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## MISSING MONEY

# Michael Flynn Failed to Disclose Payments From Russian Propaganda Network

The former National Security Advisor's financial disclosure forms made no mention of payments from a Russian state-run media network.

LACHLAN MARKAY 04.01.17 2:37 PM ET



Former National Security Advisor Mike Flynn initially failed to inform federal ethics officials of payments from a state-sponsored Russian propaganda outfit, according to newly released documents.

Flynn, who left his White House post after less than a month, submitted a financial disclosure form in February that made no mention of a reported \$45,000 payment from Russia Today, or RT, for a speech that Flynn gave at the network's 10th anniversary gala.

In an amended disclosure statement filed with the White House counsel's office on Friday, Flynn disclosed receiving more than \$5,000 (the threshold for reporting) from RT.

The retired Army general resigned from his post atop the White House National Security Council in February after it was revealed that he had failed to disclose communications during the 2016 presidential campaign with the Russian ambassador to Washington regarding U.S. sanctions against the country.

The Federal Bureau of Investigation is currently probing whether Trump campaign officials collaborated with Russian government agents seeking to influence the U.S. presidential election through hacks of Democratic Party and Hillary Clinton campaign officials.

RT is a key component of Russia's foreign propaganda apparatus. It advances the Kremlin position on international affairs through affiliate broadcasters in the United States and Europe.

In addition to RT, Flynn's amended disclosure statement reveals payments for speeches to two additional Russian companies, cybersecurity firm Kaspersky and Volga Dnepr Airlines. Neither of those payments was disclosed in Flynn's initial ethics filing.

The White House reported receiving the amended filing on Friday, the same day that it publicly released disclosure statements for more than a hundred executive branch officials in a large evening document dump.

A source close to Flynn told The Daily Beast on Saturday that his resignation from the White House last month interrupted efforts to file a complete and accurate disclosure form, and that the amendment was an effort to correct deficiencies that would have otherwise been sorted out.

“Gen. Flynn had begun the process of submitting and updating the form, but that process was suspended when he resigned,” the source said. “He therefore submitted the finalized form after he left the White House.”

Flynn’s initial disclosure statement is dated Feb. 11. A month after he filed it, congressional investigators revealed that documents in their possession showed that Flynn was paid \$45,000 to speak at the RT event and received payments for additional speeches to Kaspersky and Volga Dnepr.

The February financial disclosure statement listed payments in excess of \$5,000 from Leading Authorities LLC, the speakers bureau that arranged Flynn’s speeches. But they did not disclose the actual sources of payments routed through the bureau.

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Thank you for subscribing to the Daily Digest and Cheat Sheet. We will not share your email with Guidance from the Office of Government Ethics, which oversees financial disclosure by federal officials, specifies that honoraria received through a speaker’s bureau should be reported as income from the organizations that paid the honoraria, not from speakers bureaus that arrange them.

“Report each source of honoraria in excess of \$200 as a separate line entry,” OGE advises. “For example, if you gave \$500-speeches at three universities through ABC Speakers’ Bureau, report all three sources.”



Flynn has faced additional questions since leaving the White House regarding his compliance with ethics rules. He confirmed last month that he did not sign an ethics pledge imposed by a January executive order and required of all incoming presidential appointees.

A Flynn spokesman said at the time that he planned to abide by the terms of the pledge despite not having signed it. Those terms bar appointees from ever lobbying on behalf of foreign government entities.

After leaving the White House, Flynn disclosed to the Justice Department that he had lobbied on behalf of a company with Turkish government ties last year, and that that work might have advanced that government's geopolitical interests.

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PORKY'S

## The Molestation Case Shocking Mexico

Two years after a gang of privileged young Mexican men allegedly raped and sexually molested the then-17-year-old virgin Daphne Fernández, the case causes fresh outrage.



ANDREA NOEL 04.01.17 9:03 AM ET



TIJUANA, Mexico — “I’m exhausted,” Daphne Fernández told me over the phone on Thursday after a Mexican judge ordered the release of a man accused of sexually abusing her in Veracruz when she was just 17 years old.

