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Dominican Court Delays Bank Fraud Trial



All Associated Press News

SANTO DOMINGO, Dominican Republic (AP) - A court postponed the trial of executives accused of collapsing the Dominican Republic's second-largest bank Monday after prosecutors had begun opening statements.

The remainder of the trial is delayed until May 19, said Fidel Pichardo Baba, legal adviser to the Dominican Central Bank. The case is expected to feature hundreds of witnesses, including former President Hipolito Mejia.

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The executives are accused of fraud in their management of Banco Intercontinental, or "Baninter," which collapsed in 2003 after losing some 55 billion Dominican pesos, then worth US\$2.2 billion (euro1.9 billion).

The amount, equivalent to 15 percent of the country's gross domestic product, was lost due to embezzlement and bogus deals, the Central Bank said at the time.

The defendants are former bank President Ramon Baez Figueroa, executives Marcos Baez Cocco, Vivian Lubrano de Castillo and Jesus Maria Troncoso Ferrua, and financial adviser Luis Alvarez Renta.

The delay was ordered to give the three-judge panel more time to review the case, reported the Dominican news site Clave Digital.

Baez's lawyers requested a postponement earlier Monday, a request the prosecutors opposed.

Prosecutors for the Central Bank have alleged that Baninter executives kept two sets of books, manipulating the bank to grant secret million-peso loans to shareholders and issue fraudulent checks.

The defense was expected to argue that the collapse was due to prior mismanagement and the prosecution political in nature.

Baninter's collapse had a profound impact, causing inflation to spiral, the economy to flounder and two other banks to almost collapse. The crisis prompted reforms and an International Monetary Fund program. President Leonel Fernandez said in his annual address to Congress in February that the country's economy was recovering.

The case involves the highest levels of Dominican power: Baez has alleged he bought vehicles and chartered aircraft for Fernandez and Mejia, and that he made contributions to judges, legislators, the Catholic Church and others.

The former president said on a weekend radio talk show that Fernandez should also be called to testify. Fernandez has not responded.

The bank group also owned several major media outlets including the newspaper Listin Diario, which was temporarily seized and run by the government following the bank's collapse.

In 2005, Alvarez was found liable in U.S. federal court on three civil counts of racketeering and one of fraudulent money transfer. He pledged to appeal the decision.

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