

## Dateline Mexico by Carlos Cota Meza

### Reprivatization of the banks begins

*The operation will convert Mexico's financial system into an immense drug money laundromat.*

With the auctioning off of Multibanco Mercantil of Mexico, Banpaís, and Banca Cremi, the Mexican government began its operation to reprivatize the 18 banks which had been nationalized in 1982 by the government of José López Portillo.

Treasury Secretary Pedro Aspe had estimated that the government would obtain approximately \$8 billion from the sale of the banks. Since the first three banks were auctioned off for much more than their book value, it is now expected that the government will make much more from the operation.

The brokerage house Promotora y Operadora Bursátil, called Probusa, and its owner, José Madariaga Lomelín, were the lucky recipients of the first bank. They bought Multibanco Mercantil of Mexico for 2.6 times its book value, paying 611.2 billion pesos.

Probusa has 1.65 trillion pesos in total assets, but it appears little of this was used to buy the bank. Madariaga Lomelín's most important business partner is Eduardo Legorreta Chauvet, who served time for securities fraud after the October 1987 stock market crash.

The brokerage house Mexival, run by Isidoro Rodríguez and held by the financial group of the same name, bought Banpaís for 544.989 billion pesos—3.02 times its book value.

Mexival is the brokerage house which has the poorest performance of all in the stock market. In order to buy the bank, the firm took as associates the Saba Group of Moisés Saba Stern and Moisés Saba Djames, prominent members of the Jewish community

who hold the franchise for Cannon Mills in Mexico.

The Saba group used to operate with the Guindy Group—when it was alive. In February 1989, Simon Guindy Sidaú was assassinated during a mysterious attack on his residence. In June 1991, his brother Alberto Guindy, a leading figure in a multimillion-peso fraud against Banco Central Hipotecario, was gravely wounded during a similar assault. Simon Guindy was known to be an arms trafficker, who was also involved in contraband of garments, electrical appliances, and sophisticated electronic equipment.

These were the partners of the Sabas, who now own Banpaís.

Mexival's Isidoro Rodríguez, known as the "land transport czar," has always been a *prestanombre*, or frontman, for Mario Ramón Beteta, the former director of Petroleos Mexicanos in the last government, now director of Multibanco Comermex.

The other partners of Rodríguez and the Saba group are a mystery. The young Julio César Villarreal and Policarpo Elizondo are two businessmen from Monterrey not recognized by the Monterrey Group.

Otherwise, Banpaís is a small bank which was bankrupt when it was nationalized. It had been owned by the Monterrey Group.

The brokerage house Multivalores, part of the group of the same name based in Guadalajara, Jalisco, bought Banca Cremi, paying 748.291 billion pesos—3.4 times its book value. As in the case of Mexival, this brokerage house does no business on the stock market. The public

history of its president, Hugo Villa Manzo, places him as an obscure second-level official of a regional bank, Actibanco of Guadalajara.

The most important partner in the firm is Juan Arturo Covarrubias Valenzuela, who was a partner in at least four businesses where drug chieftain Rafael Caro Quintero laundered his money. Covarrubias Valenzuela is the nephew of Arcadio Valenzuela, the Sonora banker who used to own Banpacifico, and who was also investigated for possible ties to Caro Quintero.

The new owner of Cremi is Raymundo Gómez Flores, chief of the Grupo G, headquartered in Guadalajara, who in the past was known as a businessman involved in tourist transport and a business partner of Isidoro Rodríguez.

It is known that great quantities of narco-dollars entered and left the Mexican economy through Guadalajara's financial system, so much so that that illustrious city was for many years the "financial headquarters" of the Medellín cartel, the cabal with which Caro Quintero worked.

Another new owner of Cremi is Sergio Argüelles Gutiérrez, chief of the Finsa Group headquartered in Tampico, Tamaulipas—a state infested by the drug trade—who is also a partner of Carlos Slim, the new owner of Telefonos de Mexico, in the partially state-owned chemical company, Química Fluor.

Banca Cremi is also a small bank which lost money even as a nationalized bank.

Some observers insist that the new bankers are "straw-men" for the drug trade. They believe that the Mexican government is, knowingly, building a laundromat for drug money, income which is vital to keep afloat, through Mexico's debt payments, the large creditor banks and the international financial system.