

# Guatemala: One President Resigns; Another Elected, to Be Inaugurated January 14

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In what many observers see as a remarkable step forward for its democratic development, Guatemala's judicial system investigated government corruption, leading to the resignation and arrest of its president and vice-president. Guatemala then proceeded lawfully and peacefully to form an interim government and hold elections, and is about to transfer power to a newly elected president.

**Corruption Scandals.** A national election process was already underway when, beginning in April 2015, Guatemalan Attorney General (AG) Thelma Aldana and the United Nations-backed International Commission against Impunity in Guatemala (CICIG) uncovered a corruption ring at the national tax agency (SAT), leading to the arrest of dozens of people, including the previous and then-directors of the SAT. Public officials allegedly took bribes from business people in exchange for paying lower customs duties, defrauding the government of millions of dollars of revenue. Prosecutors found possible links to Vice President Roxana Baldetti, who resigned on May 8 and was arrested on August 21 on charges of accepting bribes and criminal conspiracy in what has become known as "La Linea" case. Her resignation was followed by the arrest of other government officials, the resignation or firing of multiple members of the president's cabinet, impeachment proceedings against President Otto Pérez Molina, and mass protests calling for his resignation and an end to corruption and impunity. In May, prosecutors charged that in exchange for a bribe Guatemala's Social Security Institute (ISSS) awarded a \$15 million medical contract to a company with no experience; at least five people died as a result. Authorities arrested 17 people, including ISSS's president, who had been Pérez Molina's private secretary.

**Impeachment of President Pérez Molina.** After further investigation, Attorney General Aldana said that it was ["highly probable that the president of the republic may have participated"](#) in these corruption operations. In an unprecedented action, the congress lifted the president's immunity from prosecution on September 1 so that he could be investigated for corruption, as requested by the AG and CICIG. President Pérez resigned under pressure on September 2, 2015. The next day Congress accepted his resignation and swore in Vice President Alejandro Maldonado, a former judge, as president. With Pérez's resignation and his immunity removed, judicial procedures against him may proceed. Pérez denies the charges. The court issued orders preventing Pérez from leaving the country, and for him to remain in prison until the expected conclusion of a preliminary investigation in January 2016.

**2015 Elections.** National elections were held September 6, 2015. Some civil society groups and others had called for a delay in part because of ongoing investigations into several candidates' possibly illegal activities. Pérez's resignation seemed to bolster confidence in the judicial system, and voter turnout was a record 70%. During those five months of

scandals and arrests of officials, an outsider candidate went from under 1% in polls to winning the presidential elections by a landslide. Former comedian Jimmy Morales framed his lack of political experience as an asset. He emerged ahead of traditional politicians, some of whom were also being investigated, in the September 6 presidential elections, to face former First Lady Sandra Torres of the National Unity for Hope (UNE) party in a runoff October 25. (Presidents are constitutionally prohibited from running for reelection, so Pérez had not been a candidate.) Torres ran popular social programs while her then-husband, Alvaro Colom, was president, but in the elections was widely associated with the discredited political elite. Morales won 67.4% of the vote to Torres's 32.6%.

**President-Elect Morales.** Morales grew up in a poor family, earned a degree in business administration, and co-starred in a comedy show for 14 years. An evangelical Protestant, he opposes abortion, same-sex marriage, and legalizing drugs. He is due to be sworn in on January 14, 2016, along with a new legislature. Morales's party, the conservative National Convergence Front (FCN), won only 11 of 158 seats. Human rights and other observers express concern that Morales' party's ties to former military officers may limit his government's investigation of military corruption and human rights violations. Before the legislature was sworn in, the AG requested legal action against retired army colonel Edgar Ovalle, a legislator-elect with the FCN, for alleged civil war-era human rights violations. Ovalle helped found a military veterans' association (Avemilgua), whose members created the FCN in 2004, and testified in court in defense of former dictator Efraín Ríos Montt in 2013. Some observers are also concerned that Morales lacks a true governing plan. He [says his priorities are security, health, quality education, and promoting small and medium businesses. He was criticized for proposals](#) such as tagging teachers with a GPS device to ensure they attend classes and giving every Guatemalan child a smartphone.

**Stability.** For decades, intimidation of judicial officials, widespread corruption, and the involvement of organized crime in violence and extortion have been widely seen as contributing to high levels of impunity and public mistrust in Guatemalan institutions. The state's failure to provide basic public services to large parts of the population, limited advances in reducing Guatemala's high poverty levels and inequitable distribution of wealth, and the fallout from the corruption scandals all contribute to the risk of social unrest. So far the judicial process and protests have been relatively peaceful. Nonetheless, continued impunity could heighten protests; continued prosecution of corruption could provoke violent responses from those whose wealth or power are threatened. While many see the corruption charges as a crisis, others—including many within the Guatemalan government—also see them as an opportunity to make the government more honest and accountable.

**Congressional Concerns.** The U.S. Congress has approved aid to strengthen Guatemalan institutions, as well as placed conditions on aid based on human rights and other concerns for years, and has supported CICIG. The 2016 Consolidated Appropriations Act ([P.L. 114-113](#)) provided up to \$750 million to Guatemala, El Salvador, and Honduras to address root causes of migration to the United States of unaccompanied, undocumented minors by improving prosperity, security, and governance in Central America. Congress conditioned the release of part of the Central American aid package on those governments taking effective steps to combat corruption, prosecute security forces for human rights violations, and other actions, and so will watch to see if Morales, whose party was founded by former military officers, is willing to pursue such prosecutions. On January 6, 2016, the AG arrested 17 former military officers in relation to wartime crimes against humanity. Congress is also likely to continue to watch the trial of former dictator Ríos Montt. Ríos Montt was convicted in 2013 of genocide and crimes against humanity committed during the civil war; the ruling was overturned days later. His retrial was due to commence January 11, but was suspended because of pending defense challenges.

For background information, see CRS Report R42580, [Guatemala: Political, Security, and Socio-Economic Conditions and U.S. Relations](#), and CRS Insight IN10237, [President Obama's \\$1 Billion Foreign Aid Request for Central America](#).