



Latin America: Terrorism Issues

Mark P. Sullivan

Specialist in Latin American Affairs

February 23, 2011

Congressional Research Service

7-5700

www.crs.gov

RS21049

CRS Report for Congress

Prepared for Members and Committees of Congress

Summary

U.S. attention to terrorism in Latin America intensified in the aftermath of the September 2001 terrorist attacks on New York and Washington, with an increase in bilateral and regional cooperation. In its 2009 Country Reports on Terrorism (issued in August 2010), the State Department maintained that terrorism in the region was primarily perpetrated by terrorist organizations in Colombia and by the remnants of radical leftist Andean groups. Overall, however, the report maintained that the threat of a transnational terrorist attack remained low for most countries in the hemisphere. Cuba has remained on the State Department's list of state sponsors of terrorism since 1982 pursuant to Section 6(j) of the Export Administration Act, which triggers a number of economic sanctions. Both Cuba and Venezuela are on the State Department's annual list of countries determined to be not cooperating fully with U.S. antiterrorism efforts pursuant to Section 40A of the Arms Export Control Act. U.S. officials have expressed concerns over the past several years about Venezuela's lack of cooperation on antiterrorism efforts, its relations with Iran, and potential support for Colombian terrorist groups.

Concerns about Iran's increasing activities in Latin America center on Iran's attempts to circumvent U.N. and U.S. sanctions, as well as on its ties to the radical Lebanon-based Islamic group Hezbollah. Allegations have linked Hezbollah to two bombings in Argentina: the 1992 bombing of the Israeli Embassy in Buenos Aires that killed 30 people and the 1994 bombing of the Argentine-Israeli Mutual Association (AMIA) in Buenos Aires that killed 85 people. The State Department terrorism report maintains that the United States remains concerned that sympathizers of Hezbollah and the Sunni Muslim Palestinian group Hamas are raising funds among the sizable Middle Eastern communities in the tri-border area of Argentina, Brazil, and Paraguay, but stated that there was no corroborated information that these or other Islamic extremist groups had an operational presence in the TBA or elsewhere in the hemisphere.

In the 111th Congress, President Obama signed into law the Comprehensive Iran Sanctions, Accountability, and Disinvestment Act of 2010 (P.L. 111-195) on July 1, 2010, which includes a provision making gasoline sales to Iran subject to U.S. sanctions. (In 2009, Venezuela promised to supply gasoline to Iran in the case of U.S. sanctions. U.S. officials are examining whether Venezuela is in violation of the sanctions legislation.) In other legislative action in the 111th Congress, the House approved H.Con.Res. 156 (Ros-Lehtinen) in July 2009, which condemned the 1994 AMIA bombing in Buenos Aires and urged Western Hemisphere governments to take actions to curb the activities that support Hezbollah and other such extremist groups.

Several other measures were either considered or introduced in the 111th Congress with provisions related to Latin America and terrorism issues. In June 2010, the Senate Committee on Armed Services reported S. 3454, the National Defense Authorization Act for FY2011, with a provision that would have required a report on Venezuela related to terrorism issues. In June 2009, the House approved H.R. 2410, the Foreign Relations Authorization Act for FY2010 and FY2011, with a provision that would have required a report on Iran's and Hezbollah's actions in the Western Hemisphere. Other introduced measures included H.R. 375 (Ros-Lehtinen) and H.R. 2475 (Ros-Lehtinen), which would have placed restrictions on nuclear cooperation with countries assisting the nuclear programs of Venezuela or Cuba; H.R. 2272 (Rush), which would have removed Cuba from the state sponsors of terrorism list; and H.Res. 872 (Mack), which would have called for Venezuela to be designated a state sponsor of terrorism.

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Terrorism in Latin America: U.S. Concerns

Over the years, the United States has been concerned about threats to Latin American and Caribbean nations from various terrorist or insurgent groups that have attempted to influence or overthrow elected governments. Although Latin America has not been the focal point in the war on terrorism, countries in the region have struggled with domestic terrorism for decades and international terrorist groups have at times used the region as a battleground to advance their causes.

The State Department's annual *Country Reports on Terrorism* highlights U.S. concerns about terrorist threats around the world, including in Latin America. The 2009 report (issued in August 2010) maintained that terrorist attacks in the region was primarily perpetrated by terrorist organizations in Colombia and by the remnants of radical leftist Andean groups. Overall, however, the report maintained that the threat of a transnational terrorist attack remained low for most countries in the hemisphere. The report also asserted that there were no known operational cells of either Al Qaeda or Hezbollah-related groups in the hemisphere, but noted that "ideological sympathizers in South America and the Caribbean ... continued to provide financial and moral support to these and other terrorist groups in the Middle East and South Asia."¹

The report also stated that regional governments "took modest steps to improve their counterterrorism capabilities and tighten border security" but that progress was limited by "corruption, weak government institutions, insufficient interagency cooperation, weak or non-existent legislation, and reluctance to allocate sufficient resources." The report singled out Argentina, Colombia, and Mexico for undertaking serious prevention and preparedness efforts, but noted that some other countries "lacked urgency and resolve to address counterterrorism deficiencies." It also noted that most hemispheric nations had solid cooperation with the United States on terrorism issues, especially at the operational level, with excellent intelligence, law enforcement, and legal assistance relations. Caribbean nations were reported to have strong political will to combat terrorism despite limited resources and capabilities.

The State Department currently lists two Latin American countries—Cuba and Venezuela—on its annual list of countries that are not "cooperating fully with United States antiterrorism efforts" pursuant to Section 40A of the Arms Export Control Act. The most recent annual determination was made in May 2010.² In addition, Cuba has been on the State Department's state sponsors of terrorism list pursuant to Section 6(j) of the Export Administration Act (EAA) of 1979 since 1982. The state sponsors of terrorism list is not an annual list. Rather, countries remain on the list until either the President or Congress take action to remove a country. The EAA sets forth procedures for the President to remove a country from the list.

