



Remittances Abet Mexican Officials' Irresponsible Behavior

By George W. Grayson

Introduction

The hijinks of Mexico's state governors often prove more titillating, suspenseful, and eye-popping than Univisión soap operas. Sergio Estrada Cajigal, the chief executive of Morelos (2000-06), wowed Cuernavaca's citizens by taking sexy girlfriends on flying trysts in a helicopter. Estrada and his successor rented the so-called *helicóptero del amor* at a cost of \$172,500 to taxpayers.¹ Then there is Oaxaca's José Murat Casab, who in March 2004 claimed to have been targeted by gunmen. His account of the event was "full of more holes than the vehicle that was purportedly sprayed by shooters with Kalashnikov assault rifles."² Critics say the swaggering cacique staged the phony shoot-out to loft his sagging approval ratings. In terms of chutzpah, however, it's difficult to top Tabasco's former chief executive Andrés Granier Melo (2006-12), who bragged in a recorded conversation that in forays to Fifth Avenue and Rodeo Drive, he had purchased 400 pairs of pants, 300 suits, 1,000 shirts, and 400 pairs of shoes — with footwear costing \$650 or more. How strange that he could not account for the "disappearance" of 900 million pesos (\$69.3 million) at the same time that his family's bank accounts got fatter and fatter.³

From 1997 to 2012, an executive-legislative deadlock impeded decision-making by Mexico's national government. Like nature, politics abhors a vacuum. Several groups filled the political void: Televisa, TV Azteca, and other media networks, multinational corporations, drug cartels, and venal boss-ridden labor organizations such as the Oil Workers Union (STPRM), the National Syndicate of Educational Workers (SNTE), and the radical National Coordinator of Education Workers (CNTE), which invaded Mexico City in September with 20,000 firebrands. Until the late-20th century, the nation's 31 governors, the mayor of Mexico City, and many of the 2,435 municipal presidents typically played second fiddle to the president, finance and government secretaries,⁴ and key legislators. The stalemate, which began in 1997, transformed them from vassals to barons of their fiefdoms. Analyst Luis Rubio astutely observed that "Mexico is the only country that has evolved from a monarchy to feudalism."⁵

State executives may argue over abortion laws, the pros and cons of DF (Mexico City) statehood, and the legalization of marijuana in their bailiwicks. However, they agree completely on the importance of a generous immigration reform by U.S. decision-makers. At a meeting of Mexico's National Commission of Governors (CONAGO), Eruviel Ávila Villegas, Mexico State's chief executive and the group's foreign affairs spokesman, emphasized the importance of the pending legislation. He stressed that "we must directly strengthen our international cooperation with governments and social organizations" in concert with the Ministry of Foreign Affairs (SRE).⁶ At the same time, the state leaders agree with Chihuahua's free-spending Governor César Duarte Jáquez that the construction of a new wall between Mexico and the United States would be an "aberration", even as his own country gropes for an effective deterrent to Central Americans and other foreigners crossing Mexico through Guatemala and Belize.⁷

This *Backgrounder* (1) analyzes the windfall that state and local officials receive from remittances of Mexicans living abroad; (2) illustrates the irresponsible and illegal actions of state executives who receive 90 percent of their

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budgets from the federal government, even as they spurn using the taxing powers at their disposal; and (3) highlights the formal and informal powers exercised by the new viceroys.

I. Windfall from Remittances

During the first six months of 2013, the influx of dollars from abroad dropped 10.77 percent, which reflected sluggish growth in both Mexico and the United States. Nonetheless, the \$10.7 billion influx from abroad allowed states to reduce outlays on education, health care, housing, nutrition, roads, bridges, environmental protection, and public safety for their citizens, many of whom live in hardscrabble poverty. Needless to say, they do not assess property and irrigated fields at the market value, and nine times out of 10 do not collect these taxes in order to ingratiate themselves with powerful and affluent supporters. Table 1 indicates the remittances received in the first halves of 2012 and 2013.

Table 1. Receipt of Remittances by State: 2012 and January-June 2012 and 2013 (millions of dollars)