Her case has shocked Mexico, and here decision to go public with it has made her a heroine to many, a villain to some. It has unfolded in public view for over a year, since

first becoming national news here in late March 2016.

Daphne, now out of the country, has struggled with her own memories of the assault, while hoping for justice ever since that night over New Year's weekend 2015 when she alleges she was raped by a college-age man in the bathroom of his parents' home as his twin brother played video games in an adjacent room.

She also accused the young man's three adult friends of sexually abusing her in the hour leading up to the rape, and of silent complicity in the crime.

The young men have been labelled in the headlines "The Porkys" of Costa de Oro, the upscale seaside town where the assault took place. The nickname derives from a 1981 cult movie, "Porky's," about buddies trying to help a friend lose his virginity.

Daphne has become a symbol of the constant injustices women and children face both socially and judicially in Mexico. But, it's a position she did not sign up for. Daphne has shied away from the public and press throughout this arduous ordeal, as her outspoken father has loudly continued to demand justice on her behalf.

This week, however, Daphne agreed to speak with me briefly—as one victim of a viral sex crime in Mexico to another—after a Veracruz judge ruled that one of her attackers could not be charged with pederasty. According to the judge's ruling, 22-year-old Diego Cruz, who penetrated the victim with his fingers, did not "satisfy his sexual appetite" and "did not intend to copulate."

But this is just the latest in a long series of hard blows. Her father described the ruling on Tuesday as "unbelievable, appalling, frustrating, shameful," and "a kick in the stomach."

More than a year since the crime became a viral story—while facing online death and rape threats, discredit, scorn, misogynistic public backlash, and an outrageous defamation campaign launched by the The Porkys' families—Daphne still has been unable to obtain justice.

The controversial ruling handed down by Judge Anuar González Hemadi on Tuesday does not discredit the finer points of the case—the fact that that the four young men led

the underage girl into a black Mercedes that night, confiscated her cellphone, and sped off, leaving her group of female friends behind and unsure of her whereabouts.

The ruling notes that once inside the vehicle, surrounded by four adult men, while sandwiched in the backseat between Diego Cruz and 21-year-old Jorge Cotaita, the pair began “tugging at her blouse, touching her breasts, and [Cruz] introduced his fingers into her underwear and then inside her vagina” while pulling down her bra, groping her, and laughing.

The driver then briefly pulled over to allow Daphne to switch to the passenger seat, away from the groping young men, the nearly 50-page ruling notes.

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The four young men, who were schoolmates at an elite local private school, are all sons of prominent and politically connected businessmen who have managed to use Mexico’s ineffective justice system in their favor, as the victim has been subjected to the cruelest public scrutiny, online shaming, and tedious court battles.

Daphne has effectively gone into self-exile, been forced to leave her home and country and abandon her friends, and has been separated from her family, as her father has continued the process in Mexico. But still, more than two years on, there is no resolution in her case.

Enrique Capitaine, the Porky ringleader accused of raping Daphne in his parent's bathroom, was arrested last May after escaping to the state of Coahuila. But he continues to appeal in the courts, teetering constantly on the brink of release.

The fourth Porky, Gerardo Rodríguez, was cleared of wrongdoing because, although he observed the abuse, he did not directly participate. After the fact, his mother called Daphne's father an "irresponsible and bad parent."

"And as for you, Daphne, may God forgive you," Rodríguez's mother wrote in a letter to the press. "Silence makes you complicit in these atrocities," she said of the public scorn her son faced for his relation to the case.

Daphne responded with her own allegations of silent complicity: "Why didn't [your son] do anything when I started to cry and asked him to tell Diego [Cruz] and Jorge [Cotaita] to stop doing what they were doing to me?"

Today, the whereabouts of Jorge Cotaita, the Porky who groped Daphne and attempted to remove her clothing in the backseat of the rapist's car, remain unknown. He has been shielded by his family throughout the criminal proceedings against the other young men.