Colombia

Colombia has three terrorist groups that have been designated by the Secretary of State as Foreign Terrorist Organizations (FTOs): the leftist National Liberation Army (ELN), remaining elements

¹ U.S. Department of State, "Country Reports on Terrorism 2009," August 5, 2010, available at <http://www.state.gov/s/ct/rls/crt/2009/index.htm>

² Department of State, "Determination and Certification Under Section 40A of the Arms Export Control Act," 75 *Federal Register* 28848, May 24, 2010.

of the demobilized rightist paramilitary United Self-Defense Forces of Colombia (AUC), and the leftist Revolutionary Armed Forces of Colombia (FARC).

The ELN has a dwindling membership of about 2,000 fighters with diminished resources and reduced offensive capability, but has continued to inflict casualties through the use of land mines and continues to fund its operations through taxation of illegal crops, kidnapping, and extortion. Past peace talks between the ELN and the Colombian government ended in 2008.

With more than 32,000 members demobilized, the AUC remained inactive as a formal organization, but some former AUC paramilitaries continued to engage in criminal activities, mostly drug trafficking, in newly emerging criminal organizations (known as BACRIM, *Bandas Criminales Emergentes*). According to the terrorism report, the Colombian government continued to process and investigate demobilized paramilitaries under the Justice and Peace Law, which offers judicial benefits and reduced prison sentences for participants who confess fully to their crimes and return all illicit profits. Many former AUC members also were receiving some reintegration benefits.

The FARC has been weakened significantly by the government's military campaign against it, including the killings of several FARC commanders in 2007 and the group's second in command, Raúl Reyes, during a Colombian government raid on a FARC camp in Ecuador on March 1, 2008. In May 2008, the FARC admitted that its long-time leader, Manuel Marulanda, had died of a heart attack in March. In July 2008, a Colombian military operation in the southeastern province of Guaviare rescued 15 long-held hostages, including three U.S. defense contractors held since February 2003—Thomas Howes, Keith Stansell, and Marc Gonsalves; Colombian Senator and presidential candidate Ingrid Betancourt; and other Colombians. While the 2009 terrorism report maintained that the Colombian military's momentum against the FARC slowed somewhat in 2009, the military dealt a significant blow to the terrorist group in September 2010 when it killed a top military commander in a bombing raid on his camp in a mountainous region of Meta department in central Colombia.³ Desertions among the FARC were just over 2,000 in 2009 compared to 3,000 in 2008, while current overall estimates of the strength of the FARC is between 8,000-9,000. Despite the government's campaign against the FARC, the group continued a campaign of terrorist attacks, extortion, and kidnappings.

Colombian terrorist groups continue to utilize the territory of several of Colombia's neighbors—Ecuador, Panama, Peru, and Venezuela—according to the State Department's terrorism report (see **Figure 1**). The FARC uses Ecuadorian territory for recuperation, medical aid, weapons and explosives procurement, and coca processing. While Ecuador's relations with Colombia became tense in the aftermath of Colombia's March 2008 military raid on a FARC camp in Ecuador's Sucumbios province, Ecuador's military increased the number of operations against the FARC in its northern border region. Nevertheless, according to the 2009 terrorism report, insufficient resources, corruption among members of the Ecuadorian military and police, the challenging border region terrain, and a tense bilateral relationship with Colombia have made it difficult to thwart cross-border incursions. Under new Colombian President Juan Manuel Santos, the two countries made progress in improving bilateral relations, and in November 2010 agreed to restore full diplomatic relations.⁴

³ Sibylla Bodzinsky, "With Honcho's Death, Colombia's FARC at Crossroads," *Miami Herald*, September 24, 2010.

⁴ "Ecuador & Colombia: Making Progress," *Latin American Regional Report*, Andean Group, September 2010; "Colombia-Ecuador: Santos Steers Ship of State into Safer Waters," *Latin American Weekly Report*, Dec. 2, 2010.

In Panama, a small number of FARC members from the group's 57th Front were reported to operate in the country's Darien province bordering Colombia, using the area as a safe haven and drug trafficking base. In January 2010, three FARC members were killed and two were captured in a clash with Panamanian forces in Darien, while late in 2010, Panama and Colombia agreed to establish police stations near each side of the border.

Figure 1. Colombia and Neighboring Countries



Source: CRS.

Notes: The map shows Colombia's departments and the bordering departments, provinces, and states of neighboring Ecuador, Peru, Brazil, Venezuela, and Panama.

In Peru, the FARC was reported to use remote areas along the Colombian-Peruvian border to rest, regroup, and make arms purchases. According to the State Department terrorism report, experts contend that the FARC continued to fund coca cultivation and cocaine production among the Peruvian population in border areas.

Both the FARC and the ELN reportedly crossed into Venezuelan territory regularly to rest and regroup as well as to extort protection money and kidnap Venezuelans in order to finance their operations. Various press reports have alleged a guerrilla presence in the Venezuelan states of Zulia, Tachira, and Apure. According to the 2009 terrorism report, it remained unclear to what extent the Venezuelan government of President Hugo Chávez provided support to the FARC and ELN. In 2010, outgoing Colombian President Álvaro Uribe asserted at the Organization of American States that Venezuela was harboring FARC guerrillas. In response, Venezuela suspended diplomatic relations on July 22, 2010, yet less than three weeks later new Colombian President Santos met with Venezuelan President Chávez and the two leaders agreed to reestablish diplomatic relations and to improve military patrols along their border. In congressional testimony on February 15, 2011, Assistant Secretary of State for Western Hemisphere Affairs Arturo Valenzuela maintained that there was reduced Venezuelan support for the FARC since President Santos has reached out to Venezuela.⁵

For additional information, see CRS Report RL32250, *Colombia: Issues for Congress*.

Peru

The brutal Shining Path (Sendero Luminoso or SL) insurgency, which the Department of State has designated as an FTO, was significantly weakened in the 1990s with the capture of its leader Abimael Guzman, who, after a new trial in 2006, was sentenced to life in prison. According to the 2009 State Department terrorism report, there are two SL remnants in Peru operating in the Upper Huallaga River Valley and in the Apurimac and Ene River Valley, which combined were reported to have several hundred armed combatants. Both groups engage in drug trafficking and carried out more than 100 terrorist acts in 2009, with 3 police officers and 26 civilians killed. (Also see discussion above on the FARC's activities in border areas with Colombia.)