State	2012	January-June 2012	January-June 2013
Aguascalientes	332.7	175.3	153.3
Baja California	464.9	214.4	260.8
Baja California Sur	41.4	20.1	20.6
Campeche	55.6	29.3	27.6
Coahuila	283.5	137.8	139.0
Colima	180.2	96.5	87.2
Chiapas	572.7	307.3	267.8
Chihuahua	466.8	237.9	223.7
Distrito Federal (Mexico City)	1,013.6	587.4	369.8
Durango	431.1	220.2	210.0
Estado de México (Mexico State)	1,563.8	822.8	722.0
Guanajuato	2,138.3	1,131.7	1,030.0
Guerrero	1,231.0	647.6	611.1
Hidalgo	721.5	388.0	320.5
Jalisco	1,883.5	1,006.3	896.4
Michoacán	2,209.4	1,175.3	1,073.0
Morelos	561.3	296.6	265.0
Nayarit	339.5	173.4	158.7
Nuevo León	340.0	172.8	165.9
Oaxaca	1,366.2	738.4	626.4
Puebla	1,403.2	734.7	693.0
Querétaro	378.6	199.7	179.0
Quintana Roo	93.3	48.7	49.9
San Luis Potosí	738.7	373.6	358.7
Sinaloa	501.2	264.8	242.0
Sonora	326.8	174.3	165.4
Tabasco	111.3	59.4	56.0
Tamaulipas	485.5	251.4	286.6
Tlaxcala	253.2	131.1	109.0
Veracruz	1,176.0	638.0	541.8
Yucatán	119.2	61.1	61.5
Zacatecas	654.5	340.3	331.7
Total	22,438.3	11,856.4	10,703.7

Source: Banco de México, *Informe Annual*, 2012.

II. Irresponsible Behavior

The access to remittances frees up monies that allow governors to engage in a bizarre and irresponsible manner, even as they seek additional funds from Mexico City.⁸ One of their favorite pasttimes is flying hither and yon without accounting for their expenditure and objectives.

Table 2. Gubernatorial Trips Abroad

Governor, Party, and State	Trips Abroad	Destinations	Expenditures (based on \$1 = 12.5 pesos)
César Duarte Jáquez — PRI Chihuahua (2010-16)	5 (14 days)	U.S., Korea, Japan, China	State's website indicated an average cost of 518,000 pesos (\$41,440) per trip.
Jorge Herrera Caldera — PRI Durango (2010-2016)	N.A.	U.S., Europe, Canada, Panama	Refused to disclose amount spent.
Emilio González Márquez — PAN Jalisco (2006-2012)	21	U.S., Italy, New Zealand	The U.S. trip cost 17,287 (\$1,392.60) pesos plus 9,690 pesos (\$775.20) for food and lodging.
Mario González Valdés — leftist coalition Sinaloa (2010-16)	7	U.S.	Refused to disclose amount spent.
Roberto Borge Ángulo — PRI Quintana Roo (2011-17)	8	U.S., Spain, Germany, Russia, Colombia, Brazil, U.K.	Refused to disclose amount spent.
Francisco Olvera Ruiz — PRI Hidalgo (2011-17)	1	U.S., Colombia	He took his wife and seven cabinet members to Washington at a cost of 1,512,828 pesos (\$121,026.24); the outlay for the Colombia visit was 429,000 pesos (\$34,320).
Mario Anguiano Moreno — PRI Colima (2009-15)	1	Paris, France	Took four colleagues at 55,000 pesos (\$4,000) per person for a total of 275,000 pesos (\$22,000).
José Guadalupe Osuna Millán — PAN Baja California (2006-12)	14	Europe and Asia	Refused to disclose amount spent.
Juan Manuel Oliva Ramírez — PAN Guanajuato (2006-12)	16 (during first 17 months after taking office on September 26, 2006)	North America, South America, Europe, and Africa	Refused to disclose amount spent.
Zeferino Torreblanca Galindo — PRD Guerrero (2004-10)	1 or more	Madrid (7 days)	Accompanied by governors Oliva Ramírez and Félix González Cano of Quintana Roo, Torreblanca attended the International Tourism Fair in Madrid accompanied by 62 officials and other companions. The state executives stayed at the posh MEVictoria, where the least expensive room with breakfast was \$316.83 per night with breakfast, and the 5-star Palace, which cost \$349 per night without breakfast and is a favorite home away from home of Leonardo DiCaprio, George Clooney, and Cindy Crawford.
Gov. Fausto Vallejo Figueroa — PRI Michoacán (2012-2015)	1 or more	Vatican	Refused to disclose amount spent.

Sources: “Viajan gobernadores como reyes a feria de turismo”, *Reforma*, January 23, 2010; “Funcionarios estatales gastan 4.3 MDP en viajes al extranjero”, *Informador.com.mx*, n.d.; retrieved August 21, 2013; and “Exige PRD transparencia al Gobierno de Michoacán en Viaje al Vaticano”, *Ahuizote.com*, December 12, 2012.

