

Costa Rica Governmental Corruption and Bribery, the Heart of CAFTA Case

Mr. Aven told me that he was asked by employee of the local municipality to pay a bribe of \$200,000 in cash to keep the project moving along. Fernando Zumbado

LOS ANGELES, CA, US, January 11, 2018 /EINPresswire.com/ -- After spending over 300 hours watching all the hearing videos, reviewing documentary evidence and interviewing a number of people; the following is this reporter overview of CAFTA Case-David Aven et al vs Costa Rica!

There are five main fact points to this story.

1. The Las Olas Project had acquired all the lawful permits.
2. Mr. Luis Martinez shut the project down with a false wetlands claim.
3. US Investors alleged the project was shut down because of refusing to pay bribes.
4. Mr. Martinez filed false criminal charges against Mr. Aven for violating the wetlands.
5. Mr. Martinez requested that Mr. Aven be red noticed by INTERPOL, never before done in Costa Rica for an Environmental crime.

One has to take note that 2-5 happened after all the Government permits had been issued. Further, Costa Rica failed to get any witness statements from MINAE, SETENA, SINAC, TAA, MUNICIPALITY and INTA, all relevant agencies, that had direct dealings with the Las Olas development Project. Yet none were called upon to give evidentiary witness statements and appear at the 6 day hearing!

The US Investors alleged their refusal to pay bribes was the real reason why 2-5 happened. The attempted bribery was mentioned in US Investors Notice of Arbitration, was mentioned in Mr. Aven's and Mr. Damjanac's witness statements, and was mentioned in Fernando Zumbado's witness statement.

According to Mr. Aven, in an interview with the "criminal" prosecutor Mr. Martinez, he informed him about the attempted bribery by Mr. Christian Bogantes, however, Mr. Martinez never investigated Mr.



Mark Baker Questions Luis Martinez



Eduardo Siqueiros questions Nestor Morea

Bogantes for bribery. The Costa Rica government never got a witness statement from Mr. Bogantes to refute the bribery charge. Instead Mr. Martinez kept investigating Mr. Aven for a non-existence crime.

Mr. Zumbado's CAFTA witness statements about his knowledge of the bribery attempt of Mr. Aven:

“In 2009, Mr. Aven called me about a troubling meeting he had with some people in the Municipality of Parrita. Mr. Aven told me he had been asked by an employee of the municipality to pay a bribe of \$200,000 in cash to keep the project moving along.”



Mark Baker, Arbitrator, Questions David Aven

“This did not come as a surprise to me, as I had previously heard rumors of corruption in the coastal areas during the real estate boom.” “According to rumors, the Central Pacific and South Pacific are the worse affected by this type of corruption.”

“

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Fernando Zumbado, Former Housing Minister

“the complexity of the permitting process creates opportunities for corrupt individuals to seek to extract bribes from unwitting developers.” “I was concerned because there had clearly been an abuse by a local official of his post and I felt compelled to try and help Mr. Aven.

“It’s clearly in Costa Rica’s interest to ensure that foreign investors such as Mr. Aven are not abused by corrupt officials. If this kind of criminal behavior is not eliminated, then it will give Costa Rica a bad name and is liable to discourage future foreign investment. For those reasons, I was determined to

try to do something to bring the situation to the relevant authorities’ attention.” I mentioned what Mr. Aven had told me to some of my former colleagues in the Government, but nothing came of our discussions.”

Mr. Zumbado statement about Mr. Martinez shutting the Las Olas Project down:

“I was extremely surprised to hear the authorities halted works as a result of the presence of a suspected wetland. As a result, I was suspicious of the authorities’ motivations, particularly in view of what I already knew about the attempt to solicit a bribe from Mr. Aven. I could not understand why the authorities appeared to have done a 180 degree turn, despite carrying out all the relevant environmental studies and granting all the requisite permits.

“What has happened to the Las Olas project is very unusual. I have never heard of any other project where all the permits were issued, and then later revoked, on the basis of something that the relevant authorities themselves had already investigated and discounted.”

“Developers must be to rely on the permits they have lawfully obtained. The way in which the Las Olas project has been dealt with by the Costa Rican authorities is both inexplicable and

unacceptable.”

Mr. Zumbado comments about criminal charges filed against Mr. Aven.

“What has happened to the Las Olas project is very unusual. I have never heard of criminal proceedings being brought against a developer such as Mr. Aven before. It certainly seems to me as though the authorities’ reaction is disproportionate to the alleged crimes in this case and in my view, there is something very strange about Mr. Aven’s prosecution.”

“Developers must be able to rely on the permits they have lawfully obtained. The way in which the Las Olas project has been dealt with by the Costa Rican authorities is both inexplicable and unacceptable. In my experience, what has happened to Las Olas and Mr. Aven is not normal.”

“I was even more surprised when I learned about the criminal proceedings against Mr. Aven and Mr. Damjanac.” “I have never heard of criminal proceedings being brought against a developer such as Mr. Aven before.”

“Normally, one would expect the authorities to pursue a civil claim against anyone accused of breaching environmental laws, not a criminal one. But in Mr. Aven’s case the prosecutor seems to have been determined to pursue Mr. Aven personally in the criminal courts for what is, in reality, a civil issue.”

None of Mr. Fernando Zumbado statements were objected to or contradicted. Costa Rica did not call Mr. Zumbado for cross-examination to challenge him on his statements, therefore his statements stand as being truthful.

Mr. Zumbado, was a two-time housing minister, Costa Rica Ambassador to the US, Costa Rican’s UN representative, and UN Under Secretary. Read Mr. Zumbado’s complete witness statement, and others, on our website.

[Click to see testimony video from the CAFTA hearing](#) at the World Bank. [See CAFTA submission filings on ITA Website](#). Watch for more corruption reports and visit our website at CRBUZZ.com.

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