

## Chapter 2. Country Reports: Western Hemisphere Overview

Saturday, August 20, 2011  
11:26 AM

## Chapter 2. Country Reports: Western Hemisphere Overview

Office of the Coordinator for Counterterrorism

### [Country Reports on Terrorism 2010](#)

August 18, 2011

Terrorist attacks within the Western Hemisphere in 2010 were committed primarily by two U.S.-designated Foreign Terrorist Organizations in Colombia – the Revolutionary Armed Forces of Colombia and the National Liberation Army – and other radical leftist Andean groups elsewhere. The threat of a transnational terrorist attack remained low for most countries in the Western Hemisphere. There were no known operational cells of either al-Qa’ida- or Hizballah-related groups in the hemisphere, although 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.

Overall, regional governments took modest steps to improve their counterterrorism capabilities and tighten border security, but corruption, weak government institutions, insufficient interagency cooperation, weak or non-existent legislation, and reluctance to allocate necessary resources limited progress in many countries. Argentina, Colombia, and Mexico undertook serious prevention and preparedness efforts. Most countries began to look seriously at possible connections between transnational criminal organizations and terrorist organizations.

The United States enjoyed solid cooperation on terrorism-related matters from most hemispheric partners, especially at the operational level, and maintained excellent intelligence, law enforcement, and legal assistance relations with most countries. An important regional focus for this cooperation was the OAS’ Inter-American Committee Against Terrorism.

### **ARGENTINA**

**Overview:** Argentina and the United States cooperated well in analyzing possible terrorist threat information. Argentina continued to focus on the challenges of policing its remote northern and northeastern borders - including the Tri-Border Area (TBA), where Argentina, Brazil, and Paraguay meet - against threats including drug and human trafficking, contraband smuggling, and other international crime.

**2010 Terrorist Incidents:** According to the Argentine Federal Police, domestic anarchist groups conducted 12 improvised explosive device attacks in Argentina in 2010, resulting in property damage and the loss of one life. Nine of the incidents took place in Buenos Aires Province, two in Rio Negro Province, and one in Neuquen Province. Seven of the targets were banks, two were airline offices, two were police facilities, and one was a telecommunications company. As the explosions were small and took place in the very early morning hours, casualties were limited to one fatality and minor injuries to several individuals.

**Legislation and Law Enforcement:** The Argentine police have not yet arrested any suspects in the 12 terrorist attacks. On September 30, Argentina granted political asylum to Sergio Apablaza Guerra, a former leader of the Chilean terrorist group Manuel Rodriguez Patriotic Front, wanted by Chile in connection with the 1991 murder of a Chilean senator and the 1991 kidnapping of the son of the owner of a prominent Chilean newspaper.

The Argentine government continued to seek to bring to justice those suspected of the July 18, 1994 terrorist bombing of the Argentine-Jewish Mutual Association in Buenos Aires that killed 85 and injured more than 150 people. At the September UNGA, Argentine President Cristina Fernandez de Kirchner proposed to Iran that the Iranian suspects be tried in a third country. Iran rejected the proposal via a September 28, 2010 note delivered to the UN Secretary General.

**Countering Terrorist Finance:** The National Coordination Unit in the Ministry of Justice and Human Rights manages the government's anti-money laundering and counterterrorist finance (AML/CTF) efforts and represents Argentina in the Financial Action Task Force (FATF), the FATF Against Money Laundering in South America (GAFISUD), and the OAS Group of Experts of the Inter-American Commission for the Control of the Abuse of Drugs (CICAD). The Government of Argentina underwent a FATF mutual evaluation in November 2009, which was adopted by the FATF plenary in October 2010. The assessment concluded that Argentina had made virtually no progress toward addressing the numerous serious deficiencies identified during the previous assessment and that the legal and preventive AML/CTF measures in place were either inadequate or not being enforced.

Among the many deficiencies noted in the FATF assessment was that the money laundering statute was not effectively implemented. The law provides the legal foundation for Argentina's financial intelligence unit, the Central Bank, and other regulatory and law enforcement bodies to investigate and prosecute money laundering and terrorist finance. The Argentine government and Central Bank claimed to be committed to freezing assets of terrorist groups in Argentine financial institutions identified by the UN; however, measures to freeze terrorist-related funds rely mainly on ordinary criminal procedures, which do not permit timely and effective enforcement in such cases. Argentine authorities have dedicated limited resources to monitoring terrorist financing taking place in the

TBA.

