



Latin America: Terrorism Issues

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Summary

Since the September 2001 terrorist attacks on New York and Washington, U.S. attention to terrorism in Latin America has intensified, with an increase in bilateral and regional cooperation. In its April 2009 Country Reports on Terrorism, 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 President Hugo Chávez's sympathetic statements for Colombian terrorist groups. The State Department terrorism report noted, however, that President Chávez publicly changed course in June 2008 and called on the FARC to unconditionally release all hostages, declaring that armed struggle is "out of place" in modern Latin America.

In recent years, U.S. concerns have increased over activities of the radical Lebanon-based Islamic group Hezbollah and the Sunni Muslim Palestinian group Hamas in the tri-border area of Argentina, Brazil, and Paraguay. The State Department terrorism report maintains that the United States remains concerned that Hezbollah and Hamas sympathizers are raising funds among 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 area. 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. Concerns about Iran's increasing activities in Latin America center on the country's ties to Hezbollah and the terrorist attacks in Argentina.

In the 111th Congress, the House approved H.R. 2410 (Berman), the Foreign Relations Authorization Act for FY2010 and FY2011, on June 10, 2009, with a provision calling for a report on Iran's and Hezbollah's actions in the Western Hemisphere. On July 17, 2009, the House approved H.Con.Res. 156 (Ros-Lehtinen), which, among other provisions, condemns the 1994 AMIA bombing in Buenos Aires, and urges Western Hemisphere governments to take actions to curb the activities that support Hezbollah and other such extremist groups. On July 23, 2009, the Senate approved its version of the FY2010 defense authorization bill, S. 1390 (Levin), which included reporting requirements on Venezuela and Cuba, but the provisions were not included in the final enacted measure. Other introduced measures include H.R. 375 (Ros-Lehtinen) and H.R. 2475 (Ros-Lehtinen), which, among their provisions, would place restrictions on nuclear cooperation with countries assisting the nuclear programs of Venezuela or Cuba; H.R. 2272 (Rush), which includes a provision that would remove Cuba from the state sponsors of terrorism list; and H.Res. 872 (Mack), which calls 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 April 2009 report 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.

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, ineffective or lack of interagency cooperation, weak or non-existent legislation, and reluctance to allocate sufficient resources." The report lauded counterterrorism efforts in Argentina, Colombia, Panama, Paraguay, Mexico, and El Salvador, 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.

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), and remaining elements of the 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 and reduced offensive capability, but has inflicted casualties through the increased use of land mines and continues to fund its operations through drug trafficking. Peace talks between the ELN and the Colombian government remain stalled. With more than 32,000 members demobilized, the AUC remained inactive as a formal organization, but some AUC renegades continued to engage in criminal activities, mostly drug trafficking, according to the terrorism report. According to the 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.

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 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. In addition, according to the State Department's terrorism

report, Colombian security forces captured or killed a number of mid-level FARC leaders in 2008 and reduced the amount of territory where the FARC could freely operate. Desertions among FARC members also increased in 2008 to more than 3,000 compared to almost 2,500 in 2007.

Nevertheless, the FARC has continued tactical-level terrorist activities, kidnapping for profit (including the holding of 24 “high value” political hostages and hundreds of other kidnap victims), and narcotrafficking activities. The group launched several bombings against civilian and military targets in urban areas and targeted rural outposts, infrastructure, and political opponents in dozens of attacks.

Colombian terrorist groups continue to utilize the territory of several of Colombia’s neighbors, according to the State Department terrorism report. The FARC uses Ecuadorian territory for rest, recuperation, resupply, and training in addition to coca processing and limited planting and production. While Ecuador’s relations with Colombia remain tense in the aftermath of Colombia’s March 2008 military raid on a FARC camp in Ecuadorian territory, Ecuador’s military has increased the number of operations against the FARC in its northern border region. Both the FARC and the ELN and remnants of the AUC 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. According to the terrorism report, the Venezuelan government did not systematically police the country’s 1,400-mile border with Colombia to prevent the movement of armed groups or to interdict the flow of narcotics. Moreover, limited amounts of weapons and ammunition, some from official Venezuelan stocks and facilities, reportedly have ended up in the hands of Colombian terrorist groups. In September 2008, the Treasury Department’s Office of Foreign Assets Control designated two senior Venezuelan government officials for materially assisting the narcotics trafficking activities of the FARC. In Panama, the terrorism report maintained that the FARC was active in Panama’s Darien province and was reported to have entered several villages in order to steal supplies. Panama’s Public Forces were reported to closely monitor the FARC’s activities and have captured several FARC members. With regard to Peru, the FARC was reported to use remote areas along the Colombian-Peruvian border to rest, regroup, and make arms purchases.

