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Corruption in Peru: An overview of systemic corruption and an interview with former prosecutor José Ugaz



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Like other countries in Latin America, Peru has suffered for decades from systemic corruption that has reached the highest tiers of its executive, judicial and legislative systems. Over the last couple of years, revelations in the Odebrecht scandal, otherwise known as the “Lava Jato” case have highlighted the sheer scale and scope of corruption in the country, with allegations levelled against all living former presidents. It is therefore no wonder that current president Martín Vizcarra, who came to power in March 2018 after corruption allegations forced his predecessor to resign, has described 2019 as the year of the fight against corruption. Vizcarra’s anti-corruption efforts, which have faced resistance from an opposition-dominated congress, include political and constitutional reforms, as well as increased regulation of companies operating in the country. These themes were exemplified in the International Congress of Compliance and Anti-Corruption in Peru, organised by the Lima Chamber of Commerce and the World Compliance Association, which was held in June 2019. This article provides a short overview of the history of corruption in Peru, as well as the current administration’s efforts to solve the problem, which place into context an interview with anti-corruption prosecutor José Ugaz, former Ad-Hoc Attorney of Peru and the former chair of Transparency International.



Photo: Cristo del Pacífico, Lima. A replica of Rio de Janeiro’s Christ the Redeemer, which was given as a gift by Odebrecht to former president Alan García, and is now called “the Odebrecht Christ” by Lima locals.

Peru is one of the countries that suffers from the worst levels of political corruption in Latin America. In Transparency International’s 2018 Corruption Perceptions Index, Peru fell to 35/100, eight points lower than the global average of 43, two points lower than its score in 2017. According to the National Institute of Statistics and Informatics of Peru, at the end of 2018, 6.6 million of its citizens (representing 20.5 percent of the general population) lived in poverty. These figures are even more unsettling when the scope of the bribes paid to Peruvian officials by Brazilian engineering and construction conglomerate Odebrecht S.A. are considered.

The investigations by Brazilian authorities, which began in March 2014, were originally aimed at allegations of corruption at the Brazilian state-owned Petróleo Brasileiro S.A. (Petrobras). In June 2015 however, the arrest of former CEO, Marcelo Odebrecht, by the Brazilian authorities revealed one of the largest corruption cases in Latin

America, uncovering a pervasive scheme in which Odebrecht used money to influence elections and bribed politicians and public officials to win billions of dollars-worth of public work contracts in a dozen countries in Latin America.

In 2016, Odebrecht admitted to paying nearly USD 800 million in bribes to officials in several Latin American countries in exchange for winning concessions and public tenders across the region. In June 2019, Odebrecht filed for bankruptcy in a Brazilian court. While investigations on who exactly was on the receiving end of these payments is still ongoing, Peru is one of the countries most affected by *Lava Jato*, which caused a political earthquake in the country. According to independent Brazilian journalist association *Jota*, in 2017 and 2018, nine countries in Latin America sent a total of 118 requests for cooperation to the Brazilian authorities. Peru alone was responsible for more than half of the requests, with a total of 68 requests made.

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Alberto Fujimori: the cult of personality



Photo: Reuters

Peru's most prominent case of corruption is usually cited to be that of Alberto Fujimori, who served as the country's president from 1990 to 2000. Fujimori came to power at a time when Peru had been severely affected by homegrown terrorist movements, namely Maoist rebel group *Sendero Luminoso*. Throughout his tenure, Fujimori was supported by his close adviser, Vladimiro Montesinos. While never officially appointed to any office, Montesinos, who had strong links to the American CIA, was in practice chief of the National Intelligence Service of Peru. On behalf of Fujimori, Montesinos bribed opposition parliament members to join Fujimori's party while covertly recording the acts to extort them later. The same recordings were also used to incriminate Montesinos himself and Fujimori.

In May 2001, after evidence of Montesinos' involvement in bribery had been revealed, Fujimori, who is of Japanese descent, fled to Tokyo. Fujimori eventually announced his resignation from presidency in the Peruvian embassy in Tokyo, and was in hiding in Japan until 2005, when he was arrested while on a trip to Chile. In 2007 he was extradited to Peru, and in 2009 Fujimori was convicted of bribery and abuse of power, as well as crimes against humanity and severe violations of human rights. In a historic trial in 2009, Fujimori was sentenced to 25 years

in prison for his role, among others, in killings and kidnappings that were carried out by the *Grupo Colina* death squad. *Grupo Colina*, which was created by Fujimori's regime, was a military anti-communist death squad that was active from 1990 until 1994, during his government's battle against *Sendero Luminoso* and other leftist guerrillas.