If they cashed in their frequent flyer miles, governors could slash their mounting debts. Table 2 is a sampling of jet-setting by state executives who justify their spendthrift forays on the grounds that they are promoting investment and trade. If the benefits of what appeared to be boondoggles were revealed, an informed public might conclude that their excursions were justified. In only a few instances are there public disclosures — and then it's often because an enterprising journalist or politician has blown the whistle on the junket. PRI legislator Bárbara Botello Santibáñez harrumphed that: "[Guanajuato Governor Oliva Ramírez] seems to be wasting money; he never informs us of the results of his trips, never discloses an agenda of the places visited; and, even worse, he speaks of attracting investments that . . . do not materialize." The PAN's Oliva Ramírez also proposed doling out \$3.25 million for a statue to celebrate the bicentennial of the nation's independence.⁹

Ramírez could not match the 341-foot-tall *Estela de Luz* ("Column of Light") tower that the federal government constructed for the 200th anniversary event. At the groundbreaking, President Felipe Calderón praised the obelisk as "a symbol of a new era . . . that will illuminate future generations of Mexicans." Unfortunately the structure, erected in Chapultepec Park, opened 460 days late, wound up costing more than twice the anticipated price of 393 million pesos, and required 400 modifications.¹⁰

Members of Congress tend to yawn when governors run-up incredibly large deficits. During the Calderón administration, state indebtedness shot up 11 percent to 434,761 million pesos (\$33,780 million), according to the Finance Ministry.¹¹ This

Table 3. Indebtedness of Selected Mexican States in 2011 and 2012 (millions of pesos and dollars at 12.5 pesos to \$1.00)

Entity and Population	Chief Executive and Party	2012 Pesos	2012 Dollars	2011 Pesos	Percent Change
Mexico City (DF)	Mayor Marcelo Ebrard Casaubon PRD (2006-2012)	54,000	4,320	56,232	-3.97%
Nuevo León	Rodrigo Medina de la Cruz PRI (2009-2015)	41,000	3,280	38,591	6.24%
Mexico State	Eruviel Ávila Villegas PRI (2011-2017)	38,790	3,103	38,208	1.52%
Coahuila	Rubén Moreira Valdez PRI (2011-2017)	36,450	2,916	36,510	-.16%
Veracruz	Javier Duarte de Ochoa PRI (2010-2016)	34,053	2,724	27,938	21.89%
Jalisco	Emilio González Márquez PAN (2007-2013)	26,289	2,103	24,309	8.15%
Chihuahua	César Duarte Jáquez PRI (2010-2016)	18,094	1,448	16,402	10.32%
Michoacán	Leonel Godoy Rangel PRD (2008-12)	16,116	1,289	15,141	6.44%
Sonora	Guillermo Padrés Elías PAN (2009-15)	14,888	1,191	14,024	6.16%
Chiapas	Juan Sabines Guerrero Leftist bloc (2006-12)	14,651	1,172	14,226	2.99%
Total for Mexico City and 31 States		434,761	33,781	389,980	

Sources: "Está Chihuahua entre los 10 estados más endeudados del país", *El Tintero de Chihuahua*, January 2013; Ing. Manuel Aguirre Botello, "Deuda pública de Entidades Federativas de México desde 1993", figures from the Secretaría de Hacienda y Crédito Público, *México México*, 2013; Jorge Ramos, "Creció 11 por ciento deuda de los estados al cierre de 2012", *Excelsior*, February 19, 2013; and "Deuda de estados crece 11% en 2012", Reuters, February 19, 2013.

shortfall equaled roughly 2.9 percent of gross domestic product — an upswing of 43,984 million pesos (\$3,518,720) over 2011 with Tabasco (66.3 percent) and Zacatecas (43.5 percent) leading the pack. Senator Raúl Morón Orozco proposed on behalf of the leftist-nationalist Democratic Revolutionary Party (PRD) that the federal government soak up the red ink that sloshed across the ledgers of the 10 most indebted states in 2011 and 2012.

Table 4. Governors, Mayors, and Other Public Officials Charged, Investigated, and Accused of Criminal and Irregular Acts

