

Andean Report by Gretchen Small

Banker Ulloa faces criminal trial

The Peruvian friend of David Rockefeller and the Socialist International is boxed into a corner, and threatens "war."

Peru's Chamber of Deputies voted on May 22 to seek criminal proceedings against former economics ministers Manuel Ulloa and Carlos Rodríguez Pastor, for their role in a government bailout of the failed Commercial Bank of Peru (Bancoper) in 1982-83. The Chamber's action was based on the final report of its Special Investigatory Commission into the Bancoper collapse, which found the two officials guilty of "crimes against the public faith, abuse of authority, misappropriation of funds, and extortion."

"It is time that the people get to know the dark world of bank operations, now transformed into a gangster-like world, where operations are ruthless, and guarantee only the interests of the owners of the banks," the head of the Special Investigatory Commission, the ruling APRA party's Héctor Vargas Haya declared on May 26.

The impending trial of Ulloa, a former Wall Street banker turned politician (lately, the darling of the Socialist International), and Rodríguez Pastor, a top executive in Wells Fargo Bank, is no "Peruvian" affair. The Bancoper case sets a precedent for all of Ibero-America, assembling court-admissible evidence on how the local oligarchy and international bankers illegally used foreign debt contracts to loot the Treasury.

Under the direction of its owner Luis Bertello (now in jail awaiting trial), Bancoper contracted foreign loans, to relend them largely to Bertello's companies, many of which only existed on paper. When his shell-game

collapsed, Bertello turned to his good friend Ulloa, then economics minister, for a bailout. The money was shelled out of the Treasury on the pretense of "saving local depositors," but went straight out of the country as "re-payments on foreign loans."

For the past month, the Bancoper trial has dominated Peruvian attention. Congressional aides dug up documents; officials from the last government and private bankers were called in to testify before the Chamber's Special Commission.

The 29-page report which summarized the commission's findings specified that Ulloa had intentionally altered the truth, in his efforts to secure the bail out of Bancoper. Ulloa and Rodríguez intervened "with unusual interest, excessive and foreign to their specific functions," even though they knew the bank was unsalvageable, "causing grave damage to the State" by siphoning off 3.5 billion soles for unsecured loans to foreign creditors, the report concludes.

Because the report of the deputies is a constitutional motion, further congressional action is required before the case goes to the Supreme Court. On May 26, the deputies voted by a wide margin, to form an accusatory commission, which has 15 days to study the Investigatory Commission's findings, and formalize charges. If the charges are accepted by the Chamber, that committee will take the case to the Senate, the body empowered to lift Ulloa's parliamentary immunity (he is now a senator), and send the case to the Supreme Court.

Other officials named in the Chamber's report are already facing trial. An arrest order was issued May 23 for Banking Superintendent Juan Klingenberg (charged with extortion in the Bancoper case), after he failed to show up at a hearing into Bertello's case.

Ulloa is getting worried. "It is a monstrosity to attempt to open judicial proceedings against those who were my loyal collaborators when I was economics minister," he screamed. "If they want war, they will get war." On television, he lashed out at García for "political vengeance" against the previous government.

He finally forced former President Fernando Belaúnde to come to his defense, after a month of silence. The attack on Ulloa is an attack on the entire Popular Action party, Belaúnde charged on May 26, adding vague threats that this "lowest kind of political vendetta . . . the product of gutter politicians" may turn into the García's government "suicide."

Belaúnde cried that his cronies should be treated with "deference," because they had "handed over power" to García. Giving a French touch to Ulloa's threats of "war," Belaúnde promised, "*Si vous voulez la guerre, vous aurez la guerre,*" a phrase, he said, used by "gentlemen" when they are provoked!

Belaúnde's outrage provoked laughter in Lima. His government didn't "hand over power"; they were defeated by a landslide, receiving only 6% of the vote in the 1985 elections!

Belaúnde is confusing "courtesy with complicity," García's press secretary Victor Tirado answered on May 27. "We are going to war, but against immorality, corruption, drug traffic, subversion, and the complicity of those who are desperate to stop the democratic process."