Fujimori's long tenure had an important political impact on the country, primarily represented by *Fujimorism*, a political ideology based on his cult of personality. Despite Fujimori's crimes, Fujimorist parties, led by his children Keiko Fujimori and Kenji Fujimori, still benefit from widespread support in Peru. Keiko Fujimori ran for presidency several times while her father was in prison, most recently in the 2016 Peruvian general election, when in the second round she obtained 49.9 percent of the vote. Fujimori's children have also attempted to gain him a pardon. In 2017 he was granted release from prison by president Pedro Pablo Kuczynski, but the decision was overturned by the Supreme Court and Fujimori was sent back to prison in January 2019.

Alejandro Toledo: awaiting extradition?



Photo: BBC

Fujimori's successors were two of his most obstinate opponents, Alejandro Toledo (2001-2006) and Alan García Pérez (2006-2011). After a short transition period, in

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which Valentín Paniagua served as interim president of Peru (2000-2001), Toledo came to power as the leader of *Perú Posible*, the liberalist party that he had founded in 1994. Like Fujimori, Toledo was supported by his close assistant César Almeyda, who served as chief of the National Intelligence Service of Peru (2003), president of the National Institute for the Defence of Free Competition and the Protection of Intellectual Property (2002-2003) and a member of the Investment Promotion Agency of Peru (2003-2004). Almeyda was incriminated by an audiotape in which he discussed bribing judges with a corrupt military general and in 2006 was sentenced to eight years in prison.

Since stepping down from the president's office in 2006, Toledo has resided most of the time in the US, where he had studied in his youth. Toledo attempted to rerun for presidency in the 2016 elections, but his party *Perú Posible* failed to reach the 5 percent threshold to remain an official political party. In February 2017, Toledo's arrest was ordered by the Peruvian authorities after he was implicated in *Lava Jato*. According to the allegations, during his tenure as president, Toledo received approximately USD 31 million in bribes from Odebrecht in exchange for granting the company a billion dollar contract to build the Interoceanic Highway between Brazil

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and Peru. In another case, known as the *Ecoteva* case, Toledo and his wife Eliane Karp were accused of money laundering through a Costa Rica registered company named *Ecoteva Consulting Group* and founded by Karp's mother, Eva Fernenbug. In June 2019, based on testimony from Israeli businessman Yossi Maiman, who allegedly served as a mediator in the Odebrecht bribery scheme, the Peruvian prosecution claimed that USD 18 million from Odebrecht was transferred through *Ecoteva's* bank accounts in Costa Rica.

Since February 2017, Toledo has not returned to Peru. The Peruvian government filed an extradition request to the US authorities in February 2018, but the process could take between two and seven years. In the meantime, in March 2019 Toledo was arrested for public drunkenness in California, in what current president Vizcarra has called a "regrettable incident that affects the country's image." In June 2019, the prosecution requested that Toledo and his wife be jailed for 16 years and 8 months for their crimes.

Alan García: the ill-fated second tenure



In 2006, after Toledo had stepped down, Alan García, who was leader of the left wing Peruvian *Aprista* party, came into power. This was García's second tenure as president, already having served in 1985

as one of Peru's youngest presidents at the age of 35. García's first tenure (1985-1990) is considered by many as disastrous since his economic policies, including the nationalisation of the banking industry, brought the country to inflation of 7,500 percent, while his efforts against *Sendero Luminoso* proved to be ineffective. In 1992, García fled to Paris where he remained in exile during most of Fujimori's presidency. In his second tenure (2006-2011), García encouraged foreign investment to the country and oversaw a boom in Peru's mining sector and its economy in general. In 2007, García signed a free trade agreement with the US, known as the US-Peru Trade Promotion Agreement, which supported the country's economic growth. However, signs of corruption in his administration appeared as early as October 2008, when García's prime minister Jorge del Castillo submitted the resignation of his cabinet following the publication of an audiotape of an alleged conversation between a government official and a lobbyist agreeing to help a petroleum firm win contracts.