Cuba

The Department of State, pursuant to Section 6(j) of the Export Administration Act (EAA) of 1979, has included Cuba among its list of states sponsoring terrorism since 1982 (the other states currently on the list are Iran, Sudan, and Syria). Communist Cuba had a history of supporting revolutionary movements and governments in Latin America and Africa, but in 1992, then Cuban leader Fidel Castro said that his country's support for insurgents abroad was a thing of the past. Most analysts accept that Cuba's policy generally did change, largely because the breakup of the Soviet Union resulted in the loss of billions in subsidies.

The State Department's 2009 terrorism report maintained that the Cuban government and its official media publicly condemned acts of terrorism by Al Qaeda and its affiliates, but at the same time remained critical of the U.S. approach to combating international terrorism. The report noted

⁵ "House Foreign Affairs Subcommittee on Western Hemisphere Holds Hearing on U.S.-Latin America Relations," *CQ Congressional Transcripts*, February 15, 2011.

that while Cuba no longer supports armed struggle in Latin America or elsewhere, that it continued to provide physical safe haven and ideological support to members of three terrorist organizations—Basque Homeland and Freedom (ETA) and the Colombian FARC and ELN. The report noted that Cuba cooperated with the United States on a limited number of law enforcement matters, but also pointed out that the Cuban government continued to permit U.S. fugitives to live legally in Cuba, including convicted murders and hijackers.

Cuba's retention on the terrorism list has been questioned by some observers. In general, those who support keeping Cuba on the list point to the government's history of supporting terrorist acts and armed insurgencies in Latin America and Africa. They point to the government's continued hosting of members of foreign terrorist organizations and U.S. fugitives from justice. Critics of retaining Cuba on the terrorism list maintain that it is a holdover of the Cold War. They argue that domestic political considerations keep Cuba on the terrorism list while North Korea and Libya have been removed, and maintain that Cuba's presence on the list diverts U.S. attention from struggles against serious terrorist threats.

Both the President and Congress have powers to take a country off the state sponsors of terrorism list. As set forth in Section 6(j) of the Export Administration Act, a country's retention on the list may be rescinded in two ways. The first option is for the President to submit a report to Congress certifying that there has been a fundamental change in the leadership and policies of the government and that the government is not supporting acts of international terrorism and is providing assurances that it will not support such acts in the future. The second option is for the President to submit a report to Congress, at least 45 days in advance justifying the rescission and certifying that the government has not provided any support for international terrorism during the preceding six-months, and has provided assurances that it will not support such acts in the future. If Congress disagrees with the President's decision to remove a country from the list, it could seek to block the rescission through legislation.

Congress also has the power on its own to remove a country from the terrorism list. For example, legislation introduced on Cuba in the 111th Congress, H.R. 2272 (Rush), included a provision that would have rescinded the Secretary of State's determination that Cuba "has repeatedly provided support for acts of international terrorism."

Cuba has been the target of various terrorist incidents over the years. In 1976, a Cuban plane was bombed, killing 73 people. In 1997, there were almost a dozen bombings in the tourist sector in Havana in which an Italian businessman was killed and several others were injured. Two Salvadorans were convicted and sentenced to death for the 1997 bombings in March 1999 (although the sentences were commuted in 2010 to 30 years in prison), and three Guatemalans were sentenced to prison terms ranging from 10 to 15 years in January 2002 for plans to conduct bombings in 1998. In December 2010, another Salvadoran, Francisco Chávez Abarca, was convicted for involvement in the 1997 bombings in Havana and sentenced to 30 years in prison.

In November 2000, four anti-Castro activists were arrested in Panama for a plot to kill Fidel Castro. One of the accused, Luis Posada Carriles, is also alleged to be involved in the 1976 Cuban airline bombing and the series of bombings in Havana in 1997 noted above.⁶ The four stood trial in March 2004 and were sentenced on weapons charges to prison terms ranging from seven to

⁶ Frances Robles, "An Old Foe of Castro Looks Back on His Fight," *Miami Herald*, September 4, 2003.

eight years. In late August 2004, Panamanian President Mireya Moscoso pardoned the four men before the end of her presidential term.

Posada entered the United States illegally in 2005. In subsequent removal proceedings, an immigration judge found that Posada could not be removed to Cuba or Venezuela because of concerns that he would face torture, and he was thereafter permitted to remain in the United States pending such time as he could be transferred to a different country. Posada subsequently applied for naturalization to become a U.S. citizen. This application was denied, and criminal charges were brought against him for allegedly false statements made in his naturalization application and interview. Although a federal district court dismissed the indictment in 2007, its ruling was reversed by an appellate court in 2008. In April 2009, the United States filed a superseding indictment, which included additional criminal charges based on allegedly false statements made by Posada in immigration removal proceedings concerning his involvement in the 1997 Havana bombings. His trial originally was set to begin in August 2009, but was rescheduled three times until it finally began on January 10, 2011.

For additional information on Cuba, see CRS Report R41617, *Cuba: Issues for the 112th Congress*. For background, see CRS Report RL32251, *Cuba and the State Sponsors of Terrorism List*.

Venezuela⁷

U.S. officials have expressed concerns over the past several years about Venezuela's lack of cooperation on antiterrorism efforts, President Hugo Chávez's sympathetic statements for Colombian terrorist groups, and Venezuela's relations with Cuba and Iran. Since May 2006, the Secretary of State has made an annual determination that Venezuela has not been "cooperating fully with United States antiterrorism efforts" pursuant to Section 40A of the Arms Export Control Act (AECA). The most recent determination was made in May 2010. As a result, the United States imposed an arms embargo on Venezuela in 2006, which ended all U.S. commercial arms sales and retransfers to Venezuela. (Other countries currently on the Section 40A list include Cuba, Eritrea, Iran, North Korea, and Syria, not to be confused with the "state sponsors of terrorism" list under Section 6(j) of the Export Administration Act of 1979.)

