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Monday May 24, 1999

For Immediate Release

**Press Advisory****CONGRESSIONAL STAFF MISSION TO ARGENTINA:**  
**DEMOCRATIC INSTITUTIONS ON THE LINE**

- Nine U.S. congressional staffers arrive in Argentina today.
- *Mission set to investigate charges of persecution of Buenos Aires Yoga School, Argentina's institutionalized corruption, lack of U.S. cooperation on the IBM bribe scandal, and the alarming paucity of transparency in the Argentine prosecutorial and judicial process.*
- *Council on Hemispheric Affairs (COHA) director Larry Birns explains purpose of Congressional staff trip, underwritten and sponsored by his organization, in a letter to Argentine President Menem.*
- *Complete list of staffers' names and offices appended.*

**MEMORANDUM**

A nine-member bipartisan congressional staff delegation will be arriving today in Buenos Aires to begin a five-day fact-finding trip to Argentina. Including sessions with Vladimiro Corach, a confidant of President Carlos Saul Menem, as well as one or more Supreme Court Justices, its members also will be meeting with a representative group of Argentine political figures, lower court judges, human rights advocates, legislators and those familiar with the Buenos Aires Yoga School (BAYS) and IBM cases. The staffers' mission consists of several components. It includes investigating charges that BAYS' officials and members are being systematically persecuted, as well as the putative lack of cooperation by U.S. officials with local legislators and judges who are investigating charges that the Argentine subsidiary of IBM, with the full knowledge of its North American headquarters staff, bribed senior officials of the country's central bank and committed fraud in order to win a major computerization contract for the U.S. multinational at a grossly inflated price.

**Menem Government Largely Ignores Requests for Clarification**

Over the past 2 years, forty members of the U.S. House of Representatives (including

Congressman Henry Hyde (R-IL), chairman of the House Judiciary Committee) and a number of his senior colleagues, have sent letters to President Menem seeking reassurances that justice will prevail in the BAYS case. In a letter authored by President Clinton on February 3<sup>rd</sup>, 1999, in response to queries from several members of the U.S. Congress, Clinton wrote, "while I agree that we cannot intervene in the Argentine judicial process, we will continue to follow the [BAYS] case and urge the Argentine government to resolve it as expeditiously as possible." He also noted that, "Like other cases in the Argentine judicial system, this case has taken too long to resolve."

Recently, a number of U.S. representatives received a somewhat bizarre response to a thoughtful letter they had written to the Argentine president. It came from the minister of justice and former ambassador to the U.S., Raul Granillo Ocampo, acting in Menem's name. The letter's entire text follows:

*Mr. Congressman:*

*I am writing you in order to confirm that I have received the note of March 18<sup>th</sup>, sent to the Argentine President in regards of [sic] the Buenos Aires Yoga School. ■*

*With no further comments. Sincerely,*

*Dr. Raul Granillo Ocampo*

*Minister of Justice*

Needless to say, Hill recipients of this contemptuous letter were far from amused. Nor is much credence given to the Justice minister's often repeated insistence that the Argentine judiciary is completely autonomous and that he has no authority to affect change in it even if he wished to do so. This is a canard, as well as being an entirely disingenuous explanation on his part, given Granillo Ocampo's predilection to manipulate every conceivable facet of the country's judicial delivery system.

### **Regarding the BAYS case**

The present congressional staff fact-finding trip is just the latest initiative by COHA along with a growing number of U.S. legislators to try to find a solution, or at least an explanation, to the blatant harassment, intimidation and abuse of prosecutorial and judicial procedures in Argentina which have been targeted against BAYS, which clearly places this travail under the classification of a human rights abuse. In this instance, BAYS becomes a metaphor for all the flaws, shortcomings and blatant misuse of authority and lack of accountability on the part of the country's outdated and notoriously venal court system, prompting some to ask, where is the money trail behind this case and who are the beneficiaries?

