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CUSTOMS OFFICERS

16 fired in purge of Tocumen

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PANAMA. Sixteen customs officials have been fired from Tocumen airport after they were caught on film last week sharing out confiscated items.

The Director of Customs, Gloria Moreno de Lopez, said that these may be just the first sackings in what is to be a purge of customs officials who have not behaved according to the code of ethics for civil servants.

"These people know perfectly well what their responsibilities are and how they ought to behave," she said.

Meanwhile, an administrator in a cargo firm based at Tocumen who was allegedly bribing customs officials to delete waybills from the official listing, is being investigated by the Civil Servants' Crime Division. This is the second person to be arrested in connection with the offence, following the arrest of a customs officer last week.



PHOTO: LEVI CRUZ

Gloria Moreno de Lopez

CORRUPTION

Predators roam in Bocas



PHOTO: COURTESY

No property is safe

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PANAMA. A hundred years ago the Bocas del Toro archipelago was a leader in banana cultivation. Today its main product is real estate swindles. The Star has taken a hard look at land questions in the islands. The resulting series of articles starts today.

Through more than 50 interviews we discovered a situation that rewards trickery and punishes good faith. It's made up, essentially, of three elements.

First, Panama's bewildering system of land titling. In being confusing, it lends itself to deception and self-deception. In leaving a great deal to the discretion of officials, it lends itself to corrup-

tion.

Third, in the Bocas Islands land values shot up sharply with the influx of retirees and tourists. Big money has attracted predators and tempted officials.

The situation may be expressed in this equation: Confusion + Relaxed Standards + Money = Zero Juridical Security. Predators can go after titled land without risk or cost and with good prospects of success, since defending it can cost thousands. As a realtor of ten years' experience told our reporter, "No property is safe."

Our series will continue through Friday, examine four cases in detail, touch on four others, and present Bocas gall as illustrated in the following anecdote:

Six Diamond Resorts International, an American firm, intends to create a tourist complex on Isla Colón with some four-storey buildings. The zoning rules forbade more than three. In 2007 the company invited the mayor and a number of officials to the US, all expenses paid. When they returned, the zoning rules changed. A company officer told our reporter that they could never get the officials together in Panama. The only way was to bring them to Houston. The mayor, meanwhile, said that the population of Bocas has grown a lot lately. Extending the town horizontally could be bad for the environment. Therefore, the rules were changed to permit four storeys. **Page 3**

IN THIS EDITION

Vallarino on the spotlight

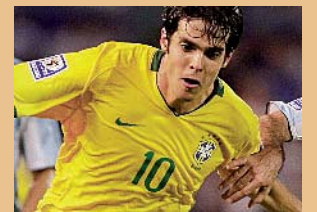


He has been accused of illegally requesting the Town Hall to provide a ticket and funds for his wife, Anabel de Vallarino, to travel to the Special Olympics in Taipei, even though she is not a municipal employee. **Page 3**

Global crisis blame game

Former Panama ambassador in the US, Eduardo Morgan Jr. has sent a letter to the director of the Organization for Economic Cooperation and Development (PCDE), Jeffrey Owens blame the the members of this group.. **Page 5**

Brazil qualifies for World Cup



Five-time champions Brazil, inspired by Real Madrid superstar Kaka, qualified for the World Cup finals thanks to a 3-1 win over bitter rivals Argentina. The result maintained Brazil's proud record of never . **Page 8**

TITLE NIGHTMARE

The retirees and the developer

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BOCAS DEL TORO. When Willy Schreiber retired from the German auto maker BMW, he and his wife Karan joined the Peace Corps.

They went to Africa and later to Panama, where (like so many others) they fell in love with the country.

In 2003 they returned to Panama to stay. They bought titled land, inscribed in the Public Registry, on Isla Colon in Bocas del Toro.

"We worked hard for years," Willy told the Star. "Clearing and draining the land, leveling it and planting lawns and trees, building a house. Some say it's the prettiest on the island. We invested our lives and our savings. They they tried to take everything we have."