Governor and State	Alleged Wrongdoing	Status
Gov. Mario “El Chueco” Villanueva Madrid PRI Quintana Roo (1993-99)	Narco-trafficking, money laundering, and conspiracy to introduce drugs into the U.S.	Arrested in 2001; after one Judge ordered his release, another sentenced him to 32 years in prison; extradited to U.S. on May 8, 2010. ¹
Gov. Pablo Salazar Mendiguchía PAN/PRD coalition Chiapas (2000-06)	Mishandling 104 million pesos of state funds.	October 27, 2011, arrested and charged with “improper exercise” of public service”; imprisoned in El Amate penal institution in Cintalapa, Chiapas. ²
Gov. Narciso Agúndez Montaña PRD Baja California Sur (2005-11)	Abuse of authority, collusion with public servants, embezzlement, and other crimes arising the unexplained disappearance of 52 million pesos (\$4.16 million) from the state treasury.	On May 24, 2012, arrested by Nuevo León state police; imprisoned in the La Paz, BCS, Center for Social Readaptation where his VIP treatment includes special meals, a TV set, video games, and air-conditioned accommodations. ³
Gov. Juan Sabines Guerrero Leftist bloc Chiapas (2006-2012)	Illegal enrichment while in office.	President Enrique Peña Nieto ordered an in-depth investigation of these charges after conducting an investigation
Gov. Mario Marín Torres PRI Puebla (2004-10)	Along with Attorney General Blanca Laura Villeda directed Puebla state police to seize journalist Lydia Cacho in Cancún and jail her in Puebla on libel charges. The writer had published <i>Los Demonios de Edén</i> , which implied that textile mogul Kamel Nacif Borge, a Marín friend, of protecting the head of a Cancún-based pedophilia ring.	Mexico Supreme Court (SCJN) voted 6 to 4 that the “existence of serious violations of individual rights had not been demonstrated.” ⁴
Gov. Tomás Yarrington Ruvalcaba PRI Tamaulipas (1998-04)	This amigo of President George W. Bush, has been charged with laundering millions of dollars in bribes for the Matamoros-based Gulf Cartel, with which he had close ties.	Yarrington faces criminal charges in Mexico, and U.S. authorities took possession of his \$640,000 beach Condo in South Padre Island. He has not been arrested. ⁵
Gov. Fidel Herrera Beltrán PRI Veracruz (2006-12)	Former President Felipe Calderón alleged that Herrera had “left [Veracruz] in the hands of Los Zetas” cartel; supposedly Herrera formed construction companies to win unbid contracts worth millions of pesos.	The Attorney General’s Office has not complied with calls from the PAN and PRD to investigate Herrera’s purportedly illegal activities while in office. ⁶
Gov. Ulises Ruiz Ortiz PRI Oaxaca (2004-2010)	Disappearance of 7,000 million pesos (\$560 million) from the state treasury; supposedly Ruiz Ortiz formed construction companies to win unbid contracts worth millions of pesos. ⁷	The Peña Nieto government has brought no charges against him.

¹ “Los recuerda? 10 Gobernadores y alcaldes acusados de transas, más un pilón”, *Sinembargo*, September 2, 2012.

² *Ibid.*

³ Paul J. Ulloa, “Cárcel da lujos a ex gobernador; Narciso Goza de servidumbre”, *Excelsior*, August 27, 2012.

⁴ “Supreme Court Rules against Journalist Lydia Cacho; RSF Appalled”, IFEX (Reporters without Borders), November 30, 2007.

⁵ Jason Buch, “Feds Get Their Hands on \$640,000 Beach Condo”, *San Antonio Express*, December 11, 2012.

⁶ Mark Stevenson, “Mexican President: State Was Left to Drug Cartel”, Associated Press, October 14, 2011; and Esthela Damián Peralta, “Gobernadores corruptos”, *La Jornada* (Guerrero), July 3, 2013.

⁷ Damián Peralta, “Gobernadores corruptos”, *La Jornada* (Guerrero), July 3, 2013.

Table 4. Governors, Mayors, and Other Public Officials Charged, Investigated, and Accused of Criminal and Irregular Acts (continued)

Governor and State	Alleged Wrongdoing	Status
Gov. Humberto Moreira Valdes PRI national president from Coahuila (2005-2011)	Increased the state's indebtedness from 300 million pesos (\$24.4 million) to 36,500 million pesos or nearly \$3 billion; and sought additional credits with bogus documents. Standard & Poor's downgraded the state's credit five levels, noting that Coahuila's debts were 260% of total 2011 revenues.	No charges are pending against Humberto Moreira, who was the PRI's national president from March 4 to December 2, 2011. His brother Rubén (2011-2017) succeeded Humberto as governor of this cartel-infested state. Mexican authorities arrested Coahuila's former finance secretary, Javier Villarreal Hernández, for reportedly falsifying documents to obtain loans totaling more than \$230 million. ⁸
Gov. Andrés Granier de Melo PRI Tabasco (2006-2012)	Gross financial irregularities during his tenure as governor.	Charged with money laundering and tax evasion and incarcerated; his lawyer persuaded the judge that because of arterial hypertension, he should be held in the treatment center of the Tepepan Female Prison in the DF. Meanwhile, his son Fabián Granier Calles and other family members are being investigated for depositing millions of dollars in their bank accounts during the Granier administration. For instance, Fabián bought a condominium in Miami for \$225,000. ⁹
Gov. Ivonne Ortega Pacheco PRI Yucatán (2006-2012)	Campesinos organized in the "Movimiento Ya Basta" (the "Enough is Enough Movement") in the Dzumel Municipality, where Ortega Pacheco once served as mayor, accused her of seizing 682.4 acres of prime land. ¹⁰	Former Gov. Ortega Pacheco now serves as secretary-general of the national PRI.
Gov. Eugenio Hernández Flores PRI Tamaulipas (2004-2010)	Allegedly took money from Los Zetas and the Gulf Cartel.	Soldiers and Mexican Attorney General's office have taken over his ranch and offices, although he has not been charged with a crime. ¹¹
Mayor Adalberto Madero Quiroga PAN Monterrey (2006-2009)	Issued "irregular" licenses for the opening and operation of various gambling parlors, including the Casino Royale, in which 52 people died in a cartel impelled fire-bombing on August 25, 2011.	Arrested on October 9, 2011 and incarcerated in the Apodaca prison in Monterrey; a day later, he paid a fine of 15,626 pesos (\$1,250) and walked away; the Federal Electoral Tribunal reversed an effort by the PAN to expel him from the party. ¹²