For six years, Argentine judicial and prosecutorial authorities single-mindedly and flagrantly have stalked members of the Buenos Aires Yoga School in order to facilitate their

systematic harassment, intimidation and false prosecution. Several Argentine observers believe that much of the fury for this *jihad* seems to have originated in the office of State Fiscal Patricio Lugones, who for whatever reason (and some are highly suspicious about this), has been gripped by a personal vendetta against BAYS in which he has sacrificed his sense of professionalism, leaving his judgment seriously impaired. But there has been more at play, as COHA director Larry Birns took note of in his letter to President Menem: "This development [persecution of BAYS] has been motivated by a number of factors, including allegations of anti-Semitism as well as the perception that an extremist political agenda exists in segments of Argentine society."

### **What is BAYS?**

More akin to a 19<sup>th</sup> century literary society noted for its openness and catholicity of interests, rather than anything approaching what its mean-spirited detractors describe it as being, BAYS' membership today numbers scarcely reaches 300, down from nearly 1,000 before the well-orchestrated attack against it commenced. The trial against some of its officers and members started six years ago and was focused on brainwashing accusations against the organization, unaccompanied by a scintilla of supporting evidence. In the original charge issued against it, BAYS was scandalously portrayed as being a "sex cult" whose members had been "programmed."

As a result of this entirely lunatic demonization, egged on by a few well heeled, alienated family members out to punish their estranged children and erstwhile loved ones, who remained in the BAYS' fold, the Yoga School became a prime target for yellow journalism as well as a number of vengeful right-wing extremists who otherwise abound in Argentine society. This includes much of the prosecutorial and judicial establishment, many of whose political convictions are more closely calibrated to those of neo-Nazism than Jeffersonian democracy and any belief in an open society. Some of these officials were appointed during the late 70's and early 80's during the period of authoritarian military rule, when over 25 thousand Argentine civilians were tortured and murdered by the country's military and associated death squads. As a result of the non-stop hectoring of BAYS by the Court apparatus, the organization's growth and prosperity has been negatively affected, with its membership dramatically ebbing and its remaining members fearful of further financial loss and retaliation by the authorities if their legal efforts are too aggressive in their self-defense.

### **The controversial Corvalán**

In March of 1999, Judge Corvalán de la Colina, the new trial judge in the BAYS matter, began to process three technically new cases against the same defendants for the same crimes which were the centerpiece of the government's original proceedings against them six years before, clearly violating the principle of double jeopardy against the recycling of a charge, according to many Argentine specialists in jurisprudence. What is more alarming about Corvalán's judicial strategy was his astonishing decision to declare two adult members of BAYS (ages 27 and 30) to be "mentally unfit" to conduct their own affairs in the eyes of his court, even though the sitting judge had never met them, and the psychiatric

records earlier compiled by court - appointed medical specialists selected under the instructions of a previous trial judge, had established that the defendants were absolutely normal. Corvalán's unprecedented antics, reminiscent of the prevailing atmosphere in Argentina during the brutal era of military rule, as well as of the controversial Soviet practice of using psychiatric procedures as a ruse to punish and later inter political prisoners, would strip these two innocent individuals of their most basic civil rights. Now, all BAYS members have good reason to wait in fear that their names will be the next to appear on the list of the mentally "unfit," as designated by Judge Corvalán, psychiatrist *manque extraordinaire*.

All of this has occurred in Judge Corvalán's circus tent courtroom in spite of the fact that:

- The Chief Justice of the Supreme Court has said that the charge of Corruption of Adults (of which the defendants are being accused) does not exist in Argentine law.
- There is not now, nor has there ever been any incriminating evidence brought forth against BAYS, a fact admitted by both the Justice Minister and the original trial judge in conversation with COHA director Birns.
- The Supreme Court upheld the decision of the Court of Cassation, nullifying the case against BAYS.
- The Statute of Limitation elapsed 5 years ago.