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 current 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 64 terrorist acts in 2008, with 31 people killed, including four civilians.

As noted above, 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.

Cuba

Since 1982, 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 (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 language in the State Department's most recent terrorism report issue in April 2009 is much more tempered than in past versions of the annual report. The report begins by noting that "Cuba no longer actively supports armed struggle in Latin America and other parts of the world." While the report maintains that the Cuban government continued to provide safe haven to several terrorists, such as members of the Basque Homeland and Freedom (ETA) and Colombia's Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army (ELN), it notes that some were in Cuba in connection with peace negotiations with the governments of Spain and Colombia. The report states that Cuba continued to publicly defend the FARC, but also notes that in July 2008 Fidel Castro called on the FARC to release the hostages they were holding without preconditions, and condemned the FARC's mistreatment of captives and of their abduction of civilian politicians who had no role in the armed conflict.

The terrorism report also notes that Cuba continued to permit U.S. fugitives from justice to live legally in Cuba, including members of such militant groups as the Boricua Popular or *Macheteros*, and the Black Liberation Army, but the report also asserts that the Cuban government has not provided safe haven to any new U.S. fugitives wanted for terrorism since 2006. Most of the fugitives living in Cuba entered the country in the 1970s, and are accused of hijacking or committing violent actions in the United States.

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.

Cuba has called for the United States to surrender Luis Posada Carriles and three Cuban Americans that it accused of plotting to kill Castro and bombing a Cuban airliner in 1976. Most recently, Posada was indicted by a federal grand jury in Texas in April 2009 in which he was accused, among other things, of lying during immigration proceedings regarding his involvement in bombings in Havana in 1997. Originally a federal trial was set to begin in August 2009, but was rescheduled until February 2010 in order to give him time to prepare his defense. Press reports maintain that Posada is also being investigated by a grand jury in New Jersey for his role in the 1997 bombings in Cuba.¹

¹ Alfonso Chardy and Jay Weaver, "Posada a Target of New Federal Probes," *Miami Herald*, November 12, 2006, and "Grand Jury Indicts Cuban Exile Militant Luis Posada Carriles," *Miami Herald*, January 12, 2007; Jay Weaver, "U.S. (continued...)"

In the 111th Congress, H.R. 2272 (Rush), introduced May 6, 2009, has a provision that would remove Cuba from the state sponsors of terrorism list.

For additional information on Cuba, see CRS Report R40193, *Cuba: Issues for the 111th Congress*. For background, see CRS Report RL32251, *Cuba and the State Sponsors of Terrorism List*.

Venezuela

Since May 2006, the Secretary of State has made an annual determination that Venezuela was not “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 2009. As a result, the United States imposed an arms embargo on Venezuela, which ended all U.S. commercial arms sales and re-transfers 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.)

The State Department’s annual terrorism report maintained that while Venezuela President Hugo Chávez’s ideological sympathy for the FARC and the ELN had limited Venezuelan cooperation with Colombia in combating terrorism, President Chávez publicly changed course in June 2008 and called on the FARC to unconditionally release all hostages, declaring that armed struggle is “out of place” in modern Latin America. In July 2008, the Venezuelan military detained a senior FARC official and handed him over to Colombian authorities. Nevertheless, in September 2008, the Treasury Department designated two senior Venezuelan government officials for assisting the FARC’s drug trafficking activities.

As noted above, the State Department terrorism report stated that the FARC, ELN and remnants of the AUC 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 Venezuelan government also did not systematically police its country’s border with Colombia to prevent the movement of armed groups or to interdict the flow of narcotics. Some limited amounts of weapons and ammunition from official Venezuelan stocks and facilities were reported to have ended up in the hands of Colombian terrorist groups.

The State Department terrorism report also cited two other concerns about Venezuela. First, as noted in the past, Venezuelan citizenship, identity, and travel documents remained easy to obtain, making the country a potentially attractive way-station for terrorists. Second, the report noted that passengers on weekly flights connecting Tehran and Damascus with Caracas were only subject to cursory immigration and customs controls in Caracas.