In its 2009 terrorism report (issued in August 2010), the State Department maintained that President Chávez persisted in his public criticism of U.S. counterterrorism efforts and repeatedly referred to the United States as a "terrorist nation." It noted that Venezuela's cooperation with the United States on counterterrorism was reduced to an "absolute minimum" after the United States and Colombia signed a defense cooperation agreement in 2009. The State Department also noted that President Chávez continued to strengthen Venezuela's relationship with Iran, and that both countries continued weekly flights connecting Tehran and Damascus with Caracas (see discussion below on "Growing Relations with Iran"). The State Department also reiterated in its terrorism report a concern that has been raised for several years—that Venezuelan citizenship, identity, and travel documents remained easy to obtain, making the country a potentially viable way for terrorists to travel internationally.

⁷ For additional background on Venezuela, see CRS Report R40938, *Venezuela: Issues in the 111th Congress*, by Mark P. Sullivan.

The State Department also stated in its terrorism report that the FARC and ELN often crossed into Venezuelan territory to rest and regroup as well as to extort protection money and kidnap Venezuelans in order to finance their operations. The State Department maintained that some weapons and ammunition from official Venezuelan stocks and facilities have turned up in the hands of the FARC and ELN. As noted above, outgoing Colombian President Uribe asserted at the OAS in July 2010 that Venezuela was harboring FARC guerrillas. While Venezuela suspended diplomatic relations, less than three weeks later new Colombian President Santos met with Venezuelan President Chávez and the two leaders agreed to reestablish diplomatic relations and to improve military patrols along their border.

In the 111th Congress, President Obama signed into law the Comprehensive Iran Sanctions, Accountability, and Disinvestment Act of 2010 (P.L. 111-195) on July 1, 2010, which includes a provision making gasoline sales to Iran subject to U.S. sanctions. As noted below, in 2009, Venezuela promised to supply some gasoline to Iran in the case of U.S. sanctions (see discussion below on “Venezuela and Iran-Related Sanctions”).

Several other measures with Venezuela provision were considered or introduced in the 111th Congress, but action was not completed on these initiatives. In June 2010, the Senate Committee on Armed Services reported S. 3454, the National Defense Authorization Act for FY2011, with a provision that would have required a report on Venezuela related to terrorism issues. In June 2009, the House approved H.R. 2410, the Foreign Relations Authorization Act for FY2010 and FY2011, with a provision in section 1011 that would have required a report within 90 days on Iran’s and Hezbollah’s actions in the Western Hemisphere. On July 23, 2009, the Senate had approved its version of the National Defense Authorization Act for FY2010, S. 1390 (Levin), with a provision that would have required the Director of National Intelligence to provide a report on Venezuela’s military purchases, its potential support for the FARC and Hezbollah, and other Venezuelan activities, but the final enacted measure dropped the provision.

Other resolutions and bills related to Venezuela that were introduced in the 111th Congress include: H.R. 375 (Ros-Lehtinen), introduced January 9, 2009, would have, among its provisions, placed restrictions on nuclear cooperation with countries assisting the nuclear programs of Venezuela. H.R. 2475 (Ros-Lehtinen), introduced May 19, 2009, included a provision identical to that in H.R. 375 described above that would have placed restrictions on nuclear cooperation with countries assisting the nuclear programs of Venezuela. H.Res. 872 (Mack), introduced October 27, 2009, would have called on Venezuela to be designated a state sponsor of terrorism because of its alleged support of Iran, Hezbollah, and the FARC.

Growing Relations with Iran

There has been increasing concern in recent years about Iran’s growing interest in Latin America, particularly its relations with Venezuela under President Chávez. Venezuela’s relations with Iran have been longstanding because they were both founding members of OPEC in 1960, but not until President Mahmoud Ahmadinejad’s rule began in 2005, however, did Iran aggressively work to increase its diplomatic and economic linkages with Latin American countries. A major rationale for this increased focus on Latin America appears to be Iran’s efforts to overcome its international isolation. The personal relationship between Ahmadinejad and Chávez has driven the strengthening of bilateral ties. The two nations have signed a variety of agreements in agriculture, petrochemicals, oil exploration in the Orinoco region of Venezuela, and the manufacturing of automobiles, bicycles, and tractors. During an April 2009 trip to Tehran, Chávez

and Ahmadinejad inaugurated a new development bank for economic projects in both countries, with each country reportedly providing \$100 million in initial capital.

Weekly flights between the two countries began in 2007. As noted above, the State Department has expressed concern about these flights in its annual terrorism report, maintaining that the flights, which connect Iran and Syria with Caracas, are only subject to cursory immigration and customs controls.

An April 2010 unclassified Department of Defense report to Congress on Iran's military power (required by Section 1245 of the National Defense Authorization Act for FY2010, P.L. 111-84) maintained that Iran's Islamic Revolutionary Guard Corps—Qods Force (IRGC-QF), which maintains operational capabilities around the world, has increased its presence in Latin America in recent years, particularly in Venezuela.⁸ Despite the report, the commander of the U.S. Southern Command, General Douglas Fraser, maintains that the focus of Iran in the region has been diplomatic and commercial, and that he has not seen an increase in Iran's military presence in the region.⁹

Venezuela also has played a key role in the development of Iran's expanding relations with other countries in the region. In recent years, Iran's relations have grown with Bolivia under President Evo Morales, with Ecuador under President Rafael Correa, and with Nicaragua under President Daniel Ortega. While Iran has promised significant assistance and investment to these countries, observers maintain that there is little evidence to show that such promises have been fulfilled.¹⁰ In Nicaragua for example, Iran has not followed through on its promise to finance the construction of a deep-water port. An Iranian project that has gone forward in Nicaragua is the construction of a hospital in 2009.¹¹ Likewise in Bolivia and Ecuador, there has been little evidence showing that Iran has followed up on its promises of investment. Nevertheless, in late August 2010, Iran announced that it would provide a \$250 million loan to Bolivia for the construction of dairy, textile cement and other plants, and geological prospecting for minerals such as uranium and lithium.¹² According to February 2011 testimony by Director of National Intelligence James Clapper, "we expect Tehran to continue offering economic and other incentives to try to expand its outreach."¹³

On the diplomatic front, Iran has opened embassies over the past several years in Bolivia, Ecuador, and Nicaragua, as well as in Colombia, Chile, and Uruguay. This is in addition to

⁸ Department of Defense, "Unclassified Report on Military Power of Iran," April 2010. For the full text of the report, see http://www.politico.com/static/PPM145_link_042010.html. For background on the Qods Force, see CRS Report RL32048, *Iran: U.S. Concerns and Policy Responses*, by Kenneth Katzman.