In 2017, as investigations into the *Lava Jato* case developed, former Odebrecht CEO Marcelo Odebrecht admitted paying nearly USD 30 million in bribes to García's administration to win lucrative contracts, particularly the licence to build Metro line 1 in Lima. García was alleged by the prosecution to have taken approximately half of that amount for himself. In November 2018, the Peruvian Court of Anti-Corruption Preparatory Investigation granted the prosecutors an impediment order on García banning him from leaving the country until the end of the investigations. García, who declared his innocence and denied accepting bribes from Odebrecht, sought asylum in the residence of the Uruguayan ambassador in Lima, but Uruguayan president Tabaré Vázquez rejected García's

argument that he had been the victim of political persecution. In April 2019, after officials from the national police and the prosecution arrived with an arrest warrant at García's house in Lima, the former president shot himself and died shortly after. Though García's supporters blame the authorities for a political witchhunt, many Peruvians have considered his suicide as a confession of wrongdoing. Ironically, his legacy will also be remembered by a giant replica of Rio de Janeiro's Christ the Redeemer statue on the coast of Lima, which Odebrecht had given to him as a gift during his period in office, and which is now called "the Odebrecht Christ" by Lima locals.

Ollanta Humala: Venezuela's choice



Ollanta Moisés Humala Tasso came to power in 2011, as the leader of the left-wing nationalist party *Partido Nacionalista Peruano* which he had founded in 2005. Former military general Humala had relatively little political experience yet he was openly backed by Venezuelan president Hugo Chávez. Humala's tenure focused on social policies and foreign policies that were based on Peru's relations with other American states. Less than three months after his election, Humala's vice president, Omar Chechade, was implicated in a corruption case. In October 2011, Chechade was accused by the police of linking government officials and his own family

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members that were associated with Grupo Wong, one of the most powerful companies in the country. Chechade had allegedly pushed for the evacuation of workers from a farm owned by Peruvian sugar company Andahuasi, to benefit Grupo Wong. In January 2012, Chechade resigned from his role as vice president. The following day, the congress controversially voted to clear him of the alleged unlawful acts.

Although Humala was relatively unaffected by Chechade's corruption and resignation, allegations against the former president were raised as part of *Lava Jato*. In February 2016, the Brazilian police uncovered substantial evidence that Humala had received bribes from Odebrecht. While the scope of his involvement was not clear at the beginning, it was known that during Humala's administration Odebrecht won public contracts worth more than USD 200 million, not including a USD 7.3 billion project to build the Peruvian Southern Gas Pipeline. In July 2017, Humala and his wife Nadine Heredia were arrested and held in pre-trial detention for their involvement in *Lava Jato*. In January 2019, Peruvian prosecutors claimed that they had evidence that both the government of Venezuela and Odebrecht had financed Humala's political campaigns in 2006 and 2011. According to the allegations, Humala received at least USD 3 million from Odebrecht alone. In June 2019, Peruvian investigative journalism association *Convoca* revealed that according to Odebrecht's files, the company had paid USD 3 million in bribes to Humala in 2014 to win the bid for the Southern Gas Pipeline construction contract. The probe against Humala is ongoing, but the prosecution have already requested 20 years' imprisonment for Humala and his wife in May 2019.

Kuczynski: the Wall Street banker



Pedro Pablo Kuczynski Godard became president in July 2016, with the party *Peruanos Por el Kambio*, which he had founded in 2014. A former Wall Street banker, with degrees from Princeton and Oxford, Kuczynski, who took office at the age of 77, had a different profile from that of his predecessors. Before joining politics, he worked in the World Bank and in various US-based investments banks. In 2000, Kuczynski joined Toledo's presidential campaign, and under Toledo's administration he served as minister of economy and finance (2001-2002, 2004-2005) and as prime minister (2005-2006).

Kuczynski's short tenure was characterised by the aggressive confrontation from the opposition-controlled congress led by defeated rival Keiko Fujimori. Clashes between Kuczynski's cabinet and Keiko Fujimori's congress led the country to what is considered a severe political crisis. In December 2016 the congress ousted minister of education Jaime Saavedra because of alleged corruption in public contracts on his watch. In September 2017, Kuczynski's cabinet, led by prime minister Fernando Zavala, was also ousted by the congress in a vote of no-confidence against

the cabinet. In December 2017, as Kuczynski became increasingly implicated in *Lava Jato* during his tenure as minister of economy and finance, the opposition-led congress initiated an impeachment process against him, over claims of moral incapacity to serve as president given his lies about not having any connections with Odebrecht. However, the opposition did not obtain the minimum of two thirds of the vote to impeach him.