**Regional and International Cooperation:** Argentina participated in the OAS' Inter-American Committee Against Terrorism, MERCOSUR's Special Forum on Terrorism, and the 3+1 Group on Tri-Border Area Security with Paraguay, Brazil, and the United States.

## **BOLIVIA**

**Overview:** There did not appear to be any credible evidence that international terrorist organizations were present, nor of any plans or intentions within such groups to commit terrorist acts within Bolivia. There were reports that a handful of individuals associated with the Revolutionary Armed Forces of Colombia (FARC) were present. The Peruvian government has made accusations that Tupac Amaru Revolutionary Movement training camps were present in Bolivia. The Government of Bolivia cooperated with the United States only minimally on counterterrorism and did not share counterterrorism information with the U.S. government. In June, President Morales accused the United States of using counterterrorism as an excuse for involvement in other countries' affairs and "to control presidents and governments and the countries' natural resources."

**Legislation and Law Enforcement:** In March, the Minister of Government reaffirmed the Bolivian government's commitment to a "war against terrorists" operating in Bolivia. The government included terrorist financing measures as part of the Marcelo Quiroga Santa Cruz Anti-Corruption law, which authorizes prison sentences of five to 10 years for such activities.

The Government of Bolivia enacted measures to improve border security by issuing machine-readable passports (though without a biometric chip) to Bolivian citizens.

**Countering Terrorist Finance:** The Bolivian financial system did not provide strong controls or safeguards for preventing its use by terrorists. Still, there is no evidence that terrorist organizations used Bolivian financial institutions. Bolivia is a member of the Financial Action Task Force Against Money Laundering in South America (GAFISUD), which recommended in 2010 that Bolivia improve its current money laundering legislation to conform with the standards of the Financial Action Task Force. Bolivia has yet to criminalize terrorist financing or allow for the blocking of terrorist assets. Its Financial Investigative Unit lacks the authority to receive, analyze, and communicate information related to terrorist financing.

**Regional and International Cooperation:** The Government of Bolivia cooperated well with Peru, Colombia, and surrounding countries on counterterrorism.

## **BRAZIL**

**Overview:** The Brazilian government cooperated in countering terrorism-related activities, including investigating potential terrorism financing, document forgery networks, and other illicit activity. Operationally, security forces of the Brazilian government worked with U.S. officials to pursue investigative leads provided by U.S. authorities regarding terrorist suspects.

Although Brazil has no official list of terrorist groups and does not recognize the Colombian Revolutionary Armed Forces (FARC) as one, former President Luiz Inacio Lula da Silva and current President Dilma Rousseff have been critical of the FARC's use of violence and publicly called on the group to desist its armed struggle against the Colombian government.

**Legislation and Law Enforcement:** The Government of Brazil's counterterrorism strategy consisted of deterring terrorists from using Brazilian territory to facilitate attacks or raise funds, while monitoring and suppressing transnational criminal activities that could support terrorist actions. It accomplished this through coordination among its law enforcement entities and through cooperation with the United States and other partners in the region.

The Brazilian government is achieving visible results thanks to recent investments in border and law enforcement infrastructure that were made with a view to control the flow of goods—legal and illegal—through the Tri- Border Area (TBA) of Brazil, Argentina, and Paraguay, whose proceeds could be diverted to support terrorist groups. The inspection station at the Friendship Bridge in the TBA that was completed by the Brazilian customs agency (Receita Federal) in 2007 continued to take effective action to reduce the smuggling of drugs, weapons, and contraband goods along the border with Paraguay. From January to November 2010, Receita Federal seized more than US\$ 716 million in contraband goods, including drugs, weapons, and munitions.

As a result of the effective crackdown on the Friendship Bridge, most smuggling operations now take place through the Parana River and Lago Itaipu, and some have migrated to other sections of the border, such as the towns of Guaira and Ponta Pora. The Federal Police has special maritime police units in both Foz de Iguacu and Guaira that patrol the maritime border areas, but because of the scale and complexity of the endeavor to curtail smuggling and trafficking activities through the waterways, Brazil is considering using an unmanned aerial vehicle to assist law enforcement in monitoring the border, a development that could further improve border security. In the meantime, the State of Parana has paired with the Federal Police to create a Border Operations Independent Company consisting of roughly 120 officers.

The Container Security Initiative in Santos continued in 2010.

**Countering Terrorist Finance:** Brazil is a member of the Financial Action Task Force (FATF) and is also a member of the FATF of South America (GAFISUD).