There has been increasing concern in recent years about Iran’s increasing interest in Latin America, particularly its relations with Venezuela under President Hugo Chávez. One reason for the concern is Iran’s ties to the radical Lebanon-based Islamic group Hezbollah (Party of God), which is reported to have been linked to the 1994 bombing of a Jewish cultural center in Buenos Aires. In June 2008, the Treasury Department announced that it was freezing the U.S. assets of

(...continued)

Probes Haunt 80-year Old Anti-Castro Cuban,” *Houston Chronicle*, March 2, 2008; Jay Weaver, “Posada Gets More Time for Perjury Defense,” *Miami Herald*, June 16, 2009.

two Venezuelans for providing financial and other support to Hezbollah. In the 110th Congress, the House approved H.Res. 435 (Klein) in November 2007, which expressed concern about Iran's efforts to expand its influence in Latin America, and noted Venezuela's increasing cooperation with Iran. (Also see "Iran's Growing Relations with Latin America" and "Tri-Border Area of Argentina, Brazil, and Paraguay" below.)

In the 111th Congress, the House approved H.R. 2410, the Foreign Relations Authorization Act for FY2010 and FY2011, on June 10, 2009, with a provision in section 1011 requiring a report within 90 days on Iran's and Hezbollah's actions in the Western Hemisphere. The provision cited the State Department's 2008 terrorism report that noted the passengers on the weekly flights connecting Tehran and Damascus with Caracas were reportedly subject to only cursory immigration and customs controls in Caracas. On July 23, 2009, the Senate 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.

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

For additional information on Venezuela and terrorism concerns, see CRS Report R40938, *Venezuela: Issues in the 111th Congress*, by Mark P. Sullivan.

Iran's Growing Relations with Latin America

Over the past several years, U.S. officials and other observers have expressed concerns about Iran's increasing activities in Latin America, particularly under the government of President Mahmoud Ahmadinejad. For example, in January 2009 congressional testimony, Secretary of Defense Robert Gates maintained that he was concerned about the level of "subversive activity that the Iranians are carrying on in a number of places in Latin America, particularly South America and Central America."²

There has been some contention, however, over the level and significance of Iran's linkages with the region. One view emphasizes that Iran's relations with several Latin American leaders who have employed strong anti-U.S. rhetoric and its past support for terrorist activities in the region are reasons why its presence should be considered a potential destabilizing threat to the region. Another school of thought emphasizes that Iran's domestic politics and strategic orientation toward the Middle East and Persian Gulf region will preclude the country from sustaining a focus on Latin America. Adherents of this view assert that Iran's promised aid and investment to Latin America have not materialized. Some observers holding both of these views contend that while

² "Senate Armed Services Committee Holds Hearing on Challenges Facing the Defense Department," *CQ Congressional Transcripts*, January 27, 2009.

Iran's activities in Latin America do not currently constitute a major threat to U.S. national security, there is enough to be concerned about to keep a watchful eye on developments in case it becomes a more serious threat. On October 27, 2009, the House Foreign Affairs Subcommittee on the Western Hemisphere held a hearing on "Iran in the Western Hemisphere" that reflected these range of views.

Iran's ties to the region precede its recent increased attention. Venezuela's relations with Iran have been longstanding because they were both founding members of OPEC in 1960. In the aftermath of the 1979 Iranian revolution, Iran fostered closer relations with Cuba and with Nicaragua (after the 1979 Sandinista revolution). Under the government of President Mohammed Khatami (1997-2005), Iran made efforts to increase its trade with Latin America, particularly Brazil, and there were also efforts to increase cooperation with Venezuela. Venezuelan President Hugo Chávez first visited Iran in 2001 and 2003 which ultimately led to a joint venture agreement to produce tractors in Venezuela.³

Not until President 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. For some observers, a key reason for Ahmadinejad's increased interest in the region, especially with countries such as Venezuela, has been to develop leverage against the United States in its own neighborhood, rather than any real economic interest in Latin America.⁴

The rise of Venezuelan leader Hugo Chávez, a radical populist who has often employed strong anti-U.S. rhetoric and advocated an anti-U.S. agenda, also has been a key factor in the increased ties between Iran and Latin America. In February 2008 testimony before the Senate Select Intelligence Committee, then Director of National Intelligence (DNI) Michael McConnell maintained that most cooperation between Iran and Venezuela has been on the economic and energy fronts, but that military cooperation is growing, and the two nations have discussed cooperation on nuclear energy.⁵ Iranian President Ahmadinejad has visited Caracas on several occasions since 2006, most recently in November 2009, and President Chávez has visited Iran several times, most recently in September 2009. The personal relationship between the two leaders 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.⁶ Weekly flights between the two countries began in 2007; 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.

