

Newsletter Mexico Energy Intelligence™ flags influence peddling in Mexico as a challenge for investors

Country risk in Mexico includes influence trafficking in the courts

HOUSTON, TEXAS, UNITED STATES, March 25, 2022 /EINPresswire.com/ -- Mexico Energy Intelligence (MEI), a news agency dedicated to market and policy research in Mexico's energy sector, has updated its risk atlas for investors. Its report (MEI 950) assesses the impact on business and public policy of evidence of corruption in Mexico's judicial system.



First, background and salient facts: Mexico's President Andrés Manuel López Obrador, 69, was swept into office in 2018 vowing to end corruption in public life and in Pemex. Recent events offer a glimpse into the challenges that the president faces in his own cabinet and in the judicial system.

“

Our experience should be a lesson for other investors in the oil and electric sectors who face legal and regulatory harassment”

Ricardo Silva

At the president's briefing on March 18, reporters raised questions about the rumored involvement of [Julio Scherer](#), 53, formerly the head of the Presidential Office of Legal Affairs, regarding schemes of extortion and influence-peddling carried out by a network of law firms and federal judges.

In one such scheme, parties are asked to surrender their ownership in a company or participation in a Pemex contract in favor of others, under threat of bankruptcy and costly litigation.

One such example is the attempted take-over of a Pemex contract for the operation of a sour gas compression platform named Agosto 12. The contract was awarded to a consortium of four

Mexican companies in 2013; the unit was built by Coastal Contacts, Bhd., a Malaysian shipyard, in 2015; and it was brought to Mexico and installed the following year.

Soon afterward, through the offices of Rivera Gaxiola, a law firm that is mentioned in the current news cycle, aided by the platform owner, the shipbuilder and its Mexican fiduciary agent pressured Trese to [relinquish its participation](#) in the contract in favor of the others.

In 2019, a federal judge, Alejandro Dzib Sotelo, 67, ruled that the crew of a Houston company would displace that of Trese as operator of the offshore platform, ignoring Trese's rights as the permit-holder. Funds that were due Trese from the contract were diverted to others.

The new company, however, lacked a tax registration or permission to operate in Mexico, and, in February 2021, the judge's rulings were overturned by a higher judicial authority. Meanwhile, by allowing the platform to be operated unofficially, Pemex was exposing itself to legal risks and claims to arise from [a safety or environmental incident](#).

A second judge, Concepción Martín Argumosa, 66, was designated to supervise, on behalf of Trese and its American, Asian and Mexican creditors, the recovery of all of the funds that had been illicitly withheld.

Trese successfully faced judicial indifference and harassment for the recovery of diverted funds. "Our experience should be a lesson for other investors in the oil and electric sectors who face legal and regulatory harassment," Ricardo Silva, 53, managing principal of Trese, told a reporter recently. He added, "The Navy [SEMAR] and Safety Regulator [ASEA] have zero tolerance for judicial corruption. They recognized that we held non-transferrable permits to operate the vessel in federal waters."

The legal and ownership complexity contracting model for the rental of industrial facilities makes this means vulnerable to corruption. President López Obrador faces a monumental challenge to improve judicial effectiveness when members of his cabinet and a network of federal judges benefit from schemes of extortion and influence peddling. Investors, meanwhile, face new challenges.

This is a summary of an investigative report that is scheduled for release May 1st on the implications of evidence of collusion between law firms and the courts to the detriment of investors and lenders.

George Baker
Mexico Energy Intelligence
+ + 18324343928
g.baker@energia.com
Visit us on social media:
[Twitter](#)

Other

This press release can be viewed online at: <https://www.einpresswire.com/article/566594737>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2022 IPD Group, Inc. All Right Reserved.