⁹ Anne Flaherty, "Pentagon Says Iran's Reach in Latin America Doesn't Pose Military Threat," AP Newswire, April 27, 2010.

¹⁰ For example, see Kavon "Hak" Hakimzadeh, "Iran & Venezuela: The Axis of Annoyance," *Military Review*, May 1, 2009; and Anne-Marie O'Connor and Mary Beth Sheridan, "Iran's Invisible Nicaragua Embassy; Feared Stronghold Never Materialized," *Washington Post*, July 13, 2009.

¹¹ Steve Stecklow and Farnaz Fassihi, "Iran's Global Foray Has Mixed Results," *Wall Street Journal*, September 28, 2009.

¹² "Iran Announces 250m Dollar-Loan to Bolivia to Assist Uranium Prospecting," *BBC Monitoring Americas*, September 1, 2010.

¹³ James R. Clapper, Director of National Intelligence, "Statement for the Record on the Worldwide Threat Assessment of the U.S. Intelligence Community," House Permanent Select Committee on Intelligence, February 10, 2011, available at <http://intelligence.house.gov/sites/intelligence.house.gov/files/documents/DNISFR021011.pdf>

existing embassies in Cuba, Argentina, Brazil, Mexico, and Venezuela.¹⁴ Reports that Iran was building a large embassy in Managua, Nicaragua (which even Secretary of State Hillary Clinton noted in public remarks) turned out to be erroneous.¹⁵ As noted above, President Ahmadinejad has visited Venezuela several times, and has also visited Bolivia, Brazil, Nicaragua, and Cuba. In early May 2009, a scheduled first trip by Ahmadinejad to Brazil was unexpectedly postponed until after Iran's election in June. There had been some protests in Brazil against Ahmadinejad's visit, but the trip ultimately took place in November 2009. Brazilian President Lula da Silva maintains that the West should not isolate Iran. On the same trip, the Iranian President once again visited Bolivia and Venezuela.¹⁶

Venezuela and Iran-Related Sanctions

To date, the United States has imposed sanctions on two companies in Venezuela because of connections to Iran's proliferation activities. In August 2008, the State Department imposed sanctions on the Venezuelan Military Industries Company (CAVIM) pursuant to the Iran, North Korea, and Syria Nonproliferation Act (P.L. 109-353) for allegedly violating a ban on technology that could assist Iran in the development of weapons systems.¹⁷ The sanctions prohibit any U.S. government procurement or assistance to the company. In October 2008, the U.S. Treasury Department imposed sanctions on an Iranian-owned bank based in Caracas, the Banco Internacional de Desarrollo, C.A., under Executive Order 13382 that allows the President to block the assets of proliferators of weapons of mass destruction and their supporters. The bank is linked to the Export Development Bank of Iran (EDBI), which the Treasury Department asserts has provided or attempted to provide services to Iran's Ministry of Defense and Armed Forces Logistics.¹⁸

In September 2009, during President Chávez's visit to Tehran, Venezuela and Iran signed several energy sector memorandums of understanding. As reported in the press, one of these agreements would provide for Venezuela's state-owned oil company, *Petroleos de Venezuela S.A.* (PdVSA), to acquire a 10% stake in Iran's South Pars gas project valued at some \$760 million. Such investment, if it occurs, would appear to subject PdVSA to sanctions under the Iran Sanctions Act (P.L. 104-172). Under another accord, Venezuela agreed to help Iran circumvent any potential U.S. or UN sanctions against Iranian gasoline imports by supplying Iran with gasoline (reportedly some 20,000 barrels per day) with the money earned from the gasoline sales to be deposited to a fund that would be set up by Iran to finance Venezuelan purchases of Iranian machinery and technology.¹⁹

Under Iran sanctions legislation signed into law July 1, 2010 (P.L. 111-195, Comprehensive Iran Sanctions Accountability, and Disinvestment Act of 2010), gasoline sales to Iran valued at more

¹⁴ Anne-Marie O'Connor and Mary Beth Sheridan, "Iran's Invisible Nicaragua Embassy; Feared Stronghold Never Materialized," *Washington Post*, July 13, 2009.

¹⁵ Ibid; and Sylvie Lanteaume, "Iran's Hand in Latin America Not as U.S. Feared," *Agence France Presse*, July 14, 2009.

¹⁶ Juan Forero, "Ahmadinejad Boosts Latin American Ties," *Washington Post*, November 28, 2009.

¹⁷ Although the sanction became effective in August 2008, it was not published in the *Federal Register* until October 2008. See *Federal Register*, pp. 63226-63227, October 23, 2008.

¹⁸ U.S. Department of the Treasury, Press Release, "Export Development Bank of Iran Designated as a Proliferator," October 22, 2008.

¹⁹ "Venezuela Pledges to Help Iran with Investment, Gasoline Supplies," *The Oil Daily*, September 10, 2009.

than \$1 million (or \$5 million over a 12-month period) would subject PdVSA to U.S. sanctions.²⁰ A number of observers raised questions about whether Venezuela would have the ability to provide significant amounts of gasoline to Iran since it has had problems in the past meeting its own domestic demands for gasoline.²¹ In July 2010, press reports maintained that a gasoline shipment from Venezuela was headed to Iran as part of a deal agreed to in 2009.²² In 2011, press reports alleged that additional shipments of gasoline from Venezuela were headed to Iran to arrive in late February 2011.²³ Assistant Secretary of State for Western Hemisphere Affairs Arturo Valenzuela maintained in congressional testimony on February 15, 2011, that the United States was examining the issue of whether Venezuela is in violation of the Iran sanctions legislation.²⁴

