

Minister Farruco's close friends build mausoleum for the Liberator

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The investigation revealed that representatives of the public agencies responsible for construction of the new pantheon for Simon Bolivar are part of the intimate entourage of Minister Francisco "Farruco" Sesto, a confidant of President Hugo Chavez who assumed the construction of the new pantheon as director the Office of Planning and Special Projects of the Presidency (Oppe). Taking advantage also of his position as Minister for Culture, he benefited his close circle of colleagues, partners and friends, violating provisions of the Law against Corruption.

The inquiry found irregularities in managing the budget allocated for the works: Additional credits granted to the Ministry of Culture that were executed by the Office of Planning and Special Projects of the Presidency (Oppe, which was later known as the Presidential Office for Special Projects, Opppe), attached to the Office of the Presidency. Both entities were run by the same official: Farruco Sesto.

It was also revealed that the construction company Pemegas, owned by Sesto, his partner and friend Lucas Pou (Director of construction at Opppe at the time), and his brother Juan Luis Sesto, increased its capital five times and opened a branch and three subsidiaries within two years (2003-2005). In that period, the company received contracts from various agencies of the Venezuelan State, including the state-owned oil company PDVSA and the Ministry of Infrastructure. It was also confirmed that the company they both owned together, Sesto&Pou Consultores (now defunct) also benefited from many contracts in the early years of the Chavez administration.

The report confirmed that neither the Ministry of Culture nor the Office of the Presidency (under which Opppe operates) made calls for tender for the construction and design of the Simón Bolívar Mausoleum, a public work of great magnitude not only for Venezuela but for Latin America due to the importance of Bolívar in continental history. Bypassing these procedures is a breach described in Article 58 of the Law against Corruption.

It was also revealed that the work contract was awarded without tender to a private company (Constructura Danmar) which had no experience in building great monuments. Its sole owner is also the only member of the board.

The company inspecting the construction, RAO Constructora, did not meet the requirements for undertaking the inspection of a construction of this magnitude. It was the same company involved in the case of administrative irregularities in the construction of the annex building of the Teresa Carreño Theater (2007), where the

foundation stone is yet to be laid. It was confirmed that the address and phone number listed on the National Register of Contractors (RNC) are false.

An estimated 560 million bolivars were directly awarded in three additional credits (equivalent about 130 million dollars at the official rate of 2012), for just one public funeral monument commissioned by President Chavez. This amount equals 46 percent of the entire 2012 budget of the Ministry of Culture (Bs.1.2 billion), and five times the budget for national museums. After almost two and a half years of construction, four postponed inaugurations and a multi-million investment, the Bolívar Mausoleum doors finally opened on May 14, 2013. Chavez, its main promoter, could not see it finished. He died three months earlier, on March 5, 2013.

Impact and Repercussions

The removal of Francisco “Farruco” Sesto from the office of Minister of Culture was announced by President Hugo Chavez on his Sunday program “*Aló Presidente*” on March 13, 2011, four days after the publication of the report. The decision was ratified in May 2012 with the appointment of his replacement, Pedro Calzadilla. Sesto left the Ministry of Culture, but not Chavez’s Cabinet, as he was put in charge of the Ministry of State for the Reconstruction of Caracas, which since late 2010 launched one of the government’s flagship projects: the mass construction of housing complexes to counter the housing crisis facing the nation. He remained in office until December 9, 2013, when he was replaced by Ernesto Villegas, who was also appointed as director of the Oppe.

The very day after publication, a billboard was placed in front of the mausoleum worksite as required by the rules of the Public Procurement Act. The announcement indicated the name of the project and the companies involved in the works, but not the project amount.

Minister Sesto ratified in his blog confarruco.blogspot.com (March 10, 2011) that the names mentioned in the report are part of his circle of friends and staff. He confirmed his relationship with architect Lucas Pou in the execution of several public projects.

A questionnaire was presented to the National Assembly (AN), to be answered in writing by the Minister for Culture and director of the Oppe, Francisco Sesto. The questions were intended to clarify the process for the award of the contract, and were prepared by Deputy Carlos Ramos on 16 November 2011. To date, there has been no answer to these questions.

The report was widely commented on editorials in other major national media such as newspapers *Tal Cual* and *El Nacional*, and news websites and radio programs.

El Mundo followed up on the issue with the publication of notes on the approval of new additional credits, the progress status of the works, the announcement and corresponding suspension of inaugurations, as well as interviews with experts in

administrative transparency. The last additional credit (May 2012) was Bs.25.35 billion (about \$6 billion) to restore areas adjacent to the pantheon.

The investigation earned the IPYS Venezuela National Prize for investigative journalism in 2011. It has been presented at national and international conferences.