### **Regarding the IBM case**

In the Argentine phase of the investigation of IBM Argentina, which began in 1995, it was established that both officials of IBM North Americans as well as local executives of the giant multinational conspired with Banco Nación, a government - owned financial institution, arranging that the U.S. computer company illicitly receive an enormously inflated \$250 million contract with that state entity. As part of a complicated scheme of corruption and bribery surrounding this case, bona fide competitors for the contract were improperly disqualified from the bidding process. In order for them to arrange for the bribe to be paid, several IBM Argentina executives were accused of ordering a phantom \$37 million back-up computer system (which was never meant to be delivered) from a company which had only two employees, who followed instructions to launder part of at least \$21 million into New York and Swiss bank accounts in the name of the Banco Nación officials. In spite of the huge figures involved and the audacity of the plan, the case has generated surprisingly little attention in the U.S., with only the occasional article appearing in the press on the subject.

Argentine judges have attempted to extradite two IBM (U.S.) officials alleged to have been aware of the bribes, to their country to be examined concerning their role in the corruption scandal. However, these IBM executives claim they had no knowledge of the bribe. As for the U.S. Justice Department, it has refused to sanction extradition proceedings until the Argentine phase of the investigation yields more concrete evidence of the executives' complicity. Several highly suspect "suicides" involving key Argentine figures associated with the case have taken place, and there is every indication that the crime involved a

number of personalities at the pinnacle of political power in Argentina.

**COHA's Assistant in Buenos Aires, Argentina: Mr. Edward Ganet.**

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**CONGRESSIONAL DELEGATION**

May 24 – May 31 1999

- The Office of **Rep. John CONYERS, Jr.** (Michigan, D.14<sup>th</sup>)

**Carl LeVan** – Legislative Director

- The Office of **Rep. Eni F. H. FALEOMAVAEGA** (American Samoa Delegate, D.)

**Enere Levi** – Legislative Assistant

- The Office of **Rep. Tony P. HALL** (Ohio, D.3<sup>rd</sup>)

**David Goldberg** – Legislative Director

- The Office of **Rep. Tom LANTOS** (California, D.12<sup>th</sup>)

**Emily Rawlings** – Legislative Assistant

- The Office of **Rep. Gregory W. MEEKS** (New York, D.6<sup>th</sup>)

**Faith Blackburne** – Legislative Assistant

- The Office of **Rep. Lucille ROYBAL-ALLARD** (California, D.33<sup>rd</sup>)

**Martin Moreno** – Legislative Assistant

- The Office of **Rep. Thomas G. TANCREDO** (Colorado, R.6<sup>th</sup>)

**Scott Gast** – Legislative Assistant

- The Office of **Rep. Anthony D. WEINER** (New York, D.9<sup>th</sup>)

**Lisa Arfaa-Webster** – Deputy Chief of Staff

- The Office of **Rep. Robert WEXLER** (Florida, D.19<sup>th</sup>)

**Eva Cargill** – Legislative Assistant

Presidencia de la Nacion

Excmo. Sr. Presidente de la Nacion Argentina

**Dr. Carlos Saul Menem**

Balcarce 50

Buenos Aires - ARGENTINA

May 12<sup>th</sup>, 1999

Dear Mr. President:

My greetings to you and let me again thank you for the appreciated cordiality your colleagues (you were out of the country) extended to me when I was in Buenos Aires last October seeking enlightenment on the IBM and EYBA (Escuela de Yoga de Buenos Aires) cases. On this present occasion, I would like to bring to your attention a development which I hope will be welcomed by you: the imminent arrival in Buenos Aires of a group of U. S. congressional staffers who are coming to Argentina to undertake a fact-finding mission which should be of considerable importance to both countries' future relations.