Brazil seeks to play an active leadership role in GAFISUD and has offered technical assistance to Argentina to implement FATF recommendations. The relevant executive branch agencies in Brazil view FATF recommendations as a top priority. The government has created a working group, chaired by the Ministry of Justice, to incorporate these recommendations into proposed legislation and regulation, however, Congress had not acted by year's end.

Terrorist financing is not an autonomous offense in Brazil. Terrorist financing is, however, an established predicate offense for money laundering. A 2008 draft terrorist financing bill passed the Brazilian Senate and was awaiting approval by the lower chamber at year's end. The bill would facilitate greater law enforcement access to financial and banking records during investigations, criminalize illicit enrichment, allow administrative freezing of assets, and facilitate prosecutions of money laundering and terrorist financing cases.

Brazil monitored domestic financial operations and effectively used its financial intelligence unit, the Financial Activities Oversight Council (COAF), to identify possible funding sources for terrorist groups. Through COAF, which is a largely independent entity under the authority of the Finance Ministry (Fazenda), Brazil has carried out name checks for persons and entities on the UNSCR 1267 list, but it has so far not reported any assets, accounts, or property in the names of persons or entities on the UN lists. The Brazilian government has generally responded to U.S. efforts to identify and block terrorist-related funds.

In December, the United States designated Bilal Mohsen Wehbe, Hizballah's chief representative in South America, under Executive Order 13224. Wehbe has been involved in transferring funds collected in Brazil to Hizballah in Lebanon. COAF has reported that Wehbe's name was placed in their database for continued monitoring. COAF does not have the authority to unilaterally freeze assets without a court order. The FATF has recommended that COAF create a standard operating procedure for freezing funds, which COAF has prioritized for next year's actions.

**Regional and International Cooperation:** Brazil participated in regional counterterrorism fora, included the Union of South American Nations and Mercosur's working group on terrorism and the sub-working group on financial issues, the latter of which covers terrorist financing and money laundering among the Mercosur countries. Brazil signed the Beijing Convention on the Suppression of Unlawful Acts Relating to International Civil Aviation and the Beijing Protocol to the Convention for the Suppression of Unlawful Seizure of Aircraft at the conclusion of an International Civil Aviation Organization diplomatic conference in September.

## **CANADA**

**Overview:** Canada remained one of the United States' closest counterterrorism partners. Testifying before a Parliamentary committee on May 11, Canadian Security Intelligence Service (CSIS) Director Richard Fadden said, "confronting

the threat from al-Qa'ida, its affiliates, and its adherents" remained the "number one priority" of his organization. Canada continued to face threats to both Canadian interests abroad and domestically.

**Legislation and Law Enforcement:** The Canadian government introduced several counterterrorism-related bills in 2010, all of which were still under consideration at year's end:

- Bill C-17, Combating Terrorism Act, provides for investigative hearings and bail with conditions.
- 
- Bill C-42, Strengthening Aviation Security Act, provides legal authority for Canadian officials to share information with the United States for the purposes of the Secure Flight program.
- 
- Bill C-53, Fair and Efficient Criminal Trials Act, aims to improve criminal procedure to cut the number of long, drawn-out trials, according to the government.
- 
- Bill S-7, An Act to deter Terrorism and Amend the State Immunity Act, will allow terrorism victims to sue terrorists and terrorist entities for loss or damage suffered as a result of their acts. It will also allow victims of terrorism, in certain circumstances, to sue foreign states that have supported terrorist entities, which have committed such acts.
- 
- On October 26, the government reintroduced legislation (S-13) to implement the Framework Agreement on Integrated Cross-Border Maritime Law Enforcement Operations ("Shiprider") between the Canada and the United States. The agreement will allow the exchange of cross-designated officers (ship riders) to create seamless maritime law enforcement operations across the U.S.-Canadian maritime border.
- 
- On December 15, An Act to Amend the Criminal Code (Suicide Bombings) (S-215) became law. The bill clarifies that suicide bombings fall within the definition of "terrorist activity" in the Criminal Code.
- 

On June 16, Commissioner John Major delivered the final Report of the Commission of Inquiry into the Investigation of the 1095 Bombing of Air India Flight 182<sup>[1]</sup>. In its response to the report, the government said, "The Commission identified numerous mistakes that were committed around the time of the bombing, including as regards the treatment of the victims' families." The government pledged to "recognize these shortcomings and work consistently to prevent another such tragedy." The government introduced an action plan for implementing the recommendations of the Major Commission. The plan builds on legislative initiatives already in progress in Parliament.

