

# Aid-Money Laundering as an NGO Racket. Haiti

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*It took the January 12, 2010 earthquake in Haiti to expose the rot in the world's charities. Well-meaning people and their governments donated about \$12 billion dollars of emergency aid, virtually none of which reached individual Haitians. The funds that were delivered went mostly to enrich [the donor](#) countries' government agencies, aid agencies and non-governmental organizations (NGO), and the vast majority of the pledged funds were never delivered at all. Some of this disappeared money was embezzled. Two criminal cases in 2015 give a glimpse into the use of NGOs by criminal networks to launder embezzled aid money.*

Aid, Mediterranean style

Rafael Blasco, one of Spain's longest-lived and most indestructible politicians, became the first person to serve time for stealing Haitian reconstruction funds when he began a six-and-a-half-year [prison](#) sentence on June 15, 2015 for committing embezzlement of public funds, administrative prevarication, and forgery while he was the Director of the Aid Ministry in Valencia's regional government. Although the English-language press ignored this news, in Spain, the "Aid Case" was a major scandal that the media followed for three years, until the Spanish Supreme Court denied Blasco's final appeal for clemency in May 2015.

According to a Valencia High Court and the Spanish Supreme Court, Blasco received his sentence for running a criminal ring that had syphoned off all but 3 percent of a \$2 million aid package that should have brought water and sustainable food to two poor rural areas of Nicaragua. This was only one part of the three-part Aid Case, which involved a total of \$10 million and irregularities in 30 humanitarian projects in Central America and the Caribbean, Africa, and Asia. Another important part of the Aid Case was the planned construction of a hospital in Haiti after the 2010 earthquake for \$5.1 million, but it turned out that there was sufficient evidence in the Nicaragua part to convict Blasco.



To solicit and syphon off the funds, Blasco formed and ran a criminal ring composed of members of Valencia's Aid Ministry and various NGOs. In the Nicaragua part of the Aid Case, the NGO was called the Cultural and Social Studies Foundation (Fundación CYES). Its president, Marcial Lopez, and his wife, Maria Jose Cervera, were both convicted. Other members of this crime ring included the businessman Augusto Cesar Tauroni, who was sentenced to six years in prison; the former Secretary General of Valencia's Aid Ministry, Agustin Sanjuan, who was also sentenced to six years in prison; and the former Under Secretary of the Aid Ministry, Alejandro Catala, who was sentenced to four and a half years in prison.

The criminal conduct began in August 2010 when Rafael Blasco, as the Director of



Valencia's Aid Ministry, pressured a committee to grant the \$2 million development subsidy to CYES despite the NGO's application being previously rejected. Shortly thereafter, two members of the committee who had opposed the grant were fired, and 25 percent of the amount of the grant was paid to the middleman Augusto Tauroni, for "advisory services, consulting, and engineering." A court investigation could account for virtually none of the disbursed aid funds. Invoices were presented that were unrelated to the project, and in one case the salaries of Nicaraguan workers were changed to euros instead of the local currency, in which they were paid, so as to justify a monthly payroll of \$5,100 instead of \$71. In the end, 97 percent of the \$2 million humanitarian aid to Nicaragua was laundered through CYES and then syphoned off into real-estate purchases in Spain's Mediterranean region of Valencia.



Details of the Haitian part of the Aid Case have not been made public, although it is known that the NGO associated with that particular case was called the Hemisphere Foundation (Fundación Hemisferio de la Comunidad Valenciana). It was directly run by Augusto Tauroni and received \$225,000 from Valencia's Department of Technical Advice. The Hemisphere Foundation has produced a quite polished Vimeo to promote the bogus modular hospital in Belle Anse, in southeast Haiti. It is a masterpiece of manipulation that discusses "the poorest country" and shows plenty of earthquake rubble, disconsolate adults, hungry children, and a Blasco speech (find link to video under Notes).

