

Sell Out: How Corruption, Voter Fraud and a Neoliberal Turn Led Ecuador's President Moreno to Give Up Assange

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Global Research, April 21, 2019

[The Grayzone](#) 14 April 2019

Region: [Latin America & Caribbean](#)

Theme: [History](#), [Intelligence](#), [Law and Justice](#), [Media Disinformation](#)

The images of six Metropolitan police officers dragging Julian Assange out of the Ecuadorian embassy in London have provoked rage by citizens around the world. Many have warned that his extradition to the US for trial on conspiracy charges – and possibly much more if federal prosecutors have their way – will lead to the criminalization of many standard journalistic practices. These scenes were only possible thanks to the transformation of Ecuador's government under the watch of President Lenin Moreno.

Since at least December 2018, Moreno has been working towards expelling Assange from the embassy. The Ecuadorian president's behavior represents a stunning reversal from the policies of his predecessor, Rafael Correa, the defiantly progressive leader who first authorized Assange's asylum back in 2012, and who now lives in exile.

While Ecuador's Foreign Minister, Jose Valencia, [blamed](#) his government's expulsion of Assange on the Australian journalist's "rudeness," the sell out is clearly a byproduct of Moreno's right-leaning agenda.

Political instability has swept across Ecuador since revelations of widespread corruption in Moreno's inner circle emerged. The scandal coincided with Moreno's turn towards neoliberal economic reforms, from implementing a massive IMF loan package to the gradual and total embrace and support for the US foreign policy in the region. In his bid to satisfy Washington and deflect from his own problems, Moreno was all too eager to sacrifice Assange.

The INA Papers scandal and growing political instability

WikiLeaks's decision to re-publish the details of Moreno's use of off-shore bank accounts in Panama, infamously titled INA Papers after the name of the shell corporation at the centre of the scandal (INA Investment Corporation) appear to be the main cause for the president's decision to expel Assange from the embassy.

Ecuadorian Communications Minister Andrés Michelena even went as far as [claiming](#) that the INA Papers were a conspiracy plot between Julian Assange, the former president Rafael Correa and the current Venezuelan President Nicolás Maduro.

The INA Papers scandal has cast a long shadow on Moreno's regime and shattered its pledge to fight against institutional corruption. The scandal [reveals](#) that a close associate of Moreno, Xavier Macias, lobbied for the contract of the Coca Codo Sinclair hydroelectric power plant (valued at \$2.8 billion) as well as the ZAMORA 3000 MW plant to be awarded

Sinohydro, a Chinese state-owned construction company.

El diputado opositor Ronny Aleaga ha entregado a El Confidencial los documentos presentados ante la Fiscalía Anticorrupción que demuestran la presunta compra del inmueble



La urbanización alicantina donde una empresa presuntamente vinculada al presidente Lenin Moreno adquirió un apartamento en 2016. (Montaje: E. Villarino)

Screengrab from [El Confidencial](#)

The financial trail from the Chinese corporation passed through bank accounts in Panama belonging to INA Investment Corporation – a shell company originally founded in Belize, a notable tax haven, by Edwin Moreno Garcés, the brother of the current President. The most crucial pieces of evidence indicate that the INA Investment funds were used [for the purchase](#) of a 140 m² apartment in the city of Alicante, Spain, and a number of luxury items for President Moreno and his family in Geneva, Switzerland, during his time as a special envoy on disability rights in the United Nations.

As the pressure mounted on Moreno, the Attorney General of Ecuador issued a statement on March 19th, indicating that it had commenced an investigation into the INA Papers scandal involving the president and his family. Next, [on March 27th](#), the National Assembly of Ecuador approved a vote in favor of investigating Moreno's alleged off-shore bank dealings in Panama. According to [Ecuador Inmediato](#), 153 public service officials, along with all members of the National Assembly, were also included in the initial public hearing scheduled for April 1st.

The corruption scandal came amid a number of other prominent crises disrupting both the Moreno administration and the Ecuadorian economy. The local and regional elections of March 24th, as well as the election to the Council of Citizens' Participation and Social Control (CPCCS) on March 24th, have been riddled with a series of controversies and irregularities with regards to vote counts and [allegations](#) of fraud, including the attempts to invalidate null votes, disqualify and smear the candidates endorsed by ex-President Rafael Correa. The

stunning lack of transparency and legitimacy was highlighted by a report of the mission of electoral observers of the [Organisation of American States](#).

In an unusual twist, the US ambassador, Todd Chapman, was spotted visiting the headquarters of Ecuador's National Electoral Council during the March 24th elections and [allegedly participated](#) as an official electoral observer in the elections. This display of interference was widely condemned on social media as illegal under the current electoral rules, which forbid foreign powers from playing any active role in the observing or interfering the electoral process. But in Moreno's Ecuador, it was a perfect symbol of the new status quo.

The IMF Deal and a turn towards the US

[During the recent meeting](#) of the Executive Board of the IMF, the financial body approved a loan package of \$4.2 billion to the government of Lenin Moreno for what it called a "more dynamic, sustainable, and inclusive economy for the benefit of all Ecuadorians." The agreement coincided with [layoffs](#) of over 10,000 public sector workers, in addition to the ongoing policy of slashing in public and social spending, a decrease in the level of minimum wage and the removal of secure work protections that marked the sharp neoliberal turn of the Ecuadorian government under Moreno.

The IMF deal coincided with [the intensifying attempts](#) by the Ecuadorian government to proceed with the expulsion of Julian Assange from its London embassy. His arrest therefore stands as a sign that Moreno is willing to give up any part of his country's sovereignty - political, diplomatic, or economic - to comply with the demands of international finance.

The same pattern has been seen in Moreno's increasing level of collaboration with the Trump administration and its foreign policy in Latin America. From holding [private meetings](#) with former Trump campaign manager Paul Manafort, to publicly [hosting Mike Pence](#) in the Ecuadorian presidential palace, to authorizing the opening of a new "[Security Cooperation Office](#)" in place of the old US military base in Manta, Moreno's embrace of Trump's "[Monroeist](#)" policy towards Latin America has become all too apparent.

At the same time, Moreno has gone to great lengths to undo the progress of Latin American unity and integration initiated by his predecessor and other progressive leaders in the region.

On March 13th, Lenin Moreno announced that Ecuador would leave the Union of South American Nations (UNASUR) international agreement originally founded in 2008 by leaders of South America's so-called pink tide like Nestor Kirchner of Argentina, Hugo Chavez of Venezuela and Lula Da Silva of Brazil. The project was inspired by the long-standing vision of Simon Bolivar who envisaged South America as a federation of various republics, and was meant to consolidate the growing economic and political integration among the increasingly progressive governments across the region, ultimately emulating the current structure of the European Union.

Moreno complained in his press release that UNASUR has been compromised by the lack of participation of the right-leaning governments in the region, as well as what he called, "irresponsible actions of certain leaders that replicated the worst vices of socialism of the 21st Century."

In a manner similar to Francisco Santander and the project of Gran Colombia during the 1820s, Moreno has opted for a pro-US foreign policy and commercial relations based on free trade and economic liberalization. He has also followed the path of other right-wing leaders in the region such as Jair Bolsonaro and Mauricio Macri in officially recognizing Juan Guaido as the President of Venezuela. Moreno was even among the attendees of the founding summit of Prosur, a newly convened regional block of US-aligned neoliberal governments.

“Who will trust in ECUADOR again?”

Moreno’s decision to silence Julian Assange and expel him enabled the president to gain the trust of the Trump administration while distracting the Ecuadorian public and international media from his mounting crises at home. From corrupt dealing in off-shore bank accounts, the fraudulent elections of March 24th and his mishandling of the Ecuadorian economy, Moreno is in a world of trouble.

This has not escaped the notice of Correa, the former President of Ecuador who first authorized Julian Assange’s asylum back in 2012. After having his page blocked on Facebook, Correa [stated](#) that

“In his hatred, because Wikileaks published corruption of INA papers, Moreno wanted to destroy Assange’s life. He probably did it, but he has also done a huge damage to the country. Who will trust in ECUADOR again?”

Overall, Ecuador has come to resemble the neoliberal regimes of the 1990s across the continent, with IMF-sanctioned austerity, increasingly unstable state institutions and an almost complete obedience to the US foreign policy in the region becoming the new policy standard. Handing Assange over for possible extradition to the US was the inevitable result of Moreno’s turn to the right, but it is hardly the end of his sell out.

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