Venezuelan comments about support for Iran's nuclear program and about potential Iranian support for the development of nuclear energy in Venezuela have raised concerns among U.S. officials and other observers. President Chávez repeatedly has expressed support for Iran's development of nuclear energy for peaceful purposes, including during a September 2009 visit to Iran.²⁵ President Chávez also announced during the visit that Venezuela is working on a preliminary plan for the construction of a "nuclear village" in Venezuela with Iranian assistance so that "the Venezuelan people can count in the future on this marvelous resource for peaceful purposes."²⁶ The transfer of Iranian nuclear technology from Iran would be a violation of U.N. Security Council Resolutions—1737 (2006), 1747 (2007), and 1803 (2008)—that imposed restrictions on Iran's nuclear technology transfers. In late September 2010, President Chávez maintained that his government was carrying out initial studies into starting a nuclear energy program while in mid-October 2010, Russia agreed to help Venezuela build its first nuclear power plant.²⁷

In late September 2009, comments by Venezuelan officials offered conflicting information about Iran's support for Venezuela's search for uranium deposits. Venezuelan Minister of Basic Industry and Mining Rodolfo Sanz said that Iran was assisting Venezuela in detecting uranium reserves in the west and southwest of Venezuela.²⁸ Subsequently, however, Venezuela's Minister of Science, Technology, and Intermediary Industry Jesse Chacon denied that Iran was helping Venezuela seek uranium, while Venezuela's Minister of Energy Rafael Ramirez maintained that Venezuela has yet

²⁰ For further information, see CRS Report RS20871, *Iran Sanctions*, by Kenneth Katzman.

²¹ "Iran Sanctions (Special Series), Part 3, Preparing for the Worst," *Stratfor*, September 25, 2009; "Venezuelan Oil Expert Questions Viability of Chávez Energy Accords," *BBC Monitoring Americas*, September 14, 2009; and Marianna Parraga, "Venezuela in No Position to Boost Iran Oil Exports," *Reuters News*, July 26, 2010.

²² Marianna Parraga, "Venezuela in No Position to Boost Iran Oil Exports," *Reuters News*, July 26, 2010; and Amena Bakr and Luke Pachymuthu, "Iran Fuel Imports Nosedive as Sanction Bite," *Reuters News*, July 26, 2010.

²³ Irene Tang, "Iran Resumes Gasoline Imports With Venezuela Deal: Sources," *Platts Commodity News*, February 1, 2011; and Luke Pachymuthu and Humeysa Pamuk, "Venezuela's PDVSA Sends Gasoline to Iran – Trade," *Reuters News*, January 31, 2011.

²⁴ "House Foreign Affairs Subcommittee on Western Hemisphere Holds Hearing on U.S.-Latin America Relations," *CQ Congressional Transcripts*, February 15, 2011.

²⁵ "Visiting Chávez Backs Iran Nuclear Programme," *Tehran Press TV Online*, September 5, 2009.

²⁶ "Iran Will Not Back Down on Nuclear Energy: Hugo Chávez" *Agence France Presse*, September 4, 2009.

²⁷ "Hugo Chávez Says Venezuela Is Studying Idea of Starting Peaceful Nuclear Energy Program," *AP Newswire*, September 28, 2010; "Russia to Build Nuclear Power Plant in Venezuela," *Reuters News*, October 15, 2010.

²⁸ See the following press reports: "Iran Helps Venezuela Find Uranium Deposits," *BBC Monitoring Caucasus*, September 26, 2009; and "Iran Helps Venezuela Find Uranium Deposits," *Tehran Press TV Online*, September 26, 2009.

to develop a plan to explore or exploit its uranium deposits.²⁹ U.N Security Council Resolution 1929 (June 9, 2010) bars Iranian investment in uranium mining projects abroad.

Another reason for U.S. concerns about Iran's deepening relations with Venezuela is Iran's ties to the radical Lebanon-based Islamic group Hezbollah (Party of God), which is reported to have been linked to two bombings against Jewish targets in Argentina in the early 1990s (see "Tri-Border Area of Argentina, Brazil, and Paraguay" below). On June 18, 2008, the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) announced that it was freezing the U.S. assets of two Venezuelans—Ghazi Nasr al Din (a Venezuelan diplomat serving in Lebanon) and Fawzi Kan'an—for providing financial and other support to Hezbollah. U.S. citizens are also prohibited from engaging in any transactions with the two Venezuelans, including any business with two travel agencies in Caracas owned by Kan'an.

Tri-Border Area of Argentina, Brazil, and Paraguay³⁰

In recent years, U.S. concerns have increased over activities of Hezbollah and the Sunni Muslim Palestinian group Hamas (Islamic Resistance Movement) in the tri-border area (TBA) of Argentina, Brazil, and Paraguay, which has a large Muslim population. The TBA has long been used for arms and drug trafficking, contraband smuggling, document and currency fraud, money laundering, and the manufacture and movement of pirated goods. A 2009 RAND study examines how Hezbollah has benefitted from film piracy proceeds in the tri-border.³¹ The State Department terrorism report maintains that the United States remains concerned that Hezbollah and Hamas were participating in illicit activities and soliciting donations from sympathizers in the sizable Middle Eastern communities in the region, but stated that there was no corroborated information that these or other Islamic extremist groups had an operational presence in the region.

As noted above, allegations have linked Hezbollah to two bombings in Argentina: the 1992 bombing of the Israeli Embassy in Buenos Aires that killed 30 people and the 1994 bombing of the Argentine-Israeli Mutual Association (AMIA) in Buenos Aires that killed 85 people. In November 2006, an Argentine judge issued arrest warrants in the AMIA case for nine individuals: an internationally wanted Hezbollah militant from Lebanon, Imad Mughniyah, and eight Iranian government officials, including former Iranian President Hashemi Rafsanjani. Interpol subsequently posted a Red Notice for Mughniyah, and in November 2007, its General Assembly voted to approve notices for five of the Iranians wanted by Argentina (not including Rafsanjani). The action had been held up since March 2007, when Iran appealed the decision by Interpol's Executive Committee to issue the notices. In February 2008, Imad Mughniyah was killed by a car bomb in Damascus, Syria. In December 2008, an Argentine judge in a civil suit against the Iranian suspects ordered the attachment of six commercial properties in Argentina owned by a former Iranian cultural attaché who is one of the suspects in the AMIA bombing.