According to the allegations, Kuczynski received bribes from Odebrecht through the company he founded in 1992, Westfield Capital. Westfield Capital allegedly received USD 787,207 from Odebrecht between 2004 and 2007, while Kuczynski was minister of economy and finance and then prime minister. In that period, Odebrecht took over the concession to build the Interoceanic Highway between Brazil and Peru. He was also accused of using First Capital, a company established by his partner, Gerardo Sepúlveda, for the same purpose.

In March 2018, two days before Kuczynski's second impeachment vote was to be held at congress, several videos known as the *Kenjivideos* were released. The videos contained recordings of Kuczynski's allies, including Keiko Fujimori's brother and rival Kenji Fujimori, offering congress members the authority to appoint government officials, expedite public works projects and other benefits in exchange for voting against Kuczynski's impeachment. Following the release of the videos, Kuczynski announced his resignation from the presidency, making his vice president Martín Vizcarra the country's new president. At the time of writing Kuczynski is under pre-trial arrest while prosecutors investigate his involvement in *Lava Jato*.

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Vizcarra and the current administration's efforts to combat corruption



Photo: The Washington Post

Considering the long history of corruption in the country, which reached its peak in the last several years, with the *Lava Jato* scandal and the ongoing political crisis and unrest in the country, it was inevitable that current president Vizcarra would announce that his administration would be focusing its efforts on anti-corruption. Indeed, since his inauguration in May 2018, Vizcarra has taken several unprecedented steps. In July 2018, Vizcarra called for a referendum on proposed constitutional reforms, specifically on his proposals to prohibit private funding for political campaigns and for a ban on the re-election of lawmakers.

In August 2018, Vizcarra officially presented his reform bill to congress, but has faced a battle with the congress, which is still dominated by the opposition party *Fuerza Popular* led by Keiko Fujimori. Keiko Fujimori's party has repeatedly voted against Vizcarra's referendum attempts in the congress. However, in September 2018, after Vizcarra's prime minister César Villanueva had sought a confidence motion to dissolve the congress, the referendum bill finally passed. Separately, in October 2018 Keiko Fujimori was subjected to 36-months in pre-trial detention over her alleged role as leader of a criminal organisation within her party,

as well as money laundering allegations concerning at least USD 1 million from Odebrecht that allegedly went into her 2011 presidential campaign.

On 9 December 2018, coinciding with the United Nations' International Anti-Corruption Day, nearly 18 million Peruvian voters approved three out of four of the constitutional reforms. The first reform concerns the autonomous constitutional institution the National Board of Justice (JNJ), according to which its members would be selected by the ombudsman, the prosecutor of the nation, the president of the judicial branch and the president of the Constitutional Court, as part of a public process based on meritocracy. The Board would also submit an annual report to the congress on its activities.

The second reform relates to the funding of political campaigns, and would regulate the financing of political organisations, through audit and control mechanisms, as well as limit as much as possible the financing of candidate campaigns by private entities. The third reform relates to a prohibition on the immediate re-election of parliamentarians for a consecutive period. The fourth reform, which did not pass and Vizcarra himself was opposed to, sought to change the legislature system to a bicameral one. While the referendum was criticised by some Peruvians for not including other important issues such as same-sex marriage, the results were considered as a vote of support for Vizcarra and as a form of punishment from Peruvians on congress members.

Vizcarra's anti-corruption efforts also include pushing through several pieces of legislation aimed at increasing regulation on the business sector. One of the most prominent steps was the introduction of Peruvian Law

30424, which attributes corporate criminal liability for violations relating to corruption, bribery and money laundering offences. The law, which came into effect in January 2018, has been subject to several updates, namely the potential suspension and dissolution of companies involved in a violation of the law. Corporate fines under the law range from two-to-six times the amount of the undue benefit received.

“Tackling the origins of political funding, the internal democracy within political parties, the need to conform to new levels of discipline in the judicial system, the removal of parliamentary immunity – these are all appropriate measures, but they are only part of the problem”

The new law, which is part of a wider business-focused anti-corruption legislative process, requires Peruvian companies to have compliance programs in place. This includes a prevention model that should be tailored to the legal entity's nature, risks, needs, and characteristics, and must consist of satisfactory monitoring and control measures to prevent offences covered in the law or significantly reduce the risk of their likelihood. The measures include the appointment of a compliance officer as well as efforts to identify, evaluate, and mitigate corruption related risks.