⁸ "Mexican Former State Official Arrested for Fraud", *Latin American Herald Tribune*, n.d., retrieved August 17, 2013.

⁹ Israel Yáñez, "Defensa de Andrés Granier analize su traslado al penal de Tepepan", *24 Horas*, June 27, 2013; and Erika Montejo, "Hacienda va por Fabián", *Olmecca Diario*, August 16, 2013; and "Hijos de ex gobernadores brillan por sus escándalos", *El Universal*, February 26, 2013.

¹⁰ Pedro Diego Tzuc, "Acusan a Ortega por compra de predio", *Reforma*, December 11, 2011.

¹¹ "Official: Mexico Seizes Property of Former Tamaulipas Gov. Hernández", *The Monitor* (McAllen, Texas), June 6, 2012.

¹² "Los recuerda? 10 Gobernadores y alcaldes acusados de transas, más un pilón", *Sinembargo*, September 2, 2012.

Table 4. Governors, Mayors, and Other Public Officials Charged, Investigated, and Accused of Criminal and Irregular Acts (continued)

Governor and State	Alleged Wrongdoing	Status
Gov. Natividad González Paras PRI Nuevo León (2003-2009)	Awarding of contracts, excessive costs, design faults, building delays, and office configuration problems associated with the 900 million peso, 34-story government Administrative Tower in Monterrey.	The governor has left office and local residents have ridiculed the so-called Torre VIP as a “white elephant.” ¹³
Emilio González Márquez PAN Jalisco (2006-2012)	In 2008, the so-called “pious governor” donated 90 million pesos to the construction of the Sanctuary of Martyrs, a project of the Archbishop of Guadalajara.	This violation of the separation of church and state forced the return of the funds. Outraged citizens held a “Huge Lie” (“Megamentada de Madre”) demonstration against González Márquez, who sometimes appeared drunk in public, when he left office. ¹⁴
Marco Adame Castillo PAN Morelos (2006-2013)	Accused of flagrant misallocation of more than 745 million pesos (\$59.6 million) of federal funds, while illegally shifting 466 million pesos (\$37.3 million) from one educational account to another.	Adame’s successor, Graco Ramírez Garrido, is demanding an investigation. ¹⁵

¹³ “ELEFANTE BLANCO: Torre Administrativa — Centro de Gobierno de NL,” Sinembargo.com, October 3, 2011.

¹⁴ Alicia Calderón, “Con ‘megamentada,’ ciudadanos despiden al gobernador de Jalisco,” CNN México, June 23, 2012.

¹⁵ Héctor Raúl González, “Desvía Adame fondo educativo,” *Reforma*, February 12, 2013; and “Rechaza Ramírez exculpar a Adame,” *Reforma*, May 31, 2013.

III. Formal and Informal Powers

Governors and mayors fatten their bank accounts, engage in sweetheart contracts with their own companies for state projects, jet around the world and stay at luxurious resorts, and satisfy their creature comforts because of the impunity they enjoy. National and international media shed some light on irresponsible federal officials, but governors, mayors, and their underlings tend to run their states like viceroys of the colonial period. Several factors contribute to their enviable and lucrative status.