²⁹ "Venezuela Denies Iran is Helping It," *New York Times*, September 27, 2009; and Fabian Cambero, "Interview: Venezuela Says No Plans Yet on Exploring Uranium," *Reuters*, September 27, 2009.

³⁰ For additional background, see *Threat Convergence in South America's Tri-Border Area (TBA)*, The Fund for Peace, Center for the Study of Threat Convergence, Factsheet Series, January 11, 2010; and Rensselaer Lee, "Dispatches: The Tri-Border-Terrorism Nexus," *Global Crime*, Vol. 9, No 4, November 2008.

³¹ Gregory F. Treverton et al, *Film Piracy, Organized Crime, and Terrorism*, RAND, 2009.

Figure 2. Tri-Border Area of Argentina, Brazil, and Paraguay

Source: CRS.

Over the years, the U.S. Congress has continued to express concern about progress in Argentina's investigation of the 1994 AMIA bombing, with the House often passing resolutions on the issue around the time of the anniversary of the bombing on July 18. In the 110th Congress, H.Con.Res. 188 (Ros-Lehtinen), approved by the House by voice vote on July 30, 2007, applauded the Argentine government for increasing the pace of the AMIA investigation, and called upon the General Assembly of Interpol to issue red notices for five Iranians implicated in the bombing; H.Con.Res. 385 (Ros-Lehtinen), approved by the House by voice vote on July 15, 2008, condemned the AMIA bombing, and urged Western Hemisphere governments to take actions to curb activities that support Hezbollah and other Islamist terrorist organizations. In the 111th Congress, H.Con.Res. 156 (Ros-Lehtinen), approved July 17, 2009, again condemned the AMIA bombing and urged Western Hemisphere governments to take actions to curb the activities that support Hezbollah and other such extremist groups.

Beyond concerns about Hezbollah in the TBA, on February 10, 2011, the Treasury Department identified the Lebanon-based Lebanese Canadian Bank as a financial institution of "primary money laundering concern" under the PATRIOT Act (Section 311) for its role in facilitating the money laundering activities of an international narcotics trafficking and money laundering network with ties to Hezbollah. The Treasury Department maintained that the network is involved in moving illegal drugs from South America to Europe and the Middle East via West Africa.³²

³² U.S. Department of the Treasury, "Treasury Identifies Lebanese Canadian Bank as a Primary Money Laundering Concern," Press Release, February 10, 2011.

U.S. Policy

As in other parts of the world, the United States has assisted Latin American and Caribbean nations over the years in their struggle against terrorist or insurgent groups indigenous to the region. For example, in the 1980s, the United States supported the government of El Salvador with significant economic and military assistance in its struggle against a leftist guerrilla insurgency. In recent years, the United States has employed various policy tools to combat terrorism in the Latin America and Caribbean region, including sanctions, anti-terrorism assistance and training, law enforcement cooperation, and multilateral cooperation through the OAS. Moreover, given the nexus between terrorism and drug trafficking, one can argue that assistance aimed at combating drug trafficking organizations in the Andean region has also been a means of combating terrorism by cutting off a source of revenue for terrorist organizations. The same argument can be made regarding efforts to combat money laundering in the region.

Although terrorism was not the main focus of U.S. policy toward the region in recent years, attention increased in the aftermath of the 9/11 terrorist attacks on New York and Washington. Anti-terrorism assistance has increased along with bilateral and regional cooperation against terrorism. Congress approved the Bush Administration's request in 2002 to expand the scope of U.S. assistance to Colombia beyond a counternarcotics focus to also include counterterrorism assistance to the government in its military efforts against drug-financed leftist guerrillas and rightist paramilitaries. Border security with Mexico also became a prominent issue in bilateral relations, with attention focused on the potential transit of terrorists through Mexico to the United States.

The United States has imposed sanctions on three groups in Colombia (ELN, FARC, and AUC) and one group in Peru (SL) designated by the Department of State as FTOs. Official designation of such groups as FTOs triggers a number of sanctions, including visa restrictions and the blocking of any funds of these groups in U.S. financial institutions. The designation also has the effect of increasing public awareness about these terrorist organizations and the concerns that the United States has about them. As noted above, the United States has included Cuba on its list of state sponsors of terrorism since 1982, pursuant to section 6(j) of the EAA, and both Cuba and Venezuela are currently on the annual Section 40A AECA list of countries that are not cooperating fully with U.S. antiterrorism efforts, lists that trigger a number of sanctions.

The United States provides assistance to improve Latin American countries' counterterrorism capabilities through several types of programs administered by the Department of State, including: an Anti-Terrorism Assistance (ATA) program, an Export Control and Related Border Security (EXBS) program, a Counterterrorism Financing (CTF) program, and a Terrorist Interdiction Program (TIP). All the programs are funded through the Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR) foreign aid funding account.

The largest of these program is the ATA program that over the years has provided training and equipment to Latin American countries to help improve their capabilities in such areas as airport security management, hostage negotiations, bomb detection and deactivation, and countering terrorism financing. Such training was expanded to Argentina in the aftermath of the two bombings in 1992 and 1994. Assistance was also stepped up in 1997 to Argentina, Brazil, and Paraguay in light of increased U.S. concern over illicit activities in the tri-border area of those countries. In recent years, ATA for Western Hemisphere countries amounted to \$9.1 million in FY2008, \$9.3 million in FY2009, and an estimated \$9.3 million in FY2010. For FY2011, the

Administration requested \$12.75 million for Latin American countries, with \$4.5 million for Mexico, \$2.25 million for Colombia, \$2 million for Caribbean countries under the Caribbean Basin Security Initiative (CBSI), and \$4 million for other Latin American countries through a regional program.

The EXBS program helps countries develop export and border control systems in order to prevent states and terrorist organizations from acquiring weapons of mass destruction, their delivery systems, and destabilizing conventional weapons. Latin American countries received \$7.1 million in EXBS assistance in FY2008, \$2.1 million in FY2009, and an estimated \$2.925 million in FY2010. The FY2011 request is for \$7.950 million for assistance to Argentina, Caribbean countries under the CBSI, Brazil, Chile, Mexico, Panama, and a regional program.

