

Congress of the United States

Washington, DC 20515

April 12, 2023

The Honorable Joseph R. Biden
President of the United States of America
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear President Biden,

In October of 2021, Secretary Blinken visited Quito, Ecuador and made a much-noted speech outlining your administration's policy priorities in the Americas. In his speech, he stated that a top priority was helping countries like Ecuador address the challenge of corruption. As he correctly noted, corruption "stifles growth, it discourages investment, it deepens inequities; but maybe its greatest toll is on citizens' trust in government."¹

Ecuador is now in the midst of a political and social crisis that is driven, in large part, by credible allegations of corruption at the highest levels of government. Investigative journalists have uncovered what appears to be a web of corruption that ties key associates of Ecuadorian President Guillermo Lasso to organized crime figures. Furthermore, there is evidence to suggest that one of these individuals - Danilo Carrera - as well as President Lasso himself have been using U.S. jurisdictions to hide assets and avoid taxes, in violation of Ecuadorian law.

Given your administration's commitment to supporting anti-corruption efforts abroad, as detailed in the 2021 U.S. Strategy on Countering Corruption, we urge you to engage in a prompt investigation into the origins of these assets, based primarily in holding companies in Florida. Additionally, in light of the aforementioned corruption allegations as well as other troubling developments that negatively impact human rights and press freedom in Ecuador, we believe that you should re-evaluate our government's close relations with the Lasso government.

The corruption allegations that have recently emerged concern Guillermo Lasso's close collaborators and particularly his brother-in-law, Danilo Carrera, who is now being investigated by Ecuador's Prosecutor General for allegedly running a criminal enterprise responsible for false contracts in the electricity sector.² Ecuadorian media have released recordings of phone conversations in which Mr. Carrera appears to have influenced ministerial appointments made by President Lasso.³ Mr. Carrera is not only a close relative of President Lasso, he is also one of his prime campaign funders, according to official records.⁴

Mr. Carrera appeared together with President Lasso and U.S. Ambassador to Ecuador Michael Fitzpatrick in official photographs just outside the White House during President Lasso's December 2022 official visit. To our knowledge, Mr. Carrera's only current formal business

¹ <https://www.state.gov/making-democracy-deliver-for-the-americas/>

² [Ecuador: denuncian por corrupción al cuñado y ex funcionarios de Guillermo Lasso - Infobae](#)

³ [Asamblea investigará supuesta red de corrupción en empresas públicas de Ecuador - El Comercio](#)

⁴ [Reporte_de_Ingresos-100.pdf \(cne.gob.ec\)](#)

interest is as President of the Board of Banco Guayaquil, which is majority controlled by Mr. Lasso and his family. For President Lasso to invite Mr. Carrera to Washington to advance his own private bank's business interests appears at the very least to constitute a conflict of interest in which the U.S. administration should have no part.

The Lasso government attempted to undermine the Prosecutor General's corruption probes, which were also focusing on Lasso's links to offshore tax havens, in violation of Ecuadorian law. The government removed a team of police investigators assigned to the Prosecutor General's investigation. A judge has since issued an order declaring the removal of the police investigators unlawful.⁵ The National Assembly, Ecuador's legislative branch, the Council of the judiciary, and the National Court of Justice have all expressed their support for the Office of the Prosecutor General in this matter.⁶

President Lasso has refused to attend legislative hearings investigating the issue despite being summoned to do so repeatedly.⁷ At these hearings, Andersson Boscán, the journalist who published the initial revelations of Danilo Carrera's alleged corruption, has presented compelling testimony that could further implicate the Lasso government in even more egregious criminal activity.

On February 13th, Mr. Boscán presented documentary evidence that an anti-narcotics investigation had been shut down as a result of government pressure because it would have exposed the business dealings of a close associate of Mr. Carrera, Rubén Cherres, with a well-known drug trafficking organization. Cherres is also implicated in the corruption allegations relating to false contracts in the energy sector.⁸ These revelations along with the discovery of documents that demonstrate that the case was shut down by the government have since prompted the Prosecutor General to reopen the case.⁹ Meanwhile, a Parliamentary Commission's recommendation to impeach President Lasso for crimes against public administration was endorsed by a 75% majority of the Parliament.¹⁰

These troubling allegations can only be fully investigated and prosecuted by Ecuador's judicial authorities. However, we believe that U.S. authorities have an important role to play in supporting Ecuador's fight against corrupt and unlawful acts committed by powerful individuals, particularly when those acts take place on U.S. soil.