³ Farideh Farhi "Iran in Latin America: Threat or Axis of Annoyance?," paper presented at conference of the Woodrow Wilson International Center for Scholars, Washington D.C. July 10, 2008; Kavon "Hak" Hakimzadeh, "Iran & Venezuela: The Axis of Annoyance," *Military Review*, May 1, 2009.

⁴ Farideh Farhi, op. cit.

⁵ J. Michael McConnell, Director of National Intelligence, "Annual Threat Assessment of the Director of National Intelligence for the Senate Select Committee on Intelligence," February 5, 2008, p. 36.

⁶ Parisa Hafezi, "Iran and Venezuela Open Joint Bank to Boost Ties," *Reuters News*, April 3, 2009.

In September 2009, Venezuela and Iran signed three energy sector memorandums of understanding during President Hugo Chávez's visit to Tehran. As reported in the press, the first 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. The second agreement would provide for Iran's state oil company, Petropars, to invest \$760 million in developing two oil fields in Venezuela. Under the third agreement, in the case of U.N. or U.S. sanctions against Iran's gasoline imports, Venezuela would supply 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.⁷

While such gasoline sales to Iran would not currently subject PdVSA to U.S. sanctions under the Iran Sanctions Act (ISA), pending legislation that would amend the ISA (such as House-passed H.R. 2194 and S. 908, the Iran Refined Petroleum Sanctions Act) would change that. A number of observers, however, have raised questions about whether Venezuela would have the ability to provide gasoline to Iran since it needs to import gasoline to help meet its own domestic demand. Venezuela reportedly has been facing significant refining problems because of mismanagement and a drop in foreign investment.⁸ Moreover, while Venezuela potentially could use a third-party gasoline supplier close to the Persian Gulf to purchase and resell the gasoline to Iran, finding a third party could prove difficult if U.S. sanctions are imposed against suppliers of gasoline.⁹

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 most recently during a September 2009 visit to Iran.¹⁰ 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."¹¹ 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 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.¹² Subsequently, however, Venezuela's Minister of Science, Technology, and Intermediary Industry Jesse Chacon denied that Iran was helping Venezuela seek

⁷ "Venezuela Pledges to Help Iran with Investment, Gasoline Supplies," *The Oil Daily*, September 10, 2009.

⁸ "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.

⁹ "Iran, Venezuela: Testing the Mettle of an Alliance," *Stratfor*, September 9, 2009.

¹⁰ "Visiting Chávez Backs Iran Nuclear Programme," *Tehran Press TV Online*, September 5, 2009.

¹¹ "Iran Will Not Back Down on Nuclear Energy: Hugo Chávez" *Agence France Presse*, September 4, 2009.

¹² 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.

uranium, while Venezuela's Minister of Energy Rafael Ramirez maintained that Venezuela has yet to develop a plan to explore or exploit its uranium deposits.¹³

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.¹⁴ 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.¹⁵

Venezuela also has played a key role in the development of Iran's expanding relations with the region. DNI Dennis Blair maintained in February 2009 congressional testimony that Venezuela "is serving as a bridge to help Iran build relations with other Latin American countries."¹⁶ 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. According to the State Department's *Country Reports on Terrorism* (issued in April 2009), President Morales announced that Iran would help develop Bolivia's petrochemical, cement fabrication, and agricultural sectors. While Iran has promised significant assistance and investment to these countries, observers maintain that there has been no evidence that such promises have materialized.¹⁷ In Nicaragua for example, Iran has not followed through with its promise to finance the construction of a deep-water port. The only Iranian project that reportedly has gone forward in Nicaragua is the construction of a hospital that began in September 2009.¹⁸ Likewise in Bolivia and Ecuador, there is little evidence showing that Iran has followed up with its promises of investment.

Nevertheless, 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 having existing embassies in Cuba, Argentina, Brazil, Mexico, and Venezuela.¹⁹ Reports that

¹³ "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.

¹⁴ 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.

¹⁵ U.S. Department of the Treasury, Press Release, "Export Development Bank of Iran Designated as a Proliferator," October 22, 2008.

¹⁶ Dennis C. Blair, Director of National Intelligence, "Annual Threat Assessment of the Intelligence Community for the Senate Select Committee on Intelligence," February 12, 2009.

¹⁷ 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.

¹⁸ Steve Stecklow and Farnaz Fassihi, "Iran's Global Foray Has Mixed Results," *Wall Street Journal*, September 28, 2009.

¹⁹ Anne-Marie O'Connor and Mary Beth Sheridan, "Iran's Invisible Nicaragua Embassy; Feared Stronghold Never Materialized," *Washington Post*, July 13, 2009.