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An interview with anti-corruption prosecutor José Ugaz

José Ugaz, who is an advisory board member at Aperio Intelligence, previously served as Ad-Hoc Attorney of Peru working on the highest profile criminal cases in recent Peruvian history, including the investigation of former president Fujimori and his chief of intelligence, Montesinos. He also served as chairman of Transparency International from 2014-2017.

How do you think Fujimori's trial has affected his successors?

Fujimori was the representation of the systemic corruption in the country. He did not just appear overnight as a politician to corrupt Peru, rather he was an expression of a structure and a system that are based on the logic of corruption. Of course, this reached its highest levels when Fujimori and Montesinos managed to organise their corruption through the National Intelligence Service of Peru and through the creation of a structure that was parallel to the state in order to steal the country's resources. In truth it could have been any of the presidents that followed Fujimori, but Fujimori was the face of this well organised network that completely captured the Peruvian state. So I would say that while Fujimori and Montesinos are important in the history of corruption in Peru, they are a product of the system.

How has this systemic situation manifested itself?

The proof that the political corruption in Peru is systemic, is that shortly after Fujimori and Montesinos stepped down and were sent to prison, Alejandro Toledo came to power, and that was when Toledo's adviser was caught in the act of corruption. And now Toledo himself is accused of receiving USD 31 million from Brazilian companies. And then came Alan García's administration, in which the whole cabinet of Peru led by prime minister Jorge del Castillo Gálvez fell down due to corruption. They were caught having meetings in hotels with businesspeople representing Mexican interests in the cement and oil sectors. The whole cabinet had to resign because of an act of corruption. And now, Alan García is no longer alive, he took his own life because he was being investigated for corruption allegations related to the Brazilian construction company. And then came Humala. After two or three weeks in power, Humala's vice president had to resign because of a corruption scandal, in which he met with a private company, Grupo Wong, in order to help them in a private litigation case. Humala himself then ended up in pre-trial detention, being investigated for receiving Brazilian funds to his political campaigns from illegal origins. And then came Kuczynski, the so-called "deluxe" president, a wealthy businessman who supposedly did not need to be involved in corruption, and he has ended up under house arrest, accused of conflicts of interest after having conducted business through his own private companies while serving as the country's minister of economy and finance. So, I think what this sequence of events tells us is that we are facing a structural problem and not merely a problem with a specific political party or politician, which is why we need structural reform, and that is what the current administration is focused on doing.

What have president Vizcarra and his administration done so far in the fight against corruption and what are their greatest challenges?

I believe that Vizcarra's government has done well to acknowledge that first of all, the main problem in this country is corruption, and secondly focusing on the type of corruption, one that is structural and needs deep reforms. The government has laid down reforms to the justice system, political reforms, and even a referendum. What happened in reaction to this is that the government has faced resistance from the political

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class, especially from the national congress, for carrying out these reforms, because this political class often represents corrupt interests and organised crime. This political class needs to radically change or disappear to allow for a reconstruction of politics. It is also true that, in Vizcarra's case, I think his mission of restructuring the state is not as broad as it should be. He states that the process should start with some key reforms, and in that regard I think he has done well. Tackling the origins of political funding, the internal democracy within political parties, the need to conform to new levels of discipline in the judicial system, the removal of parliamentary immunity – these are all appropriate measures, but they are only part of the problem. Solving the problem of systemic corruption requires more integral reform, and this is where we are going to see whether or not in the short term Vizcarra's policy has that integral vision.

When we discuss Peru's legislature, isn't there a conflict in hoping that congress members approve legislation that goes against their own interests, such as the removal of parliamentary immunity?

What the government has tried to do in this respect was precisely to say that 'following the approval of this legislation, which we ask you to approve, it won't be the congress which decides to remove immunity anymore but the judicial system.' The government has also recently raised the possibility that it would be the Constitutional Court of Peru or the National Board of Justice (JNJ) that makes this decision. But what the government has essentially said is: you cannot investigate yourselves, and there is a need for an external, independent entity that will be in charge of deciding in which cases immunity should be removed. In those cases you need an external autonomous body that decides when the immunity of a congressman is lifted or not: the judiciary, the Constitutional Court or the National Board of Justice. It could also eventually be the Office of the Public Defender as well.

"These are problems of systemic and structural corruption that are a result of a colonial model that made Latin American countries poorly organised from the very beginning of their history, with a centralised clientelist administration, based on neo-patrimonialism, that did not differentiate between state funds and private businesses"

What are the roles of the Peruvian judiciary and legislature in the fight against corruption? What should be the division of labour?