Cotaita had previously been accused of getting away with fatally running over a 35-year-old jogger in Veracruz by family members of the deceased, more than a year before Daphne's molestation.

The subject of the controversial ruling that has sparked national outrage this week, the Porky who forced his fingers inside the victim without her consent, Diego Cruz, who one misguided judge now wants freed, was detained by Interpol in Spain back in June 2016.

After tearfully pleading with Spanish authorities to deny Mexico's extradition request, Cruz finally was returned to Mexico two months ago and has been behind bars awaiting sentencing.



If the ruling stays, Cruz may now be days from being released from jail, at which point there wouldn't be any measures in place to keep him from fleeing.

\* \* \*

Daphne said that she and her older sisters were raised from a young age by their single father, a rare arrangement in Mexico—or anywhere for that matter. And Daphne's father also received the information second-hand, four months after his daughter's assault.

"I told my sister," Daphne said, and her sister told their father, Javier Fernández, four months after his daughter's assault. "I didn't want to have to tell him or say it out loud."

Javier told me Daphne had begged him not to do or say anything about it, but he decided to take matters into his own hands—as almost any outraged father would—and began demanding justice for his minor daughter.

He started off by convening the fathers of three of the accused to discuss the allegations against them. The parents were rightfully shocked.

"We can't understand [what you are going through.] It's a situation that we've never been through," Diego's father, Hector Cruz, told Daphne's dad during the meeting, which he recorded.

"It's painful and very shameful ... and believe me if I can do anything, whatever needs to be done, I'll do it," Cruz said. "It's inexcusable for a girl to go through something like that."

Daphne's father told the parents about the three ways he had considered handling the crime. He said he could have gone to the authorities, but knew that it would be a terrible ordeal that "would re-victimize his daughter." Alternatively, he could have taken justice into his own hands.

But, as Fernández explained to the parents, after deliberating and replaying the story in his head, he decided to have the four young men comply with three "absurd" and "ridiculous" requests, and leave it at that.

He said he wanted the young men to apologize to Daphne, attend forced psychological counseling, and “stay the fuck away from [his] daughter.”

“That’s valid,” Hector Cruz said. “Whatever you ask for.”

In the second, much calmer meeting with three of the Porkys and their fathers, now joined by the mothers of the accused, Cruz’s parents seemed acutely concerned about the impending social stigma—“I wouldn’t expose my daughter to this,” said Hector Cruz.

“I think about the disrepute of your daughter,” he said.

“Can you imagine the disrepute?” his wife added.

But Daphne’s father explained that he had other concerns. “What has kept me up at night for the past months, is seeing an empty stare, seeing a girl who wants to die,” said Javier Fernández. “She wants to die. She’s tried it, and she’s said it.”

She felt “destroyed,” he said. “This is a hell.”

“I could try to defend my son for the sake of defending him, but believe me that at this moment what I care about is what your daughter is feeling,” said Cruz’s mother, Gabriela Alonso. “To be honest, I think of [Daphne] and what she’s feeling, and what she has to face—her friends, people who know her, all of society—and it’s such a shame, for your daughter ...”

“And for all of us, too,” Cruz’s father interjected.

Cruz’s mother continued: “The way this will affect her, not wanting to go to school ...”

“Not wanting to live!” Daphne’s father responded. “To her, her life is over. We’re working on trying to get it back.”

“All for a situation of stupidity, a moment of, I don’t know ... why, what, what was going on in their heads,” said Cruz’s mother.

Diego Cruz had sat quietly during the previous meeting, speaking only to look into Javier’s camera and dejectedly say: “I apologize, from my heart, to Daphne and the whole

family, from my heart. The three of us are very remorseful,” he said, speaking for his friends. “Very remorseful.”

Cotaita and Rodriguez also filmed apology videos for Daphne that day.

A year after the meeting, Daphne’s father decided to release the recorded confessions to the press, after becoming increasingly frustrated. First, that the Porkys had not followed through with their promise to attend the psychological counseling he had demanded. And later at the authorities’ inaction after he reported the crime.

