

## **Americans Refile Criminal Complaint Against Mexican Government and Mexico's Second Largest Bank; Corrupt Mexican Officials Allegedly Blamed for Loss.**

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The Federal District Attorney here was presented a criminal complaint against the Federal Government and Bancomer, Mexico's second largest bank.

The complaint was filed by U.S. citizens who built approximately 200 homes at a federally approved tourist development, some costing as much as one million dollars. The complaint denounced the illegal eviction, threats, abuse of authority, influence peddling and other related offenses.

This most recent filing is the second criminal complaint filed by the Americans against the Federal Government and Bancomer. The first complaint was sent to agrarian and civil courts, which, by definition, had no jurisdiction to hear the complaint. These actions, in addition to other civil and constitutional actions, were taken in response to attempts by the Federal Government, through the Federal Agrarian Reform Ministry, to evict several hundred Americans from vacation homes built over decade ago.

The fate of hundreds of Americans and over \$50 million they invested in Mexican vacation beach homes may be at the mercy of the Mexican government. If allegations of corruption prove true, as portrayed in the Mexican press and television in recent months, there is little doubt now that the approximately 400 American families who built homes in Baja California were deceived and defrauded, in part, with the help of the Mexican Government.

As the Mexican Presidential election came to a end in July, several newspaper accounts reported in detail how officials at the Ministry of Agrarian Reform colluded with other Mexican nationals to illegally gain title to beach front property in Baja California and sell/lease it to Americans.

A Mexican investigative news television program, Punto De Partida, aired an interview with a man who claims he was present when bribes of \$50,000 were paid to various Mexican officials at the Ministry of Agrarian Reform to alter survey maps to include the property in question.

Officials from the same ministry later provided written assurances affirming "the absolute legality and legal safety" of Americans building homes there. This letter, along with other title documents, including a Presidential decree by which the federal government essentially expropriated the property, was then used to entice American consumers to invest approximately \$50 million and build over 400 vacation homes.

In a recent conciliation meeting called by the Ministry of Agrarian Reform in Mexico City, representatives of the Mexican federal government concluded that they have no other choice but to proceed with the forced eviction of the Americans. The meeting was attended by officials of the Ministry of Agrarian Reform, private land owners, attorneys for the Americans and representatives of the American Embassy.

Most of the Americans built their homes over 10 years ago. Therefore none of the Mexican officials allegedly involved still hold office at the Ministry accused. Mexico was very different back then. NAFTA was not even in the picture. Mexico was still trying to come to terms with allowing American investors the right to purchase homes in Mexico. This is clearly reflected in the numerous changes in the laws of Mexico starting form around 1989 to present. All in all, there was a lot of confusion surrounding this new body of laws and how they should be

interpreted.

Therefore it is particularly surprising to read Mexico's Ambassador to the United States, Jesus Reyes-Heroles, state that Americans "made the wrong investment and got involved in the wrong kind of thing in Mexico... They didn't do a careful investigation of the property." Surely he is not referring to this case. These Americans not only investigated but got the written approval of the Mexican federal government on property that same government claimed to own.

Even if all allegations of corruption are set aside, the facts that the Ministry of Agrarian Reform has publicly recognized are clear: the ministry did claim that they owned the property when the Americans took possession over a decade ago; this did influence these Americans in making their purchase; and, as declared by a Supreme Court decision in Mexico, it turns out that they did not own the property.

At the very least it is clear that Mexican government has an obligation to intervene to help sort out a very complicated problem in order to find a just and equitable solution. So far this hasn't happened.

**Dennis John Peyton**, an attorney representing several hundred families facing the possibility of losing their life savings, stated: "Time and time again the representatives of the Mexican Federal Government have promised to intervene to have all the affected parties enter into some kind of mediation, and nothing happens. I honestly do not believe they have any interest in finding a solution to this problem. All we are asking is that Mexican government to do is clear up their own mess, and stop trying to make innocent consumers foot the bill for their mistakes."

**Peyton** went on to conclude: "Given these most recent allegations of corruption, it is imperative that the Mexican federal government show some leadership and appoint someone other than an official from the Ministry of Agrarian Reform to mediate a solution to this problem. For the past year we have been continually forced to seek assistance to mediate a solution to this problem from the Ministry of Agrarian Reform, and it now appears that this same Ministry may have caused our problems in the first place."