

Mexico Seeks to Arrest Ex-Pemex CEO Amid Corruption Probe

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Emilio Lozoya Photographer: Ben Stansall/AFP via Getty Images

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Mexican President Andres Manuel Lopez Obrador's anti-corruption campaign has claimed its highest-profile target yet: the former head of national oil company [Petroleos Mexicanos](#).

A judge issued an arrest warrant for former Pemex Chief Executive Officer Emilio Lozoya, state news agency Notimex reported Tuesday. The arrest comes after the president's financial crimes chief, Santiago Nieto, announced that his agency had frozen the bank accounts of Lozoya and the steel company Altos Hornos de Mexico SA as part of a corruption probe.

Alonso Ancira, chairman of steelmaker known as AHMSA, was arrested in Spain, the company [confirmed](#) in a statement. The company said the reasons for Ancira's arrest were unknown. Televisa journalist Denise Maerker first reported on the arrest.

The attorney general's office didn't respond to requests for comment.

"Mexico's government policy is zero tolerance to corruption and impunity," Nieto wrote on his Twitter account.

La política del gobierno de México es cero tolerancia a la corrupción y a la impunidad. Es una política de buscar justicia en el marco de un Estado Constitucional de Derecho.

— Santiago Nieto (@SNietoCastillo) [May 28, 2019](#)

Lozoya and AHMSA have denied any wrongdoing. Lozoya's lawyer, Javier Coello, said that his client would seek an injunction against any arrest warrant, without confirming knowledge of one.

Longtime Confidant

Lozoya is a longtime confidant of former President Enrique Peña Nieto and managed his 2012 campaign before being named to head Pemex. Lopez Obrador, who took office in December, had previously indicated that he was more focused on preventing corruption in his administration than investigating cases under his predecessors.

"Politically, this is really good for Lopez Obrador, because he is sending a signal that he's not willing to let some things go away," said Alejandro Schtulmann, who runs the political-risk consultancy EMPRA in Mexico City.

At the heart of the AHMSA matter is the price that Pemex paid --\$475 million -- for a fertilizer plant sold by AHMSA in 2014, according to AHMSA's head of communications.

"They're saying we were overpaid, but the price was set by Pemex based on their valuations," spokesman Francisco Ocuna said in an interview. "We had our own estimates that set the price even higher."

'Total Surprise'

Ocuna said the company found out about the frozen accounts when it tried to make a financial transaction on Monday, and didn't hear from the government until late in the afternoon when it put out an official statement.

"It was a total surprise," he said. "It's absolutely illegal, the UIF is acting as prosecutor and judge, without any due process." He said the company is exploring its legal options but could not go into detail.

Coello said his client, Lozoya, hasn't been contacted by the Lopez Obrador administration regarding the fertilizer case and learned of it from Nieto's public statement on Monday.

"All I can say for the moment is that Emilio Lozoya did not sign those contracts himself and a transaction of that size had to have been authorized by the board," Coello said in phone interview.

AHMSA's business relationship with Lozoya was limited to that one transaction in 2014, Ocuna said. "Beyond that, it's only been a familiar relationship that goes back many years."

Lopez Obrador tapped Santiago Nieto to investigate financial crimes late last year. He previously served as head electoral crimes prosecutor in the Peña Nieto

administration, before being fired in late 2017 for going public about details of another investigation into Lozoya.

The earlier probe centered on whether Lozoya received bribes from construction giant Odebrecht SA during Pena Nieto's campaign. Odebrecht has been implicated in a series of [corruption scandals](#) that have rattled Latin America.

(Updates with AHMSA's confirmation of Ancira's arrest in third paragraph.)

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