CTF assistance provides support in detecting, isolating, and dismantling terrorist financial networks. No CTF assistance was provided for Latin America in FY2008, while \$225,000 was provided in FY2009, largely to Mexico, and an estimated \$460,000 is being provided in FY2010 for countries under a regional program.

TIP assistance helps foreign immigration authorities with a computer database system that enables identification of suspected terrorists attempting to transit air, land or sea ports of entry. No assistance was provided to the region in FY2008 or FY2009, but for FY2010, an estimated \$1.3 million is being provided for a Western Hemisphere regional program. The FY2011 request is for \$1 million for a regional funding program.

A number of Latin American countries participate in U.S.-government port security programs administered by the Department of Homeland Security (DHS) and the Department of Energy. The Container Security Initiative (CSI) operated by the U.S. Customs and Border Protection of DHS uses a security regime to ensure that all containers that pose a potential risk for terrorism are identified and inspected at foreign ports before they are placed on vessels destined for the United States. Ten Latin American ports in Argentina, the Bahamas, Brazil, Colombia, the Dominican Republic, Honduras, Jamaica, and Panama participate in the CSI program. The Department of Energy's National Nuclear Security Administration administers the Megaports Initiative, a program which involves deploying radiation detection equipment in order to deter, detect, and interdict illicit trafficking in nuclear and radioactive materials. To date, the Megaports Initiative is operational in ports in the Bahamas, Colombia, the Dominican Republic, Honduras, Mexico, and Panama.

The Department of Homeland Security's Immigration and Customs Enforcement (ICE) has partnered with several Latin American countries to establish Trade Transparency Units that facilitate exchanges of information in order to combat trade-based money laundering. To date, TTUs have been established in Argentina, Brazil, Colombia, Paraguay, and Mexico.

The United States also has worked closely with the governments of the tri-border area—Argentina, Brazil, and Paraguay—through the “3+1 regional cooperation mechanism,” established in 2002 to serve as a forum for counterterrorism cooperation and prevention among all four countries.

Increased Regional Cooperation Since 9/11

Latin American nations strongly condemned the September 2001 terrorist attacks on the United States and took action through the OAS and the Rio Treaty to strengthen hemispheric cooperation

against terrorism. The OAS, which happened to be meeting in Peru at the time, swiftly condemned the attacks, reiterated the need to strengthen hemispheric cooperation to combat terrorism, and expressed full solidarity with the United States. At a special session on September 19, 2001, OAS members invoked the 1947 Inter-American Treaty of Reciprocal Assistance, also known as the Rio Treaty, which obligates signatories to the treaty to come to one another's defense in case of outside attack. Another resolution approved on September 21, 2001, called on Rio Treaty signatories to "use all legally available measures to pursue, capture, extradite, and punish those individuals" involved in the attacks and to "render additional assistance and support to the United States, as appropriate, to address the September 11 attacks, and also to prevent future terrorist acts."

In the aftermath of 9/11, OAS members reinvigorated effort of the of the Inter-American Committee on Terrorism (CICTE) to combat terrorism in the hemisphere. The CICTE has cooperated on border security mechanisms, controls to prevent terrorist funding, and law enforcement and counterterrorism intelligence and information. At a January 2003 CICTE meeting, OAS members issued the Declaration of San Salvador, which pledged to strengthen hemispheric cooperation through a variety of border, customs, and financial control measures. At the February 2005 CICTE session held in Trinidad and Tobago, OAS members reaffirmed their commitment to deepen cooperation against terrorism and addressed threats to aviation, seaport, and cyber security. CICTE's seventh regular session in Panama in February/March 2007 focused on the protection of critical infrastructure in the region. In March 2008, CICTE's eighth regular session held in Washington D.C. focused on cyber security, document security and fraud prevention, and port security. CICTE's ninth regular session held in Washington, D.C. in March 2009 focused on the topic of strengthening border controls. CICTE's 10th regular session was held in Washington, D.C. in March 2010, and focused on public-private partnerships in the fight against terrorism.

OAS members signed the Inter-American Convention Against Terrorism in June 2002. The Convention, among other measures, improves regional cooperation against terrorism, commits parties to sign and ratify U.N. anti-terrorism instruments and take actions against the financing of terrorism, and denies safe haven to suspected terrorists. President Bush submitted the Convention to the Senate on November 12, 2002, for its advice and consent, and the treaty was referred to the Senate Foreign Relations Committee (Treaty Doc. 107-18). In the 109th Congress, the committee formally reported the treaty on July 28, 2005 (Senate Exec. Rept. 109-3), and on October 7, 2005, the Senate agreed to the resolution of advice and consent. The United States deposited its instruments of ratification for the Convention on November 15, 2005.

Conclusion

For most countries in Latin America and the Caribbean, threats emanating from terrorism are low. Terrorism in the region is largely perpetrated by groups in Colombia and by the remnants of radical leftist Andean groups. According to the Department of State, most governments in the region have good records of cooperation with the United States on anti-terrorism issues, although progress in the region on improving counterterrorism capabilities is limited by several factors, including corruption, weak governmental institutions, weak or non-existent legislation, and reluctance to allocate sufficient resources. Both Cuba and Venezuela are on the State Department's list of countries determined to be not cooperating fully with U.S. antiterrorism efforts, and Cuba has remained on the State Department's list of state sponsors of terrorism since 1982. U.S. officials and some Members of Congress have expressed concern over the past several

years about Venezuela's relations with Iran, with concerns centered on efforts by Iran to circumvent U.N. and U.S. sanctions and on Iran's ties to Hezbollah, alleged to be linked to two bombings in Argentina in the 1990s. The State Department maintains that there are no known operation cells of either Al Qaeda or Hezbollah-related groups in the hemisphere, although it notes that ideological sympathizers continue to provide financial and moral support to these and other terrorist groups in the Middle East and South Asia.

Author Contact Information

Mark P. Sullivan
Specialist in Latin American Affairs
msullivan@crs.loc.gov, 7-7689