On August 25 and 26, Royal Canadian Mounted Police (RCMP) officers arrested

three individuals in Ottawa in relation to an alleged terrorist plot. Federal prosecutors charged Misbahuddin Ahmed, Hiva Alizadeh, and Dr. Khurram Sher with conspiracy to knowingly facilitate a terrorist activity, probably in Canada. RCMP seized over 50 circuit boards that could be used for remote-controlled triggers for improvised explosive devices (IEDs) as well as schematics, videos, drawings, instructions, books and electrical components designed specifically for the construction of IEDs. Prosecutors laid further charges against Ahmed and Alizadeh for possessing an explosive substance with intent to harm, and Alizadeh faces a charge of providing property or financial services for the benefit of a terrorist group. In September, Ahmed was released pending trial and Alizadeh remained detained.

On August 30, a Federal Court judge granted Abousfian Abdelrazik, a Montreal man who was stranded in Sudan for six years, permission to continue his suit against the federal government and Foreign Affairs Minister Lawrence Cannon. In 2009, a federal court judge ruled the Canadian government violated Abdelrazik's rights by refusing to allow him to return home because of travel ban provisions relating to his listing at the UN's 1267 Committee. The government expressed disagreement with the ruling but did not appeal, bringing Abdelrazik back to Canada in June 2009.

Canadian prosecutors secured a number of convictions in terrorism cases in 2010:

- On May 14, Prapaharan Thambithurai, the first person convicted under Canada's anti-terrorism law for knowingly raising money to benefit a terrorist group, pled guilty in a Vancouver, BC court to raising money for the Liberation Tigers of Tamil Eelam. The judge imposed a six-month sentence on Thambithurai, who was arrested in 2008 and subsequently admitted to raising \$600 and collecting pledges for another \$2,000 from local Sri Lankans.
- 
- On December 7, an Ontario provincial judge sentenced Roger Clement, a retired federal civil servant, to three-and-a-half years in prison for firebombing an Ottawa bank.
- 
- On December 9, the Federal Court of Canada upheld an immigration security certificate against alleged al-Qa'ida terrorist Mohamed Harkat. Justice Simon Noel ruled that the government had reasonable grounds to believe that Harkat constituted a threat to national security and deemed him inadmissible under Canada's immigration law. Pending deportation, authorities may continue to monitor Harkat, who has claimed that he faces a risk of torture if deported to his native Algeria.
- 
- In a separate ruling, the federal court upheld the constitutionality of the revised security certificate process implemented in 2008. Two other security certificates remained in place against alleged terrorist suspects Mahmoud Jaballah and Mohamed Zeki Mahjoub.

- 
- In a separate ruling on December 17, the Ontario Court of Appeal dismissed the appeal of Piratheepan Nadarajah and Suresh Sriskandarajah regarding their extradition order to the United States to stand trial on charges of offering to purchase surface to air missiles and other weaponry in the United States for the Liberation Tigers of Tamil Eelam.
- 
- During 2010, of the 18 individuals originally charged in the 2006 Toronto 18 case, seven pled guilty, and courts found four others guilty. In December, the courts increased the severity of the sentences against two of the convicted adult Toronto 18 individuals to send a strong message about the gravity of the offences. (The Toronto 18 planned to bomb several Canadian targets, including Parliament Hill, RCMP headquarters, and nuclear power plants.)
- 

**Countering Terrorist Finance:** Canada is a member of the Financial Action Task Force (FATF) as well as the Asia/Pacific Group on Money Laundering (APG), and is a supporting nation of the Caribbean Financial Action Task Force (CFATF); both APG and CFATF are FATF-style regional bodies. Canada is also an observer in the Council of Europe's Select Committee of Experts on the Evaluation Of Anti-Money Laundering Measures (MONEYVAL).

The Government of Canada designated suspected terrorists and terrorist organizations on the UN 1267 Sanctions Committee's consolidated list. The Anti-Terrorism Act provides measures for the Government of Canada to create a list of entities. Listed entity's property can be the subject of seizure, forfeiture, or both. In addition, financial institutions such as banks and brokerages are subject to reporting requirements with respect to an entity's property and must not allow those entities to access the property nor may these institutions deal or otherwise dispose of the property. Canada recently completed a two-year review of the 42 entities on its domestic terrorist list and all 42 remained on the list. In 2010, Canada domestically listed al-Qa'ida in the Arabian Peninsula and al-Shabaab.