Rafael Blasco, who is nearly 70 years old, has been barred from holding office for 20 years, and this is prudent. Over the years, Blasco had been remarkably creative in keeping high office despite accusations of corruption. He began his political career as a leftist in 1983, but he switched to the right-wing party (Partido Popular, PP) after he was expelled from Spain's Socialist Party in 1990 under suspicion that, as Minister of Planning, he had accepted bribes from real estate developers to reclassify some lands. In PP, he became a close adviser to three successive regional presidents; he also served as the speaker of the regional parliament and the director of the Aid and Justice Ministries. Although he lost his position as speaker of the parliament when the Aid Case broke in 2012, he managed to keep his seat by

becoming an Independent. It took the convictions from the Valencia High Court in 2014, and the Supreme Court decision to uphold them in 2015, to end Blasco's career in crime and politics.



#### Humanitarian soccer

In the US, the case that caught the media's attention was the accusation that the Fédération Internationale de Football Association (FIFA) former official [Jack Warner](#) had diverted \$750,000 donated to Haiti for earthquake relief by FIFA and the Korean Football Association. This allegation was not new. It had first been made by the Trinidad and Tobago Football Federation in 2012 and then detailed in a 144-page Integrity Report by the regional soccer federation (CONACAF) in 2013. What made it mainstream news headlines in December 2015 is that an official US government source had repeated it. Specifically, after Warner's close FIFA associate Jeffrey Webb pled guilty to racketeering conspiracy, wire fraud conspiracy, and money laundering conspiracy in December 2015, US Attorney General Loretta Lynch announced a new series of FIFA indictments at a press conference. One part of the indictment said that "certain of the defendants and their co-conspirators, including the defendant Jack Warner and Jeffrey Webb, took advantage of these opportunities and embezzled or otherwise personally appropriated funds provided by FIFA, including funds intended for natural disaster relief."





Like Blasco, Jack Warner is a government official: the representative for Chaguanas West in Trinidad and Tobago's parliament. To continue the analogy to the Blasco case, the NGO here would be FIFA, which is not renowned for its virtue. Warner has denied the charges against him, and he seems certain that the case will go his way. After all, it does not only involve funds for Haiti. It is part of a larger probe that alleges the receipt of bribes from various governments and syphoning off of more than \$10 million of funds from FIFA. Talk of Warner being extradited to the US quieted completely after he began to cooperate with the investigation and threatened to implicate his own government. It is likely that the part of the case that involves Haiti will never come to light. The US is more keenly interested in former FIFA President Sepp Blatter and what he has to tell them about the corruption of high-level officials in the world, particularly those in governments that are cool toward the US.



## Digging out the truth

The mainstream press could have quoted any number of accusations against Warner involving a lot more money than disappeared from the donation to Haiti, but Haiti served it well in this case. The Haitian aid fiasco has become a button that can be pushed at any time to elicit anger from Americans about those who abuse their goodwill and steal emergency aid funds. There has never been any real interest from the law in exposing or punishing those who have allegedly enriched themselves and their friends with aid money from Haiti. If there had been, the Interim Haiti Recovery Commission ([IHRC](#)), a group of businessmen led by [Bill Clinton](#) who forced a state of emergency on Haiti and managed the country's supposed reconstruction for the 18 months immediately after the earthquake, would have got the attention of the US Justice Department by now. So much for the mainstream. One might also ask why the US alternative press, which makes a yearly ritual of searching through Haiti's rubble for the country's reconstruction funds on the earthquake anniversaries, has been mum about Rafael Blasco and Jack Warner. Generous explanations are earthquake fatigue and the US elections, but one should consider that this could be a matter of professional courtesy: the US alternative press is made up mostly of NGOs that depend on [aid agencies](#) and large [charities](#).



*Dr. Dady Chery is a Haitian-born poet, playwright, journalist and scientist. She is the author of the book "We Have Dared to Be Free: Haiti's Struggle Against Occupation." Her broad interests encompass science, culture, and human rights. She writes extensively about Haiti and world issues such as climate change and social justice. Her many contributions to Haitian news include the first proposal that Haiti's cholera had been imported by the UN, and the first story that described Haiti's mineral wealth for a popular audience. Haiti Chery | Dady Chery is the author of [We Have Dared to Be Free](#). | [Hemisphere Foundation Vimeo](#) (Blasco*

speech at 9:10 min)| [Video](#) of Blasco entering prison

| Image one from [Antonio Marin Segovia](#); photographs two by [Zoriah](#), three to five by [Claudio Cesarano](#), six and seven from [BBC World Service](#), eight from [UNDP](#).

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