

# ARGENTINA

## Crisis looms in Argentina while vote nears

### As elections get closer, Argentina's president is on the fringe of a political scandal that is roping in top members of his government.

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BUENOS AIRES --

President Néstor Kirchner is facing the worst political crisis of his administration less than six months before presidential elections as an investigation into an alleged bribery scheme implicates members of his center-left government.

The 57-year-old Peronist leader remains the favorite to win if he runs for reelection Oct. 28. But allegations that the Swedish construction firm Skanska paid about \$4.5 million in bribes to win a contract expanding a gas pipeline to Bolivia could take a toll.

On Wednesday, Kirchner fired two top officials who are under investigation, Fulvio Madaro, president of the government's natural-gas regulator, ENARGAS, and Nestor Ulloa, a financial manager with the state-run Banco Nacion. They were the first in Kirchner's government to leave because of the alleged scheme.

Kirchner aides say the scandal won't reach him and that he favors a free and full investigation.

"If there have been officials involved, we want justice to freely investigate," Alberto Fernandez, the president's chief of staff, said Thursday. "The president has clean hands."

Opposition leaders have pointed fingers at Kirchner's planning minister, Julio de Vido, whose ministry oversaw the pipeline project.

Sen. Geraldo Morales, the president of the opposition Radical Civic Union Party, said last week's firing "clearly shows the recognition that there are acts of corruption in [Kirchner's] government. But the president also will have to recognize that there is an institutionalized system of corruption in public works."

The scandal comes on top of weeks of protests by teachers and city workers demanding pay raises in Kirchner's home province of Santa Cruz, where he was governor for a dozen years. The tension forced Gov. Carlos Sancho, a Kirchner ally, to resign on May 10.

The scandal also comes as uncertainty revolves around whether Kirchner or his wife, Sen. Cristina Fernández de Kirchner, will run for president this fall. Last year, Kirchner said a "penguin" of either gender could be the candidate, a reference to residents of the Patagonian province from which the couple hail. Since then, there's been much speculation about which of the two will run. They have until July to decide.

At least four candidates are ready to challenge either one, including the president's former economy minister, Roberto Lavagna.

The bribery scandal is the first tangible threat to Kirchner since he won the presidency in 2003, analysts said.

Political analyst Graciela Romer said the political damage had been limited so far.