**Regional and International Cooperation:** Canada has been an important partner with the United States in the UN and other multilateral counterterrorism efforts. Canada and the United States cooperate bilaterally through the Cross Border Crime Forum sub-group on counterterrorism and the Bilateral Consultative Group on Counterterrorism.

**Countering Radicalization and Violent Extremism:** Canadian officials spoke out frequently on the need for all Canadians to remain engaged and vigilant in the fight against violent extremism in Canada. The government worked with non-governmental partners and concerned Canadian communities to deter violent extremism through preventative programming and community outreach. The RCMP's National Security Community Outreach program promoted interaction and relationship-building with communities at risk. The Cross-Cultural Roundtable on Security fostered dialogue on national security issues between the government and community leaders.

## CARIBBEAN BASIN

The political will of Caribbean nations to counter terrorism remained strong, despite limited resources and capabilities. Primary counterterrorism objectives for the Caribbean included: preventing terrorists or terrorist organizations from entering or transiting the Caribbean en route to other countries, particularly the United States; increasing countries' awareness of the potential threat from terrorists or terrorist organizations; preventing terrorists or terrorist organizations from operating or developing safe havens in the Caribbean; and increasing countries' capabilities to prevent terrorists from attacking targets of opportunity.

**Jamaica:** Jamaican-U.S. counterterrorism cooperation included the Container Security Initiative and law enforcement cooperation. Jamaica also worked closely with the immigration and security agencies of countries such as Canada and the United Kingdom, both of which have sizeable Jamaican émigré communities and serve as transit points for travelers to Jamaica from many world regions.

Jamaica is a member of the Caribbean Financial Action Task Force. Jamaica has supported implementation of UNSCRs 1267 and 1373.

Jamaica is a member of the regional organizations Caribbean Community (CARICOM) and the OAS. Within the OAS, Jamaica is an active member of the Inter-American Committee Against Terrorism. Jamaica also actively supports efforts to improve regional security through the Caribbean Basin Security Initiative. The CARICOM Council of Ministers of National Security meets regularly to discuss regional threats to security, including terrorism. Jamaica's Minister of National Security, Dwight Nelson, hosted the most recent such meeting on December 1, 2010 in Montego Bay.

**Trinidad and Tobago:** Trinidad and Tobago faced a number of challenges related to border control and limited law enforcement capacity. A small number of Trinidadians also have connections to radical elements outside the country. The Government of Trinidad and Tobago continued to partner with U.S. law enforcement authorities, making efforts to improve its ability to detect, deter, and investigate acts of terrorism.

The Government of Trinidad and Tobago has canceled the purchase of certain offshore patrol vessels described in prior reports and is now seeking to increase domestic security through improved radar and aerial capacity and more effective coastal patrols in an effort to counter transnational trafficking and bolster border security. Trinidad and Tobago participated in the Advanced Passenger Information System.

Although the mandate of Trinidad and Tobago's Financial Intelligence Unit (FIU), established in late 2009, covered terrorist finance, the FIU was not fully operational in 2010 because it lacked supervisory powers and thus did not

successfully pursue any terrorist finance cases. With respect to the most recent Caribbean Financial Action Task Force progress report on Trinidad and Tobago, the government was urged to take immediate action to implement adequate procedures to identify and freeze terrorist assets. Additionally, effective implementation of new measures dealing with both listing terrorists and their entities and freezing terrorist property was required. Another key recommendation was implementation of adequate procedures permitting the confiscation of funds derived from money laundering.

Trinidad is a member of CARICOM and the OAS Inter-American Committee Against Terrorism, and has received funds through the Caribbean Basin Security Initiative.

## CHILE

**Overview:** Chile's major legislative accomplishments this year included reforming the counterterrorism law in response to a hunger-strike by indigenous Mapuche activists protesting the application of the law in land dispute cases and passing a law increasing the penalty for financing terrorism. In August, Chile adopted a new security plan that increases border protection to counter drug and human trafficking, and a new requirement that businesses report suspicious financial transactions. Chile was not considered a major destination for international terrorist activity. Domestic anarchist groups engaged in several small-scale bomb attacks.