Researchers in the U.S. have uncovered how President Lasso used two figureheads associated with Banco Guayaquil, Euvenia Touriz and Miguel Macías, to open offshore companies in tax havens, including U.S. jurisdictions. Those companies then acquired millions of dollars in real estate in Miami-Dade and Broward counties, in Florida, which has been designated by the

⁵ [Jueza acogió pedido de la Fiscalía y suspendió el traslado de investigadores de la Policía | Política | Noticias | El Universo](#)

⁶ [Consejo de la Judicatura respalda a la Fiscalía \(ecuadorenvivo.com\); Asamblea Nacional y la Corte Nacional de Justicia expresan preocupación por cambio del equipo policial de investigación que apoya en la Fiscalía General del Estado | Política | Noticias | El Universo](#)

⁷ [El presidente de Ecuador evita comparecer ante el Congreso para explicar su relación en un caso de corrupción \(europapress.es\)](#)

⁸ [Esta es la historia de Dritan Gjika, el albanés socio de Cherres, que hizo negocios con una empresa acusada de narcotráfico | Plan V](#)

⁹ [Fiscalía anuncia control jurídico a la investigación denunciada por La Posta – Diario La Hora](#)

¹⁰ [Ecuador's President Lasso closer to being impeached, Bnamericas](#)

Department of Treasury's Financial Crimes Enforcement Network (FinCEN) as a geographic location of concern for real estate money laundering.¹¹ It's worth noting that in Ecuador it is illegal for any person holding assets in LLC corporations that are not liable to pay U.S. federal taxes to hold public office.¹²

Danilo Carrera also seems to be implicated in this scheme. Mr. Carrera is the president of the board of Banco Guayaquil, which is majority-owned by Mr. Lasso and also the one-time employer of both Ms. Touriz and Mr. Macías. Multiple holding companies opened by Touriz and Macías to purchase real estate were named "Malena," the name of Mr. Carrera's deceased mother. The pattern is familiar: several holding corporations opened in Florida by Ms. Touriz and Mr. Macías were named "Nora," the name of Guillermo Lasso's deceased mother.¹³

We note with particular interest the announcement by the Treasury Department a year ago, in the lead up to the Summit for Democracy, of a new rule to better identify what actors are behind all-cash real estate transactions and to see if those purchases are being used to shelter illegal profits.

We respectfully urge your administration to look into the matter of President Lasso's and Danilo Carrera's assets in the United States and consider requesting that relevant U.S. agencies, including the Department of Justice and the Department of the Treasury, engage in a prompt investigation of Mr. Carrera's business dealings in our country.

In addition, other troubling developments in Ecuador have come to our attention. Corruption and criminal activity appear to have deeply penetrated Ecuador's security apparatus, prompting the U.S. ambassador in Quito to denounce the country's "narco-generals." The general security situation has plummeted since Lasso took office with the country's homicide rate nearly doubling. Political violence is also on the rise: five candidates were murdered and others were victims of violent assaults in the run-up to the local elections that took place in early February.¹⁴

Ecuadorian Indigenous activists have also come under increasing attack, including from President Lasso who has made unfounded claims that the country's main Indigenous movement receives funding from drug-traffickers and resorts to "terrorist" tactics.¹⁵ Last month, Eduardo Mendúa, a prominent Indigenous leader who had been campaigning against the expansion of government-backed oil operations in the Amazon, was murdered by two gunmen at his home.¹⁶

Press freedom is also under threat. President Lasso recently referred to the journalists investigating Mr. Carrera as "media terrorists" and accused them of links to drug-trafficking. Reporters without Borders denounced Lasso's "violent diatribes" against these journalists and stated that the head of state's "threats against journalists by President Lasso have exacerbated the violence of the environment for journalism in Ecuador."¹⁷

¹¹ [Tens of Millions in Florida Properties Linked to Ecuadorian Presidential Candidate Guillermo Lasso - Center for Economic and Policy Research \(cepr.net\)](#)

¹² [Fiscalidad Internacional, Servicio de rentas internas, Gobierno de Ecuador](#)

¹³ [Los laberintos offshore de Guillermo Lasso: accionistas del Banco de Guayaquil detrás del candidato de derecha en Ecuador | Dirigen y financian su campaña presidencia | Página12 \(pagina12.com.ar\)](#)

¹⁴ [Violencia política en Ecuador: Candidato a alcalde fue asesinado a tiros por un sicario, CanalPais](#)

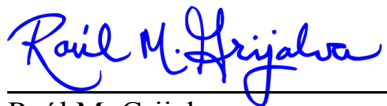
¹⁵ [Guillermo Lasso: "El narcotráfico, el crimen organizado y el terrorismo buscan debilitar la democracia," Ecuavisa](#)

¹⁶ [Eduardo Mendúa, Ecuadorian Who Fought Oil Extraction on Indigenous Land, Is Shot to Death, Inside Climate News](#)

¹⁷ [Attempt by Ecuador's government to silence investigative journalism, Reporters without Borders](#)

Given these disturbing developments and the credible allegations of corruption at the highest levels in Ecuador, we feel that your administration should review our bilateral relations with that country's government while the Department of Justice concludes its investigations of President Lasso and Mr. Carrera's apparent holdings in the U.S. If we want to practice what we preach in the Americas, we should at all costs avoid reinforcing the perception that the U.S. administration is tolerant of corrupt governments.

Sincerely,



Raúl M. Grijalva
Member of Congress



Henry C. "Hank" Johnson, Jr.
Member of Congress



Jesús G. "Chuy" García
Member of Congress



Juan Vargas
Member of Congress



Eleanor Holmes Norton
Member of Congress

CC: Attorney General Merrick Garland

Treasury Secretary Janet Yellen

Secretary of State Antony Blinken