The judiciary's main role in combating corruption is to put an end to impunity and punish those responsible for it. It should know the truth and be sanctioned when setting precedents. I think prosecutors and anti-corruption judges have somehow fulfilled this role so far. The congress should have the fundamental role of ensuring a legal framework so that the country can, on one hand, benefit from sustained economic development and on the other hand have the tools necessary to stop corruption so that it cannot continue to affect us as it does.

Peru is a member of the UN and the Organization of American States (OAS), and its request to join the OECD is currently under consideration. What role, if any, does the international community or countries like the US have in supporting Peru's efforts against corruption?

There are several international instruments like the Inter-American Convention Against Corruption, which is managed by the OAS. The convention has a follow-up mechanism, but to me it seems quite modest and has little impact. Then there is the UN Convention Against Corruption, which serves more as a global tool that has slightly improved the normative framework, but I would not call it a "game changer" either. The US government has worked to some extent, with its Foreign Corrupt Practices Act, to apply its anti-bribery law abroad, and the same could be said for the OECD. But what I think is more interesting, is to look at the extent to which the Inter-American Commission on Human Rights (IACHR) has been incorporating the issue of corruption as an element that impacts human rights. The Commission has already issued two resolutions, so I think in the short or medium term we may begin to see that the relationship between human rights and political corruption can open up a series of steps that would allow us to combat the problem of corruption from another perspective that may be more effective.

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In what ways have political corruption affected the Peruvian economy?

All cases of corruption have two types of impact. The first is a material impact, effectively the loss of money, which in the case of an underdeveloped country like Peru is manifested in an increase in poverty. For example, by halting the work on the gas pipeline in the south we have lost several billions of dollars. In 2017, it was estimated that 150,000 Peruvians were not able to get out of extreme poverty as a direct consequence of corrupt practices. So there is definitely an economic impact that ends up hitting the poorest in our society, who are the ones who end up paying the price for corruption. But the other very serious consequence of political corruption has to do with the institutional weakness that it generates through the loss of confidence. Here in Peru everybody suspects everybody, and nobody trusts the authorities. And the political crisis that we are living in at this moment is directly linked to this loss of trust. Therefore, there are material, economic consequences of corruption, and there are also immaterial consequences of corruption that have to do with the institutional crisis and the crisis of confidence in the country.

How do you think recent cases, namely the Odebrecht scandal, affect foreign investors looking to invest in Peru?

Evidently, in an environment that is contaminated by corruption, one who seeks to invest needs to conduct some kind of cost-benefit analysis and check the likelihood of their investment being involved in corruption. For example, how much would it cost an investor if they enter into a corruption scheme and what legal security does the country offer. Interestingly, the macroeconomic indicators have not changed significantly, which means that there is still a flow of investment coming into Peru from abroad because Peru is still an attractive country. However, evidently the impact on foreign investment caused by the extent to which the political crisis continues to grow and the outcome of cases of corruption that are yet to be resolved, is going to be negative. The good news is that the Peruvian justice system has responded well, and I would say that after the Brazilians, Peru has had the best reaction. Now we have all these powerful corrupt actors, politicians and businessmen, sitting on the bench accused and who must respond to the justice system. That is a good sign for investors, since it means that they can reach this country and know that justice will somehow protect them.

Do you think the corruption in Peru is different from other countries in Latin America?

In terms of corruption, I don't think there is a big difference between Peru and the rest of Latin America, except very specific countries like Uruguay, Chile and recently Costa Rica as well. The region in general: South America, Central America and the Caribbean, has suffered greatly from this model of systemic corruption. These are problems of systemic and structural corruption that are a result of a colonial model that made Latin American countries poorly organised from the very beginning of their history, with a centralised clientelist administration, based on neo-patrimonialism, that did not differentiate between state funds and private businesses. All of this has caused the creation of systemic corruption, which in addition to Latin America we can also see in other parts of the world, like Asia, Africa and Eastern Europe, where the situation is not very different.

President Vizcarra's efforts in fighting corruption and increasing regulation have so far gained positive results, namely his victory in approving his constitutional reforms in December 2018. However, he still has a long and challenging way to go in order to reach a Peru that is clean of corruption. Decades of corrupt leaders have caused many Peruvians a deep loss of faith in the political and judicial systems, and it is possible that at least the same amount of time will be required to restore it.

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