**2010 Terrorist Incidents:** Approximately 80 improvised explosive devices (IEDs) were detonated, deactivated, or found in 2010. Officials believed that these IEDs were tied to anarchist activity. The majority of the bombs were small and crudely built and most of the attacks in the first half of the year took place late at night and did not appear to be designed to kill or injure people. A slight change in modus operandi was seen from July to October, however, as anarchist bomb makers began placing IEDs in areas more likely to injure passersby during times of high traffic at both restaurants and near malls. These IEDs did not injure anyone as passersby saw and reported them, and they were consequently deactivated by the Chilean special police unit (GOPE). Since the arrest of 14 anarchist bomb makers in September and October, only one IED has been reported or found.

Chilean law enforcement agencies confronted sporadic low-level violence related to indigenous land disputes throughout the year. A group of indigenous Mapuches staged a demonstration against the Chilean state and staged a sit-in of the UN building. The demonstration was part of a larger protest, including a massive hunger strike, against the application of a counterterrorism law to prosecute some Mapuche activists. The Coordinadora Arauco Malleco (CAM), a group seeking recovery of former Mapuche indigenous lands, sometimes through radical means, claimed responsibility for several arson attacks during the year.

**Legislation and Law Enforcement:** On October 8, several significant changes to Chile's anti-terrorism law entered into effect; modifications to existing articles

included redefining what constitutes a terrorist act and regulating how the defense can cross-examine protected witnesses (whose identities are secret). The legislative changes were a direct result of a hunger strike by 32 Mapuche prisoners, the majority of whom were in pretrial detention, protesting their prosecution under the anti-terrorism law and the military justice system for charges relating to their protest over the disputed lands, which included destruction of property, attacks on farms, or confrontations with police.

On May 10, Pakistani citizen Mohammed Saif Ur Rehman Khan was detained after a security check at the U.S. Embassy revealed traces of explosive residue on his clothes and personal belongings. Chilean law enforcement officials investigated Khan for suspected terrorist activity and terrorist ties. On December 1, the Public Prosecutor's Office announced it was ending its investigation as it did not have sufficient evidence to bring the case to court.

Chilean authorities also detained Chilean citizen Manuel Francisco Olate Cespedes for suspected involvement with the Revolutionary Armed Forces of Colombia following an extradition request from the Colombian government. Olate faces several charges in Colombia, including terrorist financing, aiding and abetting a crime with terrorist ends, and administration of resources related to terrorist activities.

**Countering Terrorist Finance:** Chile has a large and well-developed banking and financial sector with an established anti-money laundering and counterterrorist financing regime. All banks, financial institutions, and companies involved in money transfers are required to report suspicious transactions. Chile is a member of the Financial Action Task Force (FATF) of South America (GAFISUD) and the Egmont Group of Financial Intelligence Units. Chile complied with UNSCRs 1267 and 1373 and supported efforts to freeze terrorist assets.

**Regional and International Cooperation:** Chile was actively involved in the UN, OAS, and APEC, and incorporated those groups' recommendations into its security strategy. Chile also collaborated on bilateral and sub-regional activities to prevent terrorism through the Southern Common Market (MERCOSUR), and participated on international initiatives such as the Global Initiative to Combat Nuclear Terrorism. Chile ratified the International Convention for Suppression of Acts of Nuclear Terrorism.

## COLOMBIA

**Overview:** The Colombian government continued its vigorous military, law enforcement, intelligence, and economic measures against the Revolutionary Armed Forces of Colombia (FARC), the National Liberation Army (ELN), and remaining elements of the demobilized United Self-Defense Forces of Colombia (AUC). Colombia continued to increase its international counterterrorism cooperation and training efforts. As of October 31, the Colombian government reported that more than 2,000 members of the FARC and ELN demobilized in

2010, more than 1,500 were captured, and more than 400 were killed in military or police operations.

**2010 Terrorist Incidents:** Despite its weakened state, the FARC still numbered approximately 8,000 members, and continued terrorist attacks, extortion, and kidnapping. The group increased its use of land mines, ambushes, snipers, and improvised explosive devices (IEDs). The FARC also used non-uniformed militia members to carry out terrorist attacks, especially in more populated areas. The FARC continued narcotics trafficking activities, bombed military and civilian targets in urban areas, and targeted rural outposts, police stations, infrastructure, and local political leaders. The Colombian government reported that 391 members of the military and police forces were killed in the first 10 months of 2010, while 1,681 were injured and another 211 were injured or killed by land mines. Some independent Colombian organizations reported higher 2010 public security force casualty figures.

Examples of 2010 terrorist activity attributed to the FARC included:

- On February 13, the FARC ambushed gubernatorial candidate Jose