Federal Department of Justice and Police

Federal Office of Justice

Montesinos case: Switzerland transfers 77 million US dollars to Peru

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Zurich/Berne, 20 August 2002. The assets belonging to the former head of the Peruvian secret service and presidential advisor, Vladimiro Montesinos Torres, and other people, which had been frozen in Switzerland, have now been transferred to Peru. The release of these assets was facilitated in large part by efficient cooperation between the authorities in the two countries.

The account at Banco de la Nación del Perú at Citibank in New York today received a credit of 77.5 million US dollars from Switzerland. This consisted largely of the blocked assets of Vladimiro Montesinos Torres and the former Peruvian general, Nicolas de Bari Hermoza Rios.

The investigations carried out by the Examining Magistrate's Office IV Canton of Zurich revealed that the funds belonging to Montesinos that were frozen in Switzerland (totalling 49.5 million US dollars) originated from corruption-related crimes. Since 1990 Montesinos received "commissions" on arms deliveries to Peru and had this bribe money paid to his bank accounts in Luxembourg, the USA and Switzerland. Montesinos received bribes for at least 32 transactions, each worth 18% of the purchase price. Montesinos also collected 10.9 million US dollars in "commissions" on the purchase of three MiG29 planes, bought by the Peruvian airforce from the state-owned Russian arms factory "Rosvoorouzhenie". In return, Montesinos used his position to ensure that certain arms dealers were given preference when these orders were issued. On the basis of these facts, the Examining Magistrate's Office IV Canton of Zurich issued a decision on 12 June 2002 ordering the transfer of the assets belonging to Montesinos to Peru. This decision was not appealed and has since come into force.

Voluntary return

One of the arms dealers who enjoyed preferential treatment is voluntarily repatriating his commission from these transactions (7 million US dollars), hitherto held in Swiss bank accounts.

General Nicolas de Bari Hermoza Rios also accepted bribes relating to arms deliveries to Peru. He too misappropriated funds from the military budget. All unlawfully obtained funds were ultimately paid into his bank accounts in Switzerland. Nicolas de Bari Hermoza Rios has agreed to this money (21 million US dollars) being returned to Peru.

Efficient cooperation and stringent legislation

The return of the assets in the Montesinos case was made possible by efficient cooperation between the Swiss and Peruvian authorities and in particular by Swiss laws against money laundering. On the basis of an obligation arising from the Money Laundering Act, the banks informed the Money Laundering Reporting Office at the Federal Office for Police Matters in October 2000 about the assets belonging to Montesinos and Hermoza Rios. The Money Laundering Reporting Office forwarded this information immediately to the Examining Magistrate's Office IV Canton of Zurich, which blocked the funds and initiated a criminal investigation. The knowledge gained in Zurich was transferred by the Federal Office for Justice to the Peruvian judicial authorities, which in turn made investigations and submitted the corresponding request for legal assistance to Switzerland.

33 million US dollars remain blocked

In the Montesinos case, assets totalling 33 million US dollars remain blocked in Switzerland. Peruvian requests for legal assistance aiming at the return of these funds are currently pending in Zurich.

Contact / questions
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