The congressional personages are undertaking this trip in order to participate in a mission being sponsored by the Council on Hemispheric Affairs (COHA), as well as individual congressional offices here in Washington. Their purpose in travelling to Argentina is to engage in some basic research on the two above cases prior to the possible drafting of a report, or proposing to hold a congressional inquiry into one or more areas affecting Argentine- U.S. relations. Concerning the EYBA, for a growing number of U.S. legislators and other authorities in official Washington, including President Clinton, the EYBA case already has attracted an extraordinary amount of attention. In his letter, the U.S. president expressed his distress over the disconformities of the EYBA case in a letter he sent on February 3 to Rep. Tom Campbell (R, CA), Rep. Gary Ackerman (D, NY), Rep. Amo Houghton (R, NY) and Rep. Jim McGovern (D, MD), in response to their own letter of concern over the matter. Meanwhile, aside from the admirable reporting in the daily *Pagina 12*, the case in Argentina is surrounded by a virtual *codigo de silencio*.

Regarding the IBM case, I am referring to the distressing lack of visibility in this country to charges that senior U.S. corporate officials bribed several directors of Argentina's central bank in order to obtain an immensely lucrative computerization contract in that country. This case and the one relating to the charge that judicial and prosecutorial authorities have unjustly targeted members of the EYBA for systematic harassment, intimidation, and false prosecution, has generated a continuously widening circle of attention in the U.S. which is unlikely to disappear. This development has been motivated by a number of factors, including allegations of anti-Semitism as well as the perception that an extremist political agenda exists in segments of Argentine society.

The visiting congressional staffers will welcome the opportunity to take soundings of existing bilateral public policy relations, including evaluating the effectiveness of current U.S. assistance programs in the country as well as those projects for which Argentine authorities hope to obtain U.S. support to advance their requests for new funding from the international lending agencies.

In recent months, the growth and requirements of the global market have increasingly spotlighted the issue of corruption throughout Latin America, including Argentina. Concern is being expressed over the need for judicial reform and the importance of rectitude and confidence in the quality of a nation's system of law and order. As you by now are aware, in this year's corruption ratings by Transparency International, Latin American nations received alarmingly high rankings. Paraguay and Honduras were deemed the most corrupt, at ratings in the eighties, while Argentina was ranked a disturbing 61st place among those nations found to be tarnished by venality.

In preparation for their visit, the congressional staffers are being briefed in Washington about current U.S. - Argentine bilateral issues affecting trade as well as non-economic matters, including your nation's most-favored nation status in its trade relations with the U. S., and the extent to which U.S. EX-IM Bank credits are being utilized by Argentine importers and U.S. suppliers.

People of good will are anxious to improve U.S. - Argentine bilateral relations as well as assist your country in every way that they can in efforts to modernize its court and prosecutorial systems. It is within this context that the congressional staff delegation would welcome being afforded a comprehensive briefing on the allegations against the Buenos Aires Yoga School as well as benefit from

any light and updatings that your office can provide on the IBM case and the corruption issue in general. It is my understanding that the EYBA case continues unresolved, in fact is now being expanded. \*

As a result of my Argentine trip last year, and realizing how little exposure the IBM case was receiving in the U.S., and how disturbed U.S. congressional offices were over what appeared to be troubling elements surrounding the government's handling of the Yoga School case and possible links between the two matters, I and a number of my colleagues decided that an open dialogue would be encouraged by facilitating a first-hand hearing from various political perspectives concerning these cases.

For all of the above reasons, COHA is sponsoring the congressional delegation's trip to Argentina to encourage a discussion of these issues on a face-to-face basis, with highly reputable Argentine authorities. To an extent, this effort should help neutralize the lack of, or often insufficient answers received in Washington by U.S. legislators from a number of Argentine authorities since 1997. Also at play is the failure of communication from the Argentine embassy in Washington and the absence of creative energy on the part of its ambassador here, as well as the unresolved bombing of two major Jewish facilities in Buenos Aires with great loss, which has deeply troubled a number of U.S. legislators, who are now reviewing their comprehension of the present course of U.S. – Argentine relations.

Those making up the U.S. delegation are listed on an adjoining sheet. The trip will take place from May 26<sup>th</sup> to 30<sup>th</sup>, and I respectfully request that you or your designated senior representative meet with these extremely important North Americans in order to make constructive use of this significant occasion. \*

We appreciate your consideration and thank you in advance for the cooperation of your office.

Respectfully,

Larry Birns

Director