollah	Civil		X			Lebanese-Venezuelan
Suárez Anderson, Lourdes Benicia	Justice of the TSJ	Supreme Tribunal of Justice	Judiciary	Civil	X		X		Venezuelan
Suárez Chourio, Jesús Rafael	Commander of the Army	Army	Executive Power	Military	X		X		Venezuelan
Tareck Zaidan, El Aissami Maddah	Vicepresident of the Republic	Vice-presidency of the Republic	Executive Power	Civil		X	X	X	Venezuelan
Varela Rangel, María Iris	Constituent	Constituent Assembly	Legislative Power	Civil	X		X		Venezuelan
Vielma Mora, José Gregorio	Former governor of the state of Táchira	State of Táchira governorship	Executive Power	Military				X	Venezuelan
Villegas Poljak, Ernesto Emilio	Minister of Culture	Ministry of Culture	Executive Power	Civil	X				Venezuelan
Vivas Velasco, Ramón Darío	Constituent	Constituent Assembly	Legislative Power	Civil	X				Venezuelan
Zerpa Delgado, Simón Alejandro	Vicepresident of Finances of PDVSA	Petróleos de Venezuela (PDVSA)	Executive Power	Civil	X				Venezuelan
Zuleta De Merchán, Carmen Auxiliadora	Justice of the TSJ	Supreme Tribunal of Justice	Judiciary	Civil	X		X		Venezuelan
Bernal Martínez, Manuel Gregorio	Former director of Bolivarian National Intelligence Service (SEBIN)	Bolivarian National Intelligence Service (SEBIN)	Executive Power	Military	X				Venezuelan
Harrington Padrón, Katherine Nayarith	Former prosecutor of the Office of the Attorney General	Office of the Attorney General of the Republic	Citizen Power	Civil	X				Venezuelan
Noguera Pietri, Justo José	Governor of the state of Bolívar	State of Bolívar governorship	Regional Executive Power	Military	X				Venezuelan
Perez Urdaneta, Manuel Eduardo	Viceminister of Citizen Security	Ministry of Interior, Justice and Peace	Executive Power	Military	X				Venezuelan
Vivas Landino, Miguel Alcides	Commander of The Andes Strategic Region of Comprehensive Defense (REDI)	Bolivarian National Armed Force (FANB)	Executive Power	Military	X				Venezuelan



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