



## SUCCESS STORY

# Residents See Justice, Transparency

### **Trials of dishonest civil servants become model for transparency**



Photo: Chemonics/Luis Rodriguez

Erwin Kaats, left, president of the “Commission for Villarrica” citizens’ association that strives to improve local governance.

***The community now demands honesty from public servants and supports transparent tax collection and governance.***

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In 2003, the municipality of Villarrica, Paraguay installed a custom-made, computerized income information system under the guidance of a USAID-funded project to improve municipal governance. The system standardized and integrated municipal records on properties, property owners, and tax collections.

Not long after the system was introduced, local leaders and project consultants discovered that dishonest civil servants had created a network that produced false receipts that enabled them to embezzle public funds — they had siphoned off at least \$32,000. The mayor of Villarrica informed the townspeople of what had happened through the local news media. Residents were angry and demanded justice.

Two weeks later, the civil servants involved in the embezzlement scheme were indicted and, for the first time in Paraguayan history, a municipality took individuals accused of corruption at the municipal level to court for a transparent public trial. The indicted civil servants were found guilty and have begun to repay the stolen money.

Although it was unfortunate that the embezzlement scheme was successful, the indictment and public trial of the suspects showed that it was possible for a mayor and the town’s citizens to demand justice and increase transparency.

The trial created a precedent and reminded civil servants of their obligation to be honest when managing government property. It also bolstered the citizens’ faith in the justice system and public confidence that mismanagement of public funds can be confronted and corrected.