Iran was building a large embassy in Managua (which even Secretary of State Hillary Clinton noted in public remarks) turned out to be erroneous.²⁰ 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.²¹

In 2007, then Assistant Secretary of State for Western Hemisphere Affairs Tom Shannon said that one of the concerns about Iran's increasing interest in Latin America is that Iran is a major supporter of the radical Lebanese terrorist group Hezbollah. According to Shannon, "What worries us is Iran's history of activities in the region and especially its links to Hezbollah and the terrorist attack that took place in Buenos Aires [in 1994]."²² In March 2009 congressional testimony, Admiral James G. Stavridis, then commander of the U.S. Southern Command (Southcom), also asserted that the main concern about Iran's increased activity in Latin America is its links to Hezbollah. He maintained that there was Hezbollah activity throughout South America, particularly the tri-border area of Argentina, Brazil, and Paraguay as well as parts of Brazil and the Caribbean Basin.²³ (See "Tri-Border Area of Argentina, Brazil, and Paraguay" below.)

Tri-Border Area of Argentina, Brazil, and Paraguay

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.²⁴ The State Department terrorism report maintains that the United States remains concerned that Hezbollah and Hamas sympathizers are raising funds among 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 area.

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

²⁰ Ibid; and Sylvie Lanteaume, "Iran's Hand in Latin America Not as U.S. Feared," *Agence France Presse*, July 14, 2009.

²¹ Juan Forero, "Ahmadinejad Boosts Latin American Ties," *Washington Post*, November 28, 2009.

²² Andres Oppenheimer, "Beware Iran in Latin America," *Miami Herald*, September 30, 2007.

²³ "Hearing of the Senate Armed Services Committee; Subject: United States Southern Command, United States Northern Command, United States Africa Command and United States Transportation Command," *Federal News Service*, March 17, 2009.

²⁴ Gregory F. Treverton et al, *Film Piracy, Organized Crime, and Terrorism*, RAND, 2009.

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.

According to Argentina's Special Prosecutor Alberto Nisman, appointed to lead the AMIA investigation in 2004, the AMIA case is still alive and progressing. To date, \$1.5 million in Iranian assets have been seized and the seizure of more than \$600 million in assets is pending; such funds would help cover restitution to the families of the victims and material damage from the bombing.²⁵ In October 2009, an Argentine judge charged former President Carlos Menem, his brother Munir Menem, former Judge Juan José Galeano, and several other high-ranking former police and intelligence officials with obstructing the AMIA investigation and protecting suspects. Trials of the former officials are expected to proceed in 2010. In December 2009, an Argentine judge ordered reopening the case of Carlos Telleldín, a mechanic alleged to have prepared the car bomb used in the AMIA attack.²⁶

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. Another resolution, H.Res. 435 (Klein), approved November 5, 2007, by voice vote, expressed concern over the emerging national security implications of Iran's efforts to expand its influence in Latin America, and emphasized the importance of eliminating Hezbollah's financial network in the tri-border area of South America. In the 111th Congress, H.Con.Res. 156 (Ros-Lehtinen), approved July 17, 2009, again condemns the AMIA bombing and urges Western Hemisphere governments to take actions to curb the activities that support Hezbollah and other such extremist groups.

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

²⁵ Presentation by Special Prosecutor Alberto Nisman, Foundation for Defense of Democracies, Washington D.C., December 2, 2009.

²⁶ "Ordenan reabrir juicio a mecánico argentino absuelto por atentado a la AMIA," *Agence France Presse*, December 15, 2009.

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 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 and an estimated \$9.3 million in FY2009. For FY2010, the Administration requested \$16.4 million for Latin American countries, with \$6 million for Mexico, \$4.4 million for Colombia, and \$6 million for assistance to other countries through a regional program. The FY2010 budget request states that ATA assistance for Central and South America enhances border control and provides fraudulent document training.

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 and an estimated \$2.1 million in FY2009. The FY2010 request is

for \$2.9 million for assistance to Mexico, Argentina, Brazil, Chile, 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 in FY2009, an estimated \$225,000 was provided. The FY2010 request is for \$875,000, with assistance for Mexico, Colombia, and 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 the Administration requested \$1.3 million for a Western Hemisphere regional 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 works 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. Argentina hosted the fifth plenary session of the 3+1 mechanism in December 2006 that focused on such issues as early warning among states, information exchange in order to prevent illegal activity, and the denial of refuge to those who finance, plan, or commit acts of terrorism.

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 is planned for March 17-19, 2010, in Washington, DC; a featured topic on the agenda is 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.

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