The federal Congress lavishes money on the states, which obviates governors' imposing taxes that are available to them. It is unusual for a state to generate more than 10 percent of the income that it spends; in 2013, the federal government provided upwards of 95 percent of the finances of state and municipalities.¹²

The majority of governors belong to the Institutional Revolutionary Party (PRI), which ran the country in Tammany Hall-fashion from 1929 to 2000. When nominees of the center-right National Action Party (PAN) twice captured the presidency — Vicente Fox Quesada (2000-06) and Felipe Calderón Hinojosa (2006-2012) — the governors thought they had died and gone to heaven. Unlike the days of PRI hegemony, they no longer feared being summoned to Mexico City for a tongue-lashing, dismissal, or instructions on whom to back as their successors. They also spent money like water. Municipalities and states, which typically assess property, including land and water, at absurdly low rates, often collect only a pittance of taxes due, if any at all.

The failure of state and municipal executives to indicate how they spend federal funds spurred the Finance Ministry (SHCP) to seek legislation directing states to earmark monies for specific purposes, ban transfers of resources to other activities, and require accountability of outlays. Legislators, especially PRI deputies eager to propitiate their party's 20 governors, assigned this measure to the deepfreeze.

Of course, the Chamber of Deputies is hardly in a position to preach frugality.¹³ In addition to their normal salaries (\$6,113/month), deputies receive a Christmas bonus (*Aguinaldo*; \$8,151); funds for legislative assistance (\$3,715/month); resources for constituent service (\$2,334/month); money to buy Christmas presents (\$380); MetLife health insurance for themselves

and their families (\$1,477/year); compensation of off-set income tax payments (\$3,035/year in 2007); contributions to a savings fund (\$758/month); funeral expenses for deputies and close family members (\$6,113); free airline tickets to return to their home state each week; low-interest loans up to \$32,453; mini iPads at costs ranging from \$415.92 to \$815.92; the 45 committee chairs and secretaries are allotted an extra stipend as well as funds to hire five staff members; deputies receive new cars to replace one-year old vehicles, and party leaders have monies to use as they see fit (e.g., PRI received \$39.4 million in 2013). One can identify deputies by their 14-carat gold lapel pins, which collectively cost \$130,000. In contrast, the lapel pins worn by member of the U.S. House of Representatives cost approximately \$15.¹⁴

The auditing of these expenditures is more fiction than fact, and the Supreme Court, whose members receive \$320,016 annually, ruled that deputies did not have to reveal their wealth.¹⁵

Especially generous to his Senate colleagues was the PAN’s parliamentary coordinator Ernesto Cordero Arroyo. On June 10, 2013, he deposited 430,000 pesos (\$34,400) from his discretionary funds into the private bank accounts of the party’s 37 senators to use for unspecified administrative costs. Erstwhile Finance Secretary Cordero is the unofficial ambassador of to the divided PAN of his former boss, President Felipe Calderón (2006-2012), who is spending a year at Harvard University’s Kennedy School. Cordero’s closeness to the ex-chief executive has raised the hackles of party president Gustavo Madero Muñoz, who replaced Cordero as the PAN’s senate leader after the windfall became public. The embarrassment forced 19 PAN senators to return the largesse; however, 13 of their colleagues, who collectively received 5.6 million pesos (\$448,000) have yet to follow suit.¹⁶

Cordero antagonist Senator Javier Corral Jurado claimed that the former party leader had also forked over 350,000 (\$28,000) to *panista* senators for legislative aides, constituent service, meals on days without sessions, travel funds, and other questionable items for which there was no accounting.¹⁷

For his part, Peña Nieto has not cut corners when it comes to spending on himself, his entourage, and goods and services at Los Pinos. Contracts for services for the incumbent climbed to 646,292,870 pesos (\$51,703,343) compared with Calderón’s outlays of 80,153,250 pesos (\$6,412,260) during his last year in office. While disbursements for food for presidential person-

Table 5. IFE Public Monies Flowing to Political Parties in 2013 in Dollars

Political Party	Total Appropriation
National Action Party (PAN)	\$68,622,398.05
Institutional Revolutionary Party (PRI)	\$81,701,823.00
Party of the Democratic Revolution (PRD)	\$52,313,082.74
Workers Party (PT) ¹	\$22,531,089.61
Green Ecological Party of Mexico (PVEM) ²	\$25,829,652.56
Citizens’ Movement (MORENA) ³	\$21,240, 089.71
New Alliance (PANAL) ⁴	\$21,420,364.56
Total	\$293,667.500.23

¹ Carlos and Raúl Salinas in league with Alberto Anaya Martínez created and the PRI-funded PT in the 1990s to cut into the vote of the leftist PRD.

² Since obtaining its registration as a political party on February 9, 1991, a single family has run the PVEM: its first president was Jorge González Torres (a public official and ex member of the PRI), who was succeeded by his son, Jorge Emilio González Martínez, a senator known as El Niño Verde or “Green Boy”.

