

Ortega's Savings and Loan Closes Many Offices in Nicaragua

By Ivette Munguia (Confidencial)
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Hundreds of customers request that their savings be returned.



The members of the Caruna Savings and Loan in Esteli found out about the closing of the cooperative by a notice pasted on the door. Photo: Courtesy / Confidencial

Caruna branches in Esteli, Somoto and Ocotal, Bonanza, Bilwi, Bluefields and Nagarote, were closed without their customers being notified

HAVANA TIMES – The savings and loan cooperative “Caja Rural Nacional” (Caruna RL- National Rural Fund), the financial institution the Ortega regime used to divert billions of dollars in funds of the Venezuelan State cooperation, closed its offices in Esteli, Somoto and Ocotal. The closure of the cooperative’s branches surprised its members in the north of Nicaragua, who were not notified and now fear that their savings will not be returned.

Some of the affected explained that for some months the cooperative refused to give them their savings, something that they associated with the economic recession of the country, but they never imagined that they would find the offices closed with chains and several signs indicating that “to do operations you must move to the branch in the department of Matagalpa.”

One of those affected by the closure of the Caruna branch in Esteli is Danilo Sequeira, who months ago tried to withdraw his savings on several occasions, but the Savings and Loan officials made him go through a cumbersome process, so finally he only withdrew part of the money that he had been saving since 2010.

“In December (2018) I managed to withdraw a part (of the savings) but some funds remained; then, they practically told me that in this past March they would call me or I should go there. But, I went and they told me that there was no authorization, that I should fill out some forms, and call the Managua [head office] directly,” said Sequeira.

After the closure of the Caruna branches in the north of the country, Sequeira sees it as even less likely the possibility of recovering his savings, since no official of the cooperative has explained what happened and until now he only knows that to make his requests he must go to Matagalpa, and due to his experience of months ago he is convinced that there, they are “going to send me to Managua,” he said.

They demand the payment of their savings

In Ocotal the Caruna offices were closed weeks back. It is for this reason why more than one hundred customers have organized to sue the cooperative in order for it to return their savings. This week a commission will travel to Managua to demand payment of their money.

Lourdes Figueroa, a member of the group trying to recover their funds from Caruna, told Radio ABC that the process is complicated because at the regional level there is no official to attend the demands of clients. They are currently trying to organize each of the files and the amounts of funds to collect from Caruna range from 60,000 to 800,000 córdobas per member.

“We have been trying here for about a month, the local efforts have been exhausted. We presented a letter to Cesar Olivas Vasquez, the departmental political secretary [of Ortega’s FSLN party], to the representative of Caruna who had stayed in Somoto, and we have been establishing communication by telephone and E-mail with a representative of Caruna at the national level, but we have not received an answer,” said Figueroa.

“What we are going to fight for is for the membership contribution account because in the case of savings they are implementing an article which states that if the account has not had movements in the last three months, they are automatically canceled,” Figueroa continued.

Temporarily closed in the Caribbean

In the Autonomous Region of the North Caribbean Coast (RACN) the Caruna branches in Bonanza and Bilwi were temporarily closed on April 26, and a sign indicates that members should carry out their operations in the branches of Siuna, Rosita or at the headquarters in Managua.

Similarly, users of social networks announced weeks ago the closure of Caruna branches in Bluefields, on the South Caribbean Coast and Nagarote, in Leon.

In light of the closure of the Caruna branches, Confidential called the savings and loan at its Managua headquarters but they did not answer the phone calls and the telephone is off the hook at the Esteli, Somoto and Ocotal branches.

Funds of the Venezuelan Cooperation

In the last decade the Savings and Loan channeled resources from Venezuelan state cooperation privately. In February of 2017, Daniel Ortega's government assumed a series of debts from State institutions with various lenders, among which Caruna stood out.

In 2018 it was learned that Caruna had consolidated its assets and entrusted its management to Ortega's Bancorp bank through six trust agreements in the amount of 75,449.3 million cordobas (about US \$2.450.4 billion).

The Caruna trusts were designed to "recover the institutional credit portfolio;" recover private credit portfolio; "housing programs;" and two for "administration and recovery of funds."

In February 2019, following the sanctions of the United States against Bancorp, the general management of this bank "rescinded the six contracts of trusts subscribed for recovery of credit portfolio and administration and recovering of funds."