One morning in November 2007 men with rubber boots and surveying equipment showed up. Without saying a word they went onto the Schreibers' land and began walking around in different directions.

Willy ran them off without incident, but in a while they came back with an order from Circuit Judge Manuel Garcia. On pain of arrest, it said, the Schreibers were to let them come in and do their job, to delimit and mark on their plot of land a plot of land belonging to someone else.

Judge Garcia declined to comment on cases to the Star.

A CORPORATION "PURCHASE"

The someone was a US corporation, Six Diamond Resorts International, that meant to do a development on the island.

It had bought, through a subsidiary, a seven-acre plot numbered 1880. Now it had requested, and the judge had ordered, a "Non-Contentious Delimiting and Marking" action to see if it might legally locate its land in a place



PHOTO: COURTESY

The Schreibers invested time and money to transform the jungle into a home

which the Schreibers thought theirs and to which they had title.

This process normally occurs among neighbors. The requester and each of his neighbors exhibit titles and appoint surveyors. The court names one as well. Since the process is "Not-Contentious," the parties assume that their interests are not opposed.

If and when the results are not accepted by all, the process becomes contentious, and boundary lines are defined through litigation.

In Bocas del Toro a variant or perversion is practiced. The owner of a plot of land finds an accommodating judge and initiates a delimiting and marking action in order to fix the location of his property.

He may have a map or a deed, but the key point is that the judge orders surveying without considering property titles or registered maps that coincide with area being measured. Sometimes neighbors are not even cited. When handled

this way, a supposedly "Non-Contentious" process is an act of predation.

LEGAL BATTLE

For Willy and Karan Schreiber it was "a nightmare of harassment and worry." They spent thousands on lawyers before the case went to the superior court in David and the corporation desisted. Nonetheless, the Schreibers are leaving Bocas.

"You can't trust anything," said Willy. "The system is incurably corrupt. You have to go by the courthouse every day to check whether someone is claiming your land. That's the only way the court communicates, and if you miss the deadline for filing an objection, your land is gone. This has shortened my life by ten years, I can't risk any more."

For Richard Kiibler, a Six Diamond executive, it was business as usual. "We'd bought land next to where the Schreibers were living. We wanted to buy them out too, but our lawyers said their title

wasn't authentic.

They'd been sold the wrong land. So we bought the plot that corresponded to where they were living and tried to delimit it and take possession."

Why did they desist? Given the worldwide economic crisis, said Mr. Kiibler, the corporation is rethinking its projects. The case will be reopened sometime in the future.

It's worth reporting that the Schreibers have a great many friends, and that they picketed Six Diamond's office, causing an abundance of bad publicity. Besides, Señora Minerva Blacaneaux of David told the Star that when she sold plot 1880 to the firm's subsidiary, the buyer "knew that there were problems associated with it."

The sale took place in October 2007. The price was one thousand dollars.

En 2005 Señora Blacaneaux sold another plot in the same region for \$12 the square meter. At

that price, 1880 would be worth in excess of \$300,000. The fact that it went for only one thousand suggests that its problems were serious.

At the same time, to spend a thousand dollars for a claim that might be worth three hundred times that isn't necessarily bad business. The titling situation in Bocas del Toro is so incoherent that Mr. Kiibler may be right that the land where the Schreibers lived belongs to his corporation. Furthermore, crazy claims have prospered where rightful owners lack the means to resist.

What's happening in Bocas? A local explained the situation for the Star.

"In Panama land titling is a mess, especially on the coasts and islands. Much is left to the discretion of officials. Out here it never mattered. Until recently the land here had no value. Then suddenly it went way up. That honey attracted flies and tempted officials, and this has always been a laid-back place."

After three months of poking into real estate matters in the islands of Bocas, the Star agrees with Willy Schreiber: "You can't trust anything."

Confusion + Relaxed Standards + Money = Zero Juridical Security.



PHOTO: COURTESY

Happier times in Bocas