³ Morena is the political vehicle of ex-mayor of Mexico City (2000-2005), Andrés Manuel López Obrador, a messianic populist who ran unsuccessfully for president in 2006 and 2012.

⁴ PANAL is the personal creation of Elba Esther Gordillo, de facto head of the extremely corrupt SNTE teachers’ union; she is now in prison on charges of embezzlement.

nel totaled 3.9 million pesos (\$312,000) in 2012, his successor budgeted 6.7 million pesos (\$536,000) for this category. IFAI discovered that even the cost of Peña Nieto's official photograph (\$29,733) was 60 percent higher than that of his predecessor, who, *Priístas* claim, was less photogenic.¹⁸ In all fairness, an administration's expenditures during the first months in office are invariably higher than in later years.

As alluded to, IFE lavishes monies on political parties — to the tune of \$293,667,500 in 2013 — with only rhetorical accountability.¹⁹ Table 5 indicates the amount received by each party, with a portion of the largess flowing to governors.

Except when they descend on Mexico City at year's end during the preparation of the national budget, state leaders thumbed their noses at PAN chief executives. Peña Nieto, who won the presidency in mid-2012, will seeks to rein in abuses. In addition, to bellying up to federal trough, the governors also:

- Enjoy sky-high salaries and fringe benefits;²⁰
- Dominate state legislatures with princely salaries and extraordinary perks;²¹
- Control local electoral institutes that organize, monitor, and count the votes;
- Ensure that the local media served as megaphones for the state leaders by dolling out stipends to helpful reporters and directing that state agencies to advertise with friendly newspapers, magazines, and radio and TV stations;²²
- Appoint members of transparency commissions that are supposed to promote decision-making in the sunshine, but, instead, have yanked down thick curtains to hide official actions. Not only is Mexico's freedom-of-information statute riddled with loopholes, but obtaining compliance from federal, state, and local governments is a nightmare for the hard-charging Federal Institute for Access to Information (IFAI);
- Allocate resources to the Integral Family Development program (DIF), generally headed by the governor's wife for a generous salary and created to look after adoption procedures, day-care centers, the well-being of abused spouses, and other vulnerable people;
- Forge economic ties to local businesses, enabling them to skirt the gauntlet of Byzantine regulations required to open, operate, and expand their enterprises;²³
- Engage in blatant nepotism and award lucrative contracts to cronies and family members;²⁴
- Play a major role in selecting candidates to succeed them, as well as nominees for the Chamber of Deputies, Senate, state legislatures, and mayorships;
- Run their own police forces;
- Influence the selection of local judges; and
- Administer non-federal prisons in their jurisdictions.

Conclusion

The debate over immigration reform has focused on its relevance for the United States and the illegal aliens who live within its borders. The discussion has failed to illuminate how the \$21 billion in remittances helps corrupt, spendthrift governors and mayors divert public funds that could be used to address critical needs of their poorest citizens. Nor has attention zeroed in on the ubiquitous waste of resources on white elephants, unbid pharaonic projects beset by cost overruns and shoddy workmanship, outlays to friends and family members, and the sybaritic lifestyle, if not criminal actions, of elected officials. For example, the state government acted so slowly during the September 2013 deadly Hurricane Ingrid that the notorious Gulf Cartel provided milk, juices, water, corn, and other foodstuffs to victims in Aldama and other municipalities in southern Tamaulipas state, which lies below Texas.²⁵

End Notes

- ¹ Justino Miranda, “‘Helicóptero del amor’ en desgracias; es embargado”, *El Universal*, May 6, 2013.
- ² Barnard R. Thompson, “Mexico Assassination Attack May Have Been Political Theater”, Mexidata.info, March 22, 2004.
- ³ “Exhibe audio excesos y lujos de Andrés Granier”, *El Universal*, May 15, 2013.
- ⁴ The secretary of government, known as Secretaría de Gobernación, is equivalent to the interior minister in many European countries with responsibility for the police, intelligence gathering, migration, and political affairs.
- ⁵ Quoted in “Gobernadores en México, los ‘todopoderosos’”, Radio Nederland \Wereldomroep, October 25, 2011.
- ⁶ “Siguen gobernadores mexicanos reforma migratorias en EUA: Ávila”, *El Periódico de México*, July 22, 2013.
- ⁷ Alejandro Salmón Aguilera, “‘Aberrante’ blindaje fronteriza de EU: Duarte”, *El Diario*, June 28, 2013.
- ⁸ Even though most governors have ties to narco-traffickers or close their eyes to their criminality, they continue to demand more funds to fight small-time dealers; see, “Gobernadores mexicanos demandarán 13,000 mdp para combatir ‘narcomenudeo’”, CNN México, July 11, 2011.
- ⁹ Quoted in Jorge Escalante, “Quiere el PRD auditoria Oliva por escultura”, *Reforma*, April 7, 2008.
- ¹⁰ Juan Avizu, “Estela de Luz, emblem de una nueva era: FCH”, *El Universal*, January 7, 2012; and “Por fin, la Estrela de Luz alumbra el Distrito Federal”, *Informador*, January 8, 2012.
- ¹¹ Claudia Guerrero and Maria Ibarra, “Piden rescatar a estados endeudados”, *Reforma*, September 18, 2012.
- ¹² Imelda García, “¿Qué entidades recibirán más recursos federales en 2013”, *ADN Político*, January 2, 2013.
- ¹³ Claudia Salazar, “Dan más autos y más caros a diputados”, *Reforma*, January 30, 2013; “Recibirán ¡2 coches! Monreal, Anaya”, *Reforma*, February 2, 2013; “Se dan fistol de oro los 500 diputados”, *Reforma*, December 6, 2012.
- ¹⁴ Claudia Salazar, “Dispara Cámara gaspos”, *Reforma*, April 14, 2013; “Diputados mexicanos reciben pines de oro”, Univisión, April 4, 2013; and the Sergeant at Arms Office of the U.S. House of Representatives supplied the \$15 figure; telephone interview with author, August 21, 2013.
- ¹⁵ The chief justice earns \$489,440; see, “Ministros de SCJN ganarán más que EPN y tendrán ‘estimulo del Día de la Madre’”, *Aristeguinoticias.com*, December 11, 2012; Ricardo Gómez, “Dan mini iPad de regalo a diputados”, *El Universal*, March 20, 2013; and President Enrique Peña Nieto earns 193,478 pesos (\$15,478.24) each month.
- ¹⁶ Víctor Mayén, “13 PAN Yet to Return Funds”, *The News (Mexico City)*, July 25, 2013.
- ¹⁷ Erika Hernández, “Eleve gasto en servicios Presidencia”, *Reforma*, March 31, 2013;
- ¹⁸ “Foto oficial de Enrique Peña Nieto costó más de \$29 mil dólares”, Univisión, March 8, 2013.
- ¹⁹ [Instituto Federal Electoral](#) (IFE).
- ²⁰ Although state websites reveal far less information than in the past, examples of gubernatorial gross monthly salaries, excluding 15 percent year-end bonuses, multiple perks, and taxes, are Miguel Alonso Reyes of Zacatecas (110,484 pesos, or \$8,838.72); Mario Anguiano Moreno of Colima (95,409 pesos, or \$7,632.72 — a 30 percent increase between 2010 and 2013);

Fernando Ortega of Campeche 168,309 pesos, or \$13,464.72); César Jáquez of Chihuahua (118,109 pesos, or \$9,448.72); Rolando Zapata of Yucatán (141,152 pesos, or \$11,292.16); and Javier Duarte de Ochoa of Veracruz (74,313 pesos, or \$5,945.04); see, “Gobernadores perciben altos sueldos en 2013”, *Informador.com.mx*, January 3, 2013.

²¹ See George W. Grayson, [“Mexican Officials Feather Their Nests While Decrying U.S. Immigration Policy”](#), Center for Immigration Studies, April 2006.

²² Mexico’s states spend 4,518,000,000 pesos or approximately \$361.4 million in official publicity — a sum that doubled between 2005 and 2011. The 2011 figure is twice the outlay on the publication and distribution of school texts; see, “Gobernadores mexicanos gastan 4,518 mdp en publicidad oficial”, *El Financiero*, April 10, 2013.

²³ Governors, mayors, and other public officials receive generous Christmas presents often worth thousands of dollars; see, “Reciben gobernadores en regalos, los equivalente a gastos de tres mil familias”, *Ajuua Noticias*, December 20, 2012.

²⁴ The PRD’s Amalia García Medina, governor of Zacatecas (2004-2010) epitomizes the many practitioners of nepotism and cronyism. The former moderate communist placed her daughter, husband, sister, cousins, and sisters-in-law in key government posts, causing her ex-ally Raymundo Cárdenas to call her administration “the largest network of nepotism in the country”. As part of her *Amor por Zacatecas* (“Love for Zacatecas”) program, she awarded allies unbid contracts to construct a grand convention palace, for which the unexplained cost over-run was more than 358 million pesos (\$28.6 million). Tenor Placido Domingo gave the opening performance; see, José Gil Olmos, “Zacatecas: Cisma Perredista”, *Proceso*, April 10, 2010.

²⁵ “Cartel del Golfo reparte toneladas de despensas por ‘Ingrid’ en Tamaulipas”, *Proceso*, September 22, 2013.