Giving justice its due

With the imminent indictment of Peru’s Manuel Ulloa, all the trees in the forest could begin to fall.

Former Peruvian Prime Minister Manuel Ulloa Elias has been publicly charged by the Alan García government of swindling millions of dollars of central bank funds during his 1980-82 tenure as finance minister, and will soon be facing congressional investigation, according to front-page headlines of the April 13 daily La República.

Ulloa is no mere ex-government official. He is a longstanding enemy of President Alan García, closely linked to the Grace and Rockefeller families in the United States. He is especially close to the “Project Democracy” grouping in Europe around former West German Chancellor Helmut Schmidt, and is part of Schmidt’s “Inter-Action Council,” which is committed to drastically reducing non-white populations worldwide.

García’s Finance Minister Luis Alva Castro has named Ulloa, along with his successor under the previous Belaúnde government, Carlos Rodríguez Pastor, as responsible for diverting as much as $100 million of central bank reserves to “bail out” the already bankrupt Banco Comercial de Peru (Bancoper), owned by accused embezzler and Ulloa intimate Luis Felipe Bertello. Bertello is already in jail, facing trial for embezzlement and fraud against both the bank’s stockholders and the National Bank of Peru.

While the amount of money Ulloa stole is still debated, 30 billion soles (some $20 million) has been most frequently mentioned. Referring to this amount, Minister Alva Castro angrily told the press April 12 that this money could have built hundreds of schools, bought thousands of tractors, and paid the annual wages of thousands of teachers and doctors.

A probe into Ulloa, now a senator, will be initiated by the Peruvian Congress prior to holding a “political trial,” which could end with lifting of his congressional immunity to facilitate criminal charges. The Chamber of Deputies has already formed its committee, which pledges to take its investigation to its ultimate consequences.

The case dates back to 1983, when Bertello used the international debt shell game to asset strip his bank, Peru’s third-largest private commercial bank at the time, by borrowing beyond his capacity from foreign banks, and relending the capital to his own companies, which reportedly sent the funds to Swiss bank accounts abroad. With Bancoper unable to pay back its foreign loans, the Belaúnde government provided a multimillion-dollar bailout to pay the bank’s creditors, leaving Bancoper’s Peruvian stockholders out in the cold.

Ulloa and Rodríguez, it turned out, personally orchestrated the bailout. According to Minister Alva Castro, the two former officials knew that Bancoper was hopelessly bankrupt before they approved loans officially allocated to refloating the bank. Some sources say Bertello took some $30 million of the bailout money when he fled to that embezzlers’ paradise, Costa Rica, when an April 1983 warrant for embezzlement was issued against him and 17 other Bancoper executives. Bertello himself claims that the funds never reached him, but were sent directly by Rodríguez and Ulloa to Wells Fargo Bank in the United States, where Rodríguez now works as a top-level executive.

Ulloa has responded to the public airing of the accusations against him by insisting that he had done nothing more than what every other Latin American finance minister has done; namely, “to try to avoid the bankruptcy of the banking institutions.” On April 15, he convoked a hasty press conference to accuse García’s government of “obsessive” persecution. “This campaign is part of a high-level sinister conspiracy to weaken the political opposition, especially my party,” whined Ulloa, who threatened to blackmail or sue all responsible for the charges against him.

Ulloa has attempted this tactic once before. In August 1985, Ulloa sued the Peruvian Anti-Drug Coalition (ADC) for publicly accusing him of responsibility for the flourishing of the narcotics trade in Peru, during his government tenure. In two separate rulings overturning Ulloa’s suit, the Peruvian courts ruled that it was not slander to accuse Ulloa of policies that “permitted the proliferation of the drug trade.”

The Peruvian ADC accusations against Ulloa were taken from the book Dope, Inc., written by the editors of EIR. Ulloa has for years boasted of his plans to sue EIR founder Lyndon LaRouche inside the United States, boasts which he has never carried out. In early April, Ulloa returned to Peru from abroad, with his sixth wife—a Yugoslav princess. Ulloa immediately went on television to lie that LaRouche—who had just left Peru—was running from U.S. law and unable to return home. EIR is waiting to see how long Ulloa remains in Peru, now that the trees of his forest are falling.