

## **Rangel Ávalos & Co.**

*Corruption cases in the Sucre municipality include contractors registered with the same address as the first lady's fashion design office. That company even built the same shelter that, as part of his last decrees, the former mayor gave under a commodatum agreement to his wife's foundation.*

### **Joseph Poliszuk**

Without making much fuss, Venezuelan justice at last recognized irregularities in one of the companies linked to José Vicente Rangel Avalos. Although the former mayor of the Sucre municipality in Caracas never responded to allegations of corruption raised against him, one of the contractors favored by his government was ordered to give money back to the municipality, plus a fine.

Caracas courts never found it strange that the articles of incorporation of *Proyectos y Obras Maga* contained the name of Oswaldo Chacón, the mayor's brother-in-law. Or that this and other companies owned by the same people were awarded not one, or two, but 360 contracts for works and services assigned directly by Rangel Avalos himself, without a bidding process.

Neither the Judiciary nor any other branch of government of the Bolivarian Republic of Venezuela held Rangel Avalos accountable for a number of irregularities that were published in the newspaper *El Universal* on [March 22, 2009](#), three months after he left office.

Still, the company owned by his brother-in-law had to pay back the equivalent of almost \$400,000, and it was fined by the Second Superior Court in Civil and Administrative Matters of the Judicial District of the Capital Region.

The company went to court to file a case against the suspension of one of the many contracts it received from the former mayor, but after more than two years in trial, on July 16, 2012, they finally lost the case. Judge Fernando Marín concluded—in the ruling—that the company spent more time delaying the construction than working on it: “The time agreed in the records of work stoppage, 3 months and 27 days, far exceeds the execution period (...) and this is an evidence of breach by the plaintiff.”

## **The Wife's Company**

Rangel Ávalos' government had selected in August 2008 the company owned by his brother-in-law to complete a residential complex, left unfinished by another contractor in Petare, in the La Ciruelita sector of the San Blas neighborhood.

The contract was awarded three months before the municipal elections: *Proyectos y Obras Maga* took one of the last checks signed by Rangel Ávalos as mayor; however, the work was never completed.

The elections took place, the opposition celebrated its victory in Petare, and after a string of allegations published in the press, when Carlos Ocariz became mayor, people started asking about the four buildings that were supposed to make a difference in the quilt of squatter homes lining the east end of Caracas.

Those must have been difficult days for Rangel Ávalos. The contracts that were left at the mayor's office, registration documents of contractors and even the names of the managers and directors who signed on their behalf, made it very clear that a group of relatives and friends took home over 60 percent of the municipal budget. Not surprisingly, another company of the same group registered its offices at exactly the same address in the office building *Centro Seguros La Paz* where the first lady of the municipality, Gabriela Chacón, had her office.

“Unlike the other companies in the same hallway, there was no sign on the office of the former first lady and swimwear designer, saying that the company *Obras y Proyectos Milenium 2000* also operated there, which on October 3 was awarded a contract worth more than 3.9 million bolivars, to complete three modules of the Comprehensive Care Center for Children and Adolescents” in Mariches. The news was published in *El Universal* on [March 29, 2009](#). Rangel Ávalos did not comment on the issue.

## **Fourteen Boxes of Complaints**

The former mayor chose to keep a low profile. Staying away from the public eye, the Prosecutor Ministry never filed any case against him. Neither did the Comptroller General of the Republic, whom Carlos Ocariz presented on April 29, 2009 with 14 boxes full of documents as evidence of alleged irregularities committed during his predecessor's term in office.

It was in July of that same year, only six months after the United Socialist Party of Venezuela (PSUV) lost the elections in Petare, when the company owned by Rangel Ávalos' brother-in-law returned most of the advance payment for the four buildings they never completed. Inconspicuously and staying away from the press, [Proyectos y Obras Maga gave back to the mayor's office](#) checks No. 39241477 and 39241479 issued by the now extinct *Central Banco Universal* for a total of 846,468.41 bolivars, which at the official rate totaled nearly \$394,000.

Rangel Ávalos never responded to the heap of evidence against him, and neither did the companies and people involved in them. There is surely a reason the company returned the advance payment, but something had to change after that. Otherwise, the new municipal government at Sucre cannot find an explanation as to why the same company that returned the money later filed a lawsuit for termination of its contract.

The case, anyway, is merely a footnote in the list of irregularities that started to emerge since 2009 involving Rangel Ávalos: When the dollar official rate was at Bs.1,920 and Bs.2,150 (old currency), a pool of favored companies received more than Bs.87 billion—i.e. over \$40 million—with the purpose of resuming postponed constructions, such as a marketplace for street vendors in Petare and the second building of the Pérez de León Hospital.

Other projects include the Comprehensive Care Center for Children and Adolescents in Mariches, for which the Rangel Ávalos administration spared no expenses. In total, 22 billion (old) bolivars—more than \$10 million—were allocated by the Municipality of Sucre to that shelter, the mayor's most emblematic project, which ultimately ended up in the hands of the mayor's wife.

### **All in the Family**

When he learned about the electoral defeat of his party, Rangel Ávalos signed—as one his last decrees—a commodatum agreement for the children shelter to be transferred to the “Forjando El Futuro” Foundation, the same foundation that since 2005 his wife presents in fashion shows she organizes as fundraisers for abandoned children or with addictions to drugs.

These facilities, designed to become a village for children at risk, were inaugurated on August 13, 2008. That day, Rangel Ávalos and his wife, Gabriela Chacón, presented, as a partnership, these 12,000-square-meter facilities, who they promised to fill with children within two weeks.

But that did not happen. The nine cabins in the shelter were empty. Also the sports court, the information center and the central building, with a large poster of President Hugo Chavez, along with the motto: “When hope lends us a hand, Venezuela is reborn.”

Far away the from fashion shows and the official announcements showing a shelter for children in the Zumba sector, halfway in the Petare-Santa Lucia road, the shelter has never hosted children or teenagers.

This was evidenced by local residents, when they saw on February 19, 2009 on Vive TV, that the snacks and activities that their children received were used to show them on screen as beneficiaries of a program for vulnerable children. “They should have said that these were not abandoned children,” lamented Rosa Castellanos in *El Universal*’s March 29, 2009 issue.

Four years after that incident, the former mayor of the Sucre municipality became a top government official. The son of José Vicente Rangel, a former Vice President and important party leader, never had to face justice. In fact, President Nicolás Maduro called him to join his government.

Just a month after coming to power, Maduro appointed Rangel Ávalos—on May 14, 2013, through a decree published in the Official Gazette 40.165—as Deputy Minister of Interior Policy Legal Security, and has remained in office for two years even after Miguel Rodríguez Torres and Carmen Meléndez left office as ministers of Interior and Justice.