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Corruption Scandals Rock the Spanish Government



Spain's ruling Socialist Party (PSOE) is under renewed pressure because of a scandal involving allegedly illegal commissions, funds in offshore accounts, and kickbacks for public contracts.

The scandal, called the "Koldo case," involves a web of commissions around the ex-Minister of Transport of the Sanchez administration, according to the Spanish press (El Mundo, Voz Populi, The Objective, El Debate, El Confidencial, El Independiente, and ABC in particular).

Additionally, the Socialist Party has agreed to an **amnesty law**, which can be seen as an example of corruption.

A law imposed by politicians accused of embezzlement where the government amnesties crimes of misuse of public funds and terrorism to remain in power because it needs the accused seven votes to maintain a majority in parliament. That is corruption.

Reducing the penalties for crimes of embezzlement and granting amnesty to criminals who have used public money for their separatist adventures is whitewashing and institutionalizing corruption.

The Koldo case

The PSOE or Koldo case, as the press calls it, includes so far more than 130 million euros in offshore accounts and tens of millions of euros in masks and sanitary equipment contracts given to a company managed by the top assistant of the ex-Minister of Transport, Mr. Koldo García, with many of these purchases made by ministries at four and seven times the price given by serious professional competitors.

The Koldo case is, moreover, the tip of the iceberg of a widespread way of acting by a government that has institutionalized political corruption, and its ramifications, as published by the press, reach three ministers and link to the suspicious nocturnal **visit of the vice president of Venezuela** that led to the bailout

of an allegedly "strategic" company after contacts with the wife of President Sanchez.

Spain has presented the worst economic management figures in the EU-27 countries in the 2019–2023 period

Only this month, a study using Eurostat and official figures showed that Spain has presented the worst economic management figures in the EU-27 countries in the 2019–2023 period, **according to the Juan de Mariana Institute**.

Spain stands at the bottom of the EU-27 nations, being one of the worst in GDP recovery in 2019–2023, reduction of unemployment, purchasing power of citizens, public debt control, and tax wedge.

Despite the largest fiscal and monetary stimulus in Spain's democratic history as well as being the largest beneficiary of EU Next Generation Funds, Spain remains at the bottom of recovery.

Extreme poverty has also risen to decade-long highs, according to INE. The mismanagement of EU Next Generation Funds is one of the important problems that have surfaced with the corruption allegations.

Warning signs

There were numerous warning signs that led to this last scandal. Four years ago, in March 2020, the government lied about the pandemic, stating that it would have "insignificant effects," that the coronavirus was "under control," and that there was no relevant risk to victims.

The same government lied about FFP2 masks, saying they were not suitable for the population and calling regional leader Ayuso "prepotent" for giving them to citizens.

The same government lied to the OECD and

WHO about the number of COVID tests being conducted. Furthermore, the Sanchez administration imposed two “alarm states” with the most severe lockdowns of the comparable countries that were ruled unconstitutional by the Spanish Constitutional Court.

The PSOE scandal involved paying up to seven times more for masks and sanitary equipment than offers from competing solvent companies

The PSOE or “Koldo” scandal, according to information from the court case published by El Mundo, The Objective, Voz Populi, ABC, and El Debate, involved paying up to seven times more for masks and sanitary equipment than offers from competing solvent companies to generate enormous commissions that ended up being transferred to offshore accounts.

Many of these contracts were paid with EU funds, according to court documents published by El Español.

However, the scandal has added ramifications, according to the previously mentioned sources, including the suspicious bailout of a low-cost airline connected to the Venezuelan dictatorship and companies whose relationship with the president's wife is allegedly far more than casual.

The counterattack

This new scandal comes after the biggest corruption case in the history of democracy, the ERE case, also involving the Socialist Party. More than EUR 600 million has been embezzled.

The parties in coalition with the Socialists try to counterattack the conservative (PP) party by reminding them of the “Gürtel scandal.”

However, that case, equally condemnable, had immediate political consequences, with

resignations and convictions. Moreover, if the Gürtel case is intolerable and led to resignations, jail time for those proven guilty and a vote of no confidence, today we should be demanding the same, especially because the Koldo case already far exceeds the embezzled amounts of the mentioned Gürtel case and involves three ministries: the president of the Spanish parliament and the wife of the President of the nation.

El Mundo and El Español report that the Minister of Finance, Mrs. Montero, knew of the case in 2022 and decided to ignore it, even dismissing one of the public servants that sent her the report.

The Popular Party's Gürtel case, unacceptable to anyone, resulted in ten resignations, twenty-nine convictions, and EUR 123 million in embezzled money claimed by the justice system, from which, according to official data, EUR 70 million have been recovered.



We must not forget the ramifications of all this with the surprise nighttime visit of Delcy Rodriguez, vice president of Venezuela, who cannot enter European space without special approval due to sanctions against the Maduro regime

The Koldo-PSOE case, which has just begun to generate headlines, already shows 130 million euros in offshore accounts, fifty-four million in opaque contracts and tens of millions in various political favors, including questionable bailouts and payments using European funds.

We must not forget the ramifications of all this with the surprise nighttime visit of Delcy Rodriguez, vice president of Venezuela, who

cannot enter European space without special approval due to sanctions against the Maduro regime, which included a number of suspicious suitcases taken by ex-Minister Abalos, according to El Mundo, and now permeates even the president's wife, who is justified by the PSOE saying that these are her "private affairs" when she should have been inhibited from any of those negotiations and mediations.

The socialist government states that it is "corruption-incompatible" and has **requested** the closest link to the Koldo case, ex-Minister Abalos, to present his resignation from parliament.

However, the Sanchez administration has also reduced the penalties for embezzlement of public funds in the law and is going to approve an amnesty law for all those who have used public funds for separatist ventures.

An authoritarian view of the use of political power

A government that is incompatible with corruption does not reduce penalties for misuse of public funds and embezzlement.

A coalition that presented itself to bring cleanliness and transparency to politics does not hide Inland Revenue reports and public servant warnings of malpractice.

Now, with the amnesty law, all investigations about the misuse of public funds by separatist groups will be eliminated.

"The amnesty law is the first law in history in which it is the criminals who define the scope of their impunity with the acquiescence of a government that should be a guarantor of the application of criminal legislation and not of its derogation from the law" - Pedro J. Ramirez

As Pedro J. Ramirez, director of El Español, explains, the amnesty law is a milestone in Spanish democracy because it is "the first law in history in which it is the criminals who define the scope of their impunity with the acquiescence of a government that should be a guarantor of the application of criminal legislation and not of its derogation from the law."

The government says it is "implacable with corruption," but it has reduced the penalties for misappropriation, denied access to essential contract documents for the Koldo case investigation and approved an amnesty for those who have stolen public funds but have not profited personally.

According to this view, if one steals for the political party, they do not have to worry. The Koldo case, using EU funds, and the amnesty law are two examples of an authoritarian view of the use of political power. A practice designed to surpass any legal and moral limit to remain in power.