After the footage was released, Cruz’s father claimed the videos were filmed under duress—quite literally with a gun to their heads—and the recordings would be deemed “inadmissible” in court.

“If [Diego Cruz] really did something he will have to face it. That’s true,” Hector Cruz told Mexican journalist Ciro Gomez Leyva last April after his son fled to Spain, a year after the videos confessions were filmed. “This is a big problem.”

But, Cruz added, “In judicial terms, we feel protected by the law.”

\* \* \*

The thing about “the law” in Mexico, is that often the only one that applies is Murphy’s law: anything that can go wrong, will go wrong.

Soon after Daphne’s father released the videos in late March of last year, then-Governor Javier Duarte of Veracruz, tweeted a picture using the hashtag #PorkysCase of himself patting Daphne’s grandmother on the arm.

“Today, I met with young Daphne’s family, and gave them my guarantee that there will be justice in her case,” said the governor.

But six months later, Governor Duarte disappeared.

By then, the so-called Porkys’ parents were alleging that the media scandal over the raped minor was all a “circus” organized by Daphne’s father for political purposes, and to distract from the search for the fugitive Veracruz governor, who allegedly stole billions of

dollars of state and federally allocated funds—most of which has not and will not be recovered.

Estimates for how much the governor of Veracruz personally stole came out to \$1.7 billion. But estimates for how much was misspent, misappropriated, and missing by the time Duarte left office and skipped town have reached above \$3 billion—an unheard of, unprecedented, “historic” theft, state authorities contend.

As recently as this January, more than \$12 million of the stolen money was discovered in nearly a dozen cardboard boxes inside a raided Mexico City home, one of the many properties illegally acquired by Governor Duarte—who “guaranteed” justice for Daphne, while stroking her grandmother’s arm.

\* \* \*

The Porky’s have become a larger symbol of impunity in Mexico, symptomatic of the “lascivious” gluttony and deviant greed affecting the state of Veracruz, and country at large. And Duarte—who is by far the country’s worst fugitive governor but hardly the only one—has come to be known as the biggest Porky of the lot.

So this is the place where Daphne and her father have been demanding justice—Veracruz, the state where at least 20 journalists and media workers have been killed in less than six years with almost total impunity. The state where journalist Armando Arrieta was gravely injured on Wednesday after being gunned down in front of his home, just a week after the murder of Veracruz journalist Ricardo Monlui.

This, in addition to the broader situation of rampant impunity and unending violence stemming from the more than decade-long drug war, and the frequent retaliation against those who demand justice in Mexico, like the other half-dozen journalists who were killed, kidnapped, or almost murdered just this week across Mexico.

And so Daphne, who’s just a teenager trying to move forward, left because she couldn’t stay in Mexico—a country that cannot guarantee justice much less safety for her and her family.

\* \* \*



According to the judge who ordered Diego Cruz's release on Tuesday, whose new nickname "Judge Porky" became the number one trending topic on Mexican social media following the ruling, while it is true that Cruz "did fondle the aggravated minor," keeping the defendant behind bars would be "unconstitutional" because Cruz—the adult who inserted his fingers inside the underage victim—"did not intend to achieve vaginal, anal or oral copulation."

At the time of the act, the judge decided, the defendant did not use "any words" that would indicate the "lascivious intent" of this sexual abuse, "which is a *sine que non* [sic] condition" for bringing criminal pederasty charges.

"Groping," said the judge, is "insufficient proof" of sexual abuse.

But Article 182 of the Veracruz state penal code defines a pederast, which is the formal charge Cruz is facing, as "anyone who, with or without consent, vaginally, anally, or orally introduces their sexual organ or any other body part [...] or object into the body of any person under the age of 18." It's a crime punishable with anywhere from six to 30 years in prison, and a fine of roughly \$12,000.

Despite the fact that the defendant is accused of digitally penetrating the minor, the judge invoked a seemingly irrelevant 2011 Supreme Court decision, which says that "a brush or incidental rubbing, either in the street or on public transportation, would not be considered sexual abuse without the presence of the intentional element of satisfying a sexual desire at the expense of the passive [victim]."

The judgment repeatedly reiterates that in order to "prove libidinous acts" occurred, the perpetrator must be shown to have acted with "lascivious intent" or "the impulse to satisfy a sexual thirst" with proven "carnal desire," demonstrated "sexual satisfaction," or evidence of "an immoderate appetite for pleasurable sensations"—which the judge subjectively decided was not Diego Cruz's motivation.

As far as the public is concerned, the ruling sets a disturbing precedent in Mexico that sexual humiliation is not enough to make forcefully fingering an underage girl a crime.

Under the judge's interpretation of the law, the burden of proof becomes insurmountable for the victim.

Daphne would need to somehow prove there was “lust” involved. When, at the time, she said all she heard was laughter.

As resoundingly noted by outraged citizens, the judgment clearly defies the principle of equal protection under the law. According to the judge’s interpretation, one man’s alleged lack of sexual gratification supersedes an underage victim’s right to not be violated or physically penetrated by a flippant adult.

As one social media user succinctly asked, “Why is his pleasure worth more than her pain?”

“Sexual abuse results from a lustful act that one party physically performs on the body of the submissive [victim]; this could be a caress, or an obscene groping of the body,” the ruling drills ad nauseum, “but one thing that is essential, and cannot be disregarded, is if the perpetrator does not have excitement or the impulse to satisfy a sexual thirst, nor the purpose of executing copulation.”

Or, as one social media user interpreted the ruling, “Now, we can reach into girls’ underwear as long as we don’t say we are going to rape them.” Another openly wondered, “So, I can rape a minor as long as I don’t ejaculate?”

The judge also contended that the underage girl was “not unable to defend herself,” another requirement for proving the case, noting that the accused men allowed her to switch seats during the car ride. It also hones in on seemingly insignificant “contradictions” in some of the declarations made by witnesses who were not present during the assault—like whether or not the car at one point came to a full stop or merely slowed down.

But as one social media user extrapolated from the ruling, in Mexico “rape isn’t a crime as long as you have some \$.”

\* \* \*

The International Criminal Court (ICC) calls rape a “crime against humanity,” and defines a rapist as anyone who “invade[s] the body of a person by conduct resulting in penetration, however slight, of any part of the body of [...] a person incapable of giving

genuine consent,” noting that consent is not possible when the victim is in a state of “induced or age-related incapacity.”

Mexico’s federal penal code establishes the age of consent at just 12 years old, often further complicating justice for underage victims of sexual violence. In Veracruz the age of consent is 14.

But, according to the ICC, of which Mexico is a state party, a minor—especially if intoxicated, as may have been the case—would be incapable of consenting to penetration of the sort that occurred that night in January 2015, given the coercive and distressing circumstances.

As the ruling states, the young men had taken her only means of communication, separated Daphne from her group of friends, abused her inside a moving vehicle, and then were complicit in the rape that occurred inside the home of a local political figure.

A statement from the Veracruz prosecutor’s office on Tuesday said that Judge González Hemadi’s ruling “jeopardizes the rights of the sexual assault victim,” and that the office “respects but does not share the judge’s opinion.”

The judge asked to be removed from the Porky-related cases after the ruling went viral, exposing his wife and pre-pubescent daughters to a slew of rape threats. (Mexico’s opinionated trolls are notorious for targeting women, regardless of the original subject of their fury.)

The Federal Judiciary Council suspended the Veracruz judge on Wednesday, following raucous social pressure. But several council spokespeople—when asked this Thursday whether the suspension was a result of the social pressure, the content of the ruling, or the judge’s request to be separated from Daphne’s case—told me they were “unauthorized and unable to comment, pending investigation.”

The ruling could be overturned, and already members of Congress are asking the judge to face a trial for his judgment.

But, of course, justice should not ever be dictated by the bilious flow of social pressure. It should ideally be a fair and equal, faithful and logical reading of the law, which should, in

turn, be adequately drafted to protect victims from subjective interpretations that can lead to impunity.

Obviously, that's just not how things work around here.

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