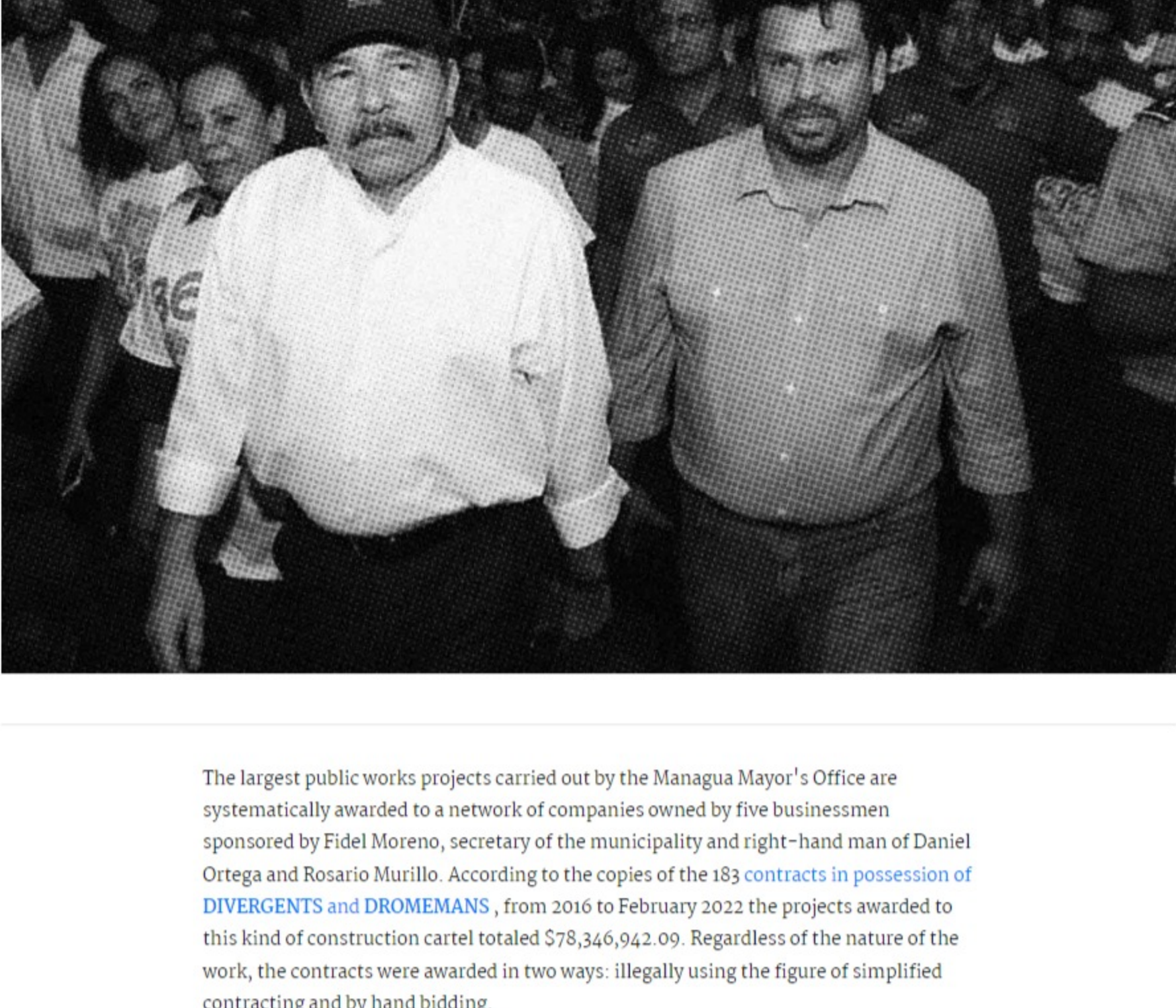


# This is how the construction cartel of Fidel Moreno, the right hand of the Ortega-Murillo family, operates

The municipality of Managua, the capital of Nicaragua, delivers the most expensive public works contracts to five businessmen blessed by Fidel Moreno, secretary of the mayor's office and one of the most powerful people in the Ortega regime. The companies of these builders, who cooperate with each other, have received at least 78 million dollars since 2016 to build parks, streets, houses or buildings. The projects were awarded in two ways: illegally using the figure of simplified contracting and with finger tenders

By Divergents (@DivergentesCA)  
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The largest public works projects carried out by the Managua Mayor's Office are systematically awarded to a network of companies owned by five businessmen sponsored by Fidel Moreno, secretary of the municipality and right-hand man of Daniel Ortega and Rosario Murillo. According to the copies of the 183 contracts in possession of DIVERGENTES and DROMEMANS, from 2016 to February 2022 the projects awarded to this kind of construction cartel totaled \$78,346,942.09. Regardless of the nature of the work, the contracts were awarded in two ways: illegally using the figure of simplified contracting and by hand bidding.

For three months, these journalists interviewed municipal officials, those close to the construction cartel, experts in contracting with the State, other businessmen who work with the mayor's office, and reviewed the contracts awarded by the commune in the last seven years. This investigation shows how Moreno decides at his discretion about who executes public works in the capital and who does not, in several cases breaking the law, and reconstructs the rise of businessmen Santiago Arturo Chávez Sequeira, César Moncada Castillo, Miguel Ramiro Rosales Malespín, Marietha Sánchez Campbell and Julio Martín Bonilla Orozco under the shelter of one of the most powerful people in the Ortega regime.

The contracts were signed by Moreno himself until 2018. All the works were awarded to the network of businessmen under the figure of simplified contracting, although in no case was the requirement of an "emergency" or "calamity" situation being met: the only assumption for which article 28 of the Municipal Administrative Contracting Law (801) allows the delivery of contracts by this modality. Between 2016 and 2018, the five entrepreneurs achieved 74 projects valued at \$26,835,125.89.

"It is an illegal process because they are simulating emergency situations to apply a procedure and be able to hire whoever they want, whoever they want. There is no control over that. This is a way out of corruption. And this is a model that is repeated in all the official-style municipalities; They use this procedure to the limit," explained an expert in public management issues of his extensive experience in developing projects in the State who, like all the sources consulted, requests anonymity due to the systematic repression of the Nicaraguan government.



Fidel Moreno delivers property titles to transport cooperatives of the Mayor's Office of Managua. To his right is Francisco López, one of the most important figureheads for Daniel Ortega and Rosario Murillo.

The documentation held by these journalists confirms that as of the second half of 2018, the former leader of the Sandinista Youth ceased to be the issuing firm that authorized public contracts for the municipality. That year Moreno was sanctioned by the United States Department of State for corruption and the massive protests against the regime of Daniel Ortega and Rosario Murillo paralyzed the construction of various million-dollar works in the capital. The sanction to Moreno implies the freezing of his bank accounts both nationally and internationally; prohibits US banks and organizations from doing any business with the city clerk and blocks any property within the jurisdiction of the United States. Since then, the mayoress of Managua, Reyna Rueda, He is the one who signs the contracts. But, according to sources from the Managua Mayor's Office, Moreno has continued to exercise absolute power over public works in the capital until today.

"The change was fast. The mayoress was informed that she was going to sign everything related to the mayor's contracts, but they also explained to her that Fidel would be in charge of everything, just as he had done before the sanction," affirmed one of the government sources.

Moreno, according to these sources, decided that the simplified contracting figure would not be used to award projects to the five businessmen that he had previously favored with million-dollar public works contracts. As of 2020, as stated in the contracts, the companies began to participate in public tenders of lesser registration and lower value contracts, although without rivals that would shadow them to win the works.

"At the beginning they thought they were going to compete with other contractors who present themselves to the mayor's office to participate in the bidding processes. But this did not happen. In the municipality we don't know where these contests are held, some should be public, but we don't even know that," said a commune official.

What has not changed is that the five businessmen continued to be Moreno's darlings. Since 2019, the network of companies obtained 109 contracts for \$1,521,816.2 dollars.

Among the catalog of works awarded to these companies, according to the contracts, in addition to the rental of machinery, labor and various hardware products, are the rehabilitation of parks in the different neighborhoods of Managua and the road improvement under the umbrella of the flagship project "Streets for the People". Also the construction of important highways, such as the one that connects the Augusto C. Sandino international airport with the runway to Sabana Grande and Larreynaga, in District IV. And the subdivision and construction of houses of the Bismarck Martínez program, located southeast of Managua, one of the star projects of the government since 2018.

## The five businessmen of Moreno



The businessman who has billed the most from the network woven by Moreno is Santiago Chávez, owner of Chávez y Chávez Construcciones Sociedad Anónima, Concretos y Más Sociedad Anónima and Materiales de Construcción Santiago. "He is Fidel's right hand (within the cartel)," said a source close to the businessman. In his company Concretos y Más, located on the road to Sabana Grande, on the outskirts of the capital, meetings are organized to plan the construction of works awarded by the municipality, said an official from the Mayor's Office. Since 2016, Chávez's companies have been the most benefited with a total of 34,553,895.52 dollars.

In second place is Julio César Moncada Castillo, owner of the company Asesoría y Construcciones SA (Aconsa) and also president of the Civil Engineering program at the National University of Engineering (UNI). His company is dedicated to the design, supervision and construction of civil works, as well as the geometric design of road works, topography, drawing, among others. His offices are located in Residencial Las Delicias, northeast of the city. Sources from the Managua Mayor's Office assured that Moncada Castillo is anointed by Rodolfo Villachica, Fidel Moreno's right-hand man within the municipality and project director of this public institution. According to a report in the newspaper La Prensa, Villachica is the administrator of resources of the Mayor's Office. He is the one who is in charge of the most important projects and the one who guarantees the delivery of the works. During the time that his "godfather" has been in this position, Moncada Castillo has received 33 contracts since 2016 representing \$20,764,573.56.



The company of Miguel Ramiro Rosales Malespín, general manager of the company Asesoría, Diseños y Construcciones Sociedad Anónima, is the third to form part of this structure. The company, despite reflecting in the contracts that it is located in the surroundings of Club Terraza, in one of the most exclusive areas of the capital, does not have offices at the address cited in the official documentation. This means of communication visited the address that the company registered in the contracts that the Mayor's Office gave it. The house, which is marked as Adiconsas on Google Maps, does not have any signage outside. These journalists asked the security guard and he said he did not know the name of the company.

A little further down is Marietha Sánchez Campbell, representative of the company Sánchez Soluciones Constructivas SA, located in Altos de Motastepe, Ciudad Sandino. One of the works that she was entrusted with was the construction of the Peace Bell, a whim of Vice President Rosario Murillo that was built in the old center of the capital. The bell is nothing more than a huge concrete tower that has a golden bell at the top that rings at six in the morning, twelve at noon and six in the afternoon.

The last businessman, although with less weight, that is part of this group of companies is Julio Martín Bonilla Orozco. The latter has bid with four different companies: Crea Soluciones Sociedad Anónima, Comercial Anmari, Olimpus Investment SA and Best Cost Group Sociedad Anónima.

None of the businessmen mentioned in this investigation answered the repeated calls made by these journalists to the corporate phones, and in some cases also personal, to find out their version.

## The origin of the poster



Marietha Sánchez supervises a work that was part of the group of projects for the 2017 Central American Games. Sánchez Soluciones Constructivas has been built a good part of the works that have been built in the center of the capital.

Until 2013, the businessmen of the construction cartel of the Managua Mayor's Office worked separately and only received some minor awards from the municipality, according to two sources from the Mayor's Office and a businessman who requested anonymity from this media outlet. But it was then that Santiago Arturo Chávez Sequeira consolidated his relationship with Fidel Moreno, who since 2009 was the strong man of Ortega and Murillo in the capital. That year, according to a publication in the newspaper La Prensa, the Sandinista mayor Daysi Torres gave her a power of attorney in which she shared all her duties, including signing public works contracts.

"Fidel knew Santiago because he had been awarded minor works. They met at a private party, they talked, and after months the rapprochement paid off. That's where the relationship they maintain to this day was cooked up," said a source close to Chávez.

The first fruits were five contracts that Chávez received to remodel the Independencia Stadium in 2013, all awarded by the Esteli Mayor's Office under the figure of simplified contracting, breaking at that time the grounds of Law 801, since none of the projects were executed in the middle of a catastrophe or emergency. The remodeling of the Stadium was not a minor matter. Real Esteli plays there, the club that Moreno presided over at that time and of which he has been a fan since he was a child, when he grew up in that town in a Sandinista family—his father, Emilio Moreno Gutiérrez, was ambassador to Germany and Algeria. during the eighties. Although the mayor of the secretariat left the presidency of the team in 2018, until today he is aware of the hiring of foreign players who charge thousands of dollars in a league where the average national player barely receives 15,000 córdobas (about \$422).

In 2013, Chávez's companies earned US\$ 726,537.89 with the remodeling of the Independencia Stadium, according to documentation held by this media outlet. The source close to the contractor assures that the secretary of the Managua Mayor's Office was so satisfied with the remodeling of the Stadium, that as of 2014 he delivered larger works: "As their companies did not have the capacity or the specialty to execute all the works, Chávez was in charge of looking for other contractors to comply with each one of the project specifications".

In addition to signing the contracts that he delivered to Chávez, Moreno was also in charge of endorsing the other businessmen who were subcontracted. The premise for being part of the group was confidentiality. Little by little other businessmen were integrated until in 2016 the feast of projects that were first delivered illegally under the figure of simplified contracts and then awarded by hand work. The cartel of companies of the Mayor's Office of Managua builds any work that is designated by the secretary of the municipality, Fidel Moreno. Although they have specializations, a source close to the commune explained that equipment and personnel are provided to meet the requirements of the specifications that are launched from the commune at the time of contracting.

## impunity and punishment



Marietha Sánchez supervises a work that was part of the group of projects for the 2017 Central American Games. Sánchez Soluciones Constructivas has built a good part of the works that have been built in the center of the capital.

The preeminence of the companies grouped in the cartel that benefits from public contracts from the Managua Mayor's Office has not ceased in the last seven years despite delays or poor work in the projects under their responsibility, and even non-payment of taxes.

In Waspán Sur, a neighborhood located in District VI of the capital, the construction of a vehicular bridge granted to Chávez and Chávez for an amount of 143,354.04 dollars, lasted four months longer than the time stipulated in the contract. In the third stage of the Hialeah neighborhood, a hamlet located southeast of the capital, the residents denounced that the road and rainfall improvement carried out in 2021 by Aconsa was unfinished and is currently in poor condition.

"They worked for three weeks, then they left and left that incomplete. Now it is full of garbage," said Ximena Sánchez, a mother who travels through the area from Monday to Friday to pick up her son from her school.

According to documentation from the General Directorate of Revenue (DGI), the Nicaraguan tax agency, in possession of this investigation, Concretos y Más, one of Santiago Chávez's companies, has not paid taxes and interest for some 112,819,743 dollars generated in 2021 and 2022.

"Companies that are in arrears with the State cannot be contractors in any ministry or government institution. It is illegal that, being solvent, Concretos y Más continues to receive projects from the Managua Mayor's Office," said the expert on public management issues consulted.

The impunity that surrounds the businessmen sponsored by Moreno contrasts with the situation of the contractors who are outside the cartel. They cannot denounce the advantages that companies linked to the secretary of the municipality receive. If they do, they run the risk of being definitively banned as State suppliers.

Francisco, who has been a state contractor for more than ten years, said that he has seen all the benefits that the cartel businessmen receive and also how they have taken away projects that he had won and that, for "unknown reasons", they are not delivered to him in the end. "One ends up asking for work from these businessmen who take the largest share. And that is another process because it is not just anyone that they subcontract. Sometimes among themselves they keep even the minor jobs of these great works," he says.

Ignacio, a civil engineer, closed his small business in 2021 because the few projects he received to build works from the Mayor's Office often delayed payments and sometimes rejected his offers. "You cannot compete against the contractors who have the blessing of Fidel Moreno. It is complicated, if not impossible," he says.

*\*All the sources consulted for this report have requested anonymity or that fictitious names be used for fear of reprisals from the Nicaraguan State.*

*\*\*The authors of this report contacted the Mayor's Office of Managua to request the official version of the secretary of the municipality, Fidel Moreno, however, the calls were not answered. The mayor's office was also called. There was no response either.*