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Cuba: Corruption at the state and private level

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1. Extent of Corruption

According to Transparency International's Corruption Perceptions Index 2011, an indicator that measures the "perceived levels of public sector corruption in 183 countries and territories around the world" (n.d), Cuba ranks 61st with a score of 4.2 (1 Dec. 2011). The score is measured on a scale from 0 (highly corrupt) to 10 (very clean) (Transparency International 1 Dec. 2011). The US Department of State indicates in its *Country Reports on Human Rights Practices for 2010* that the World Bank's governance indicators identified government corruption in Cuba as a "growing problem" (8 Apr. 2011, 22).

The Cuban attorney general, writing in the Communist Party weekly *Granma Internacional* (Worldpress.org n.d.), acknowledged that Cuba faces corruption at the administrative level, especially in the business sector (11 Nov. 2011). He is also quoted by the Associated Press (AP) as saying that corruption is "permanent" and "systemic" (19 Nov. 2011). Several sources also indicate that corruption in Cuba is present at many levels of society (*Granma Internacional* 11 Nov. 2011; Morales Domínguez 6 July 2010; BBC 19 Nov. 2005), from the self-employed to government officials (ibid.).

1.1 Circumstances Contributing to Corruption

In an article originally published on the website of the Cuban Writers and Artists Union (Unión de Escritores y Artistas de Cuba), Professor Esteban Morales Domínguez, honorary director of the Centre for Studies on the United States at the University of Havana (Agencia EFE 15 Apr. 2010), attributes the existence of the illegal market to Cuba's economy, which has [translation] "large imbalances between supply and demand," stimulating a "counterrevolution" by "hidden leaders" with the capacity to offer alternatives to the state (ibid.). The AP explains that companies wishing to operate in Cuba must get approval from mid-level public servants who, earning an average of US\$20 per month, grant contracts without an open bidding process (19 Nov. 2011). Business people consulted by the news agency maintain that "graft" is made possible by the lack of transparency and the fact that decisions go unexplained (AP 19 Nov. 2011).

1.2 Revelations by Wikileaks

El País published several US diplomatic cables released by Wikileaks (28 Nov. 2010), which portray, among other things, the type of corruption being practiced in Cuba (22 Jan. 2011). For example, a cable dated 30 March 2007 declares that the justice system in Cuba "is characterized by corruption and subservience to political dictates" (*El País* 21 Jan. 2011a). In another cable dated 5 June 2006, the Spanish ambassador to Cuba is described as saying that "[c]orruption is needed by all to survive"; and a Czech diplomat is reported to have said that "there are numerous multi-millionaires on the island [and that] he has seen too many signs ... to think that everyone is living on 20 dollars a month" (ibid. 21 Jan. 2011b). In still another cable dated 26 April 2006, US diplomats indicate that "trickery" in Cuba has become "a way of life" and that the "state system [is] riddled by corruption from top to bottom" (ibid. 21 Jan. 2011c). The cable also indicates that "corruption and thievery have become one and the same" and that "[c]orrupt practices also include bribery, misuse of state resources and accounting shenanigans" (ibid.). The diplomats also describe Cuba as a place where bribery is used to get "good jobs"; "preferential access" to televisions and refrigerators is given to "good revolutionary[ies] ... and those that can afford" them; "generalized theft and corruption" is rife in the tourism, construction, shipping and food sectors; and police "are famous for taking bribes" (ibid.). The Research Directorate could not find corroborating information among the sources consulted within the time constraints of this Response.

2. Cases of Corruption

According to Miami's *El Nuevo Herald*, after Raúl Castro took power in 2006, more than 10 [translation] "major scandals" related to corruption have been uncovered and many public servants have been arrested (3 Mar. 2012). Sources report the conviction in 2010 of the vice-president of the state cigar maker Habanos (AP 19 Nov. 2011; *The Economist* 28 Apr. 2011) for "masterminding graft on a grand scale" (ibid.). The international edition of the Madrid-based newspaper *El País* also reports on the conviction of management-level employees from the tourist agency Sol y Son and the food company Río Zaza for fraud and bribery (10 June 2011). Both companies had ties to a Chilean businessperson, a close friend of Fidel Castro's, who had earlier been sentenced to 20 years in absentia on corruption charges (10 June 2011).

Sources also report that senior executives from the state telecommunications company ETECSA were detained for corruption involving a project to place a fibre-optic cable underwater to link Cuba to Venezuela (Reuters 10 Aug. 2011; AP 19 Nov. 2011). According to the AP, the cable was supposed to increase Internet speed "3,000-fold," but after its launch date "came and went," the speed reportedly remained the same (ibid.). Reuters also reports the detention of the chief executives of Tecnotex, a military enterprise that controls, along with the Enterprise Management Group (Grupo de Administración Empresarial), up to 40 percent of foreign exchange revenues (14 Dec. 2011). Other cases of corruption have been identified in the nickel industry, civil aviation sector, two ministries, and a provincial government (Reuters 10 Aug. 2011).

Country Reports 2010 also identifies corruption in the police, who search homes and vehicles and then seek bribes instead of imposing fines or arrests; and in the courts, where prosecutors and judges impose reduced sentences in exchange for money (US 8 Apr. 2011, 22).

However, according to several sources, cases of corruption are not usually reported by state media (*El Nuevo Herald* 23 Jan. 2011; Reuters 10 Aug. 2011;

AP 19 Nov. 2011), especially if they involve foreign companies (ibid.). *Country Reports 2010* also indicates that although there is access-to-public-information legislation in place, such requests are "routinely rejected" (US 8 Apr. 2011, 23).

3. State Response to Corruption

3.1 Concerns about Corruption

In a 19 November 2005 BBC article, then-Cuban president Fidel Castro is quoted as saying that the country and the revolution could [translation] "self-destruct" due to corruption. The article also reports that, at all levels of government, [translation] "many" public servants exchange favours for money, and that, given their monthly salary of US\$10, people at lower levels of society are pushed to "invent" new ways to make money (BBC 19 Nov. 2005). The Spanish-language Agencia EFE also reports that current-Cuban president Raúl Castro said that internal corruption [translation] "directly attacks the essence of socialism" (15 Apr. 2010). The Comptroller General, an office created by Raúl Castro in 2009 to fight against corruption (Agencia EFE 23 Dec. 2011), is also quoted by the AP as saying that corruption "is the only thing that can bring down the revolution because it destroys our values and morality and it corrodes our institutions" (19 Nov. 2011).

Morales Domínguez similarly said that corruption poses a greater risk to Cuba than internal dissidents since there is an [translation] "illegal market" of goods and services that benefits everybody but the state (Morales Domínguez 6 July 2010). According to Morales Domínguez, corruption is located at the highest levels of the state in persons with strong personal links inside and outside of the government (ibid.). *Country Reports 2010* indicates that Professor Morales Domínguez was expelled from the Communist party after publishing his article (US 8 Apr. 2010, 17).

3.2 State Response

The US *Country Reports 2010* indicates that the Cuban government is "highly sensitive to corruption allegations and often conducts anticorruption crackdowns" (8 Apr. 2011, 22). *The Economist* reports that, two years after becoming president, Raúl Castro began an aggressive campaign of auditing state enterprises that wound up convicting "several" executives (6 May 2011). As mentioned, he also created the Office of the Comptroller General, which he tasked with auditing companies and state institutions (Agencia EFE 23 Dec. 2011). Agencia EFE reports that, in a televised broadcast of the third plenary meeting of the Communist party's Central Committee, President Raúl Castro warned that the government must be [translation] "implacable" against corruption and called on the government to "move from words to action" (23 Dec. 2011).

The Economist reports that Castro has been replacing convicted executives with his former army colleagues (6 May 2011). *El Nuevo Herald* reports that many state enterprises are managed by active or retired army officials in what is considered by many in Cuba the [translation] "olive green mafia" (18 Oct. 2011). *The Economist* also reports that, following several cases of corruption, the Congress of Cuba approved a reform during its April 2011 session to grant more autonomy to the approximately 3,000 state-owned companies while subjecting them to "thorough audits" (28 Apr. 2011). Additional information on company audits could not be found among the sources consulted by the Research

Directorate within the time constraints of this Response.

As recently as February 2012, Reuters was reporting that the Cuban government has begun screening videos of foreign and Cuban businesspeople confessing to bribery in an effort to "root out corruption practices" (21 Feb. 2012). The screenings are shown to senior staff and members of the Communist party under tight security measures to avoid the videos being leaked to mainstream media or YouTube (Reuters 21 Feb. 2012).

This Response was prepared after researching publicly accessible information currently available to the Research Directorate within time constraints. This Response is not, and does not purport to be, conclusive as to the merit of any particular claim for refugee protection. Please find below the list of sources consulted in researching this Information Request.

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Oral sources: Attempts to contact researchers at Florida International University were unsuccessful.

Internet sites, including: Amnesty International, ecoi.net, Factiva, Freedom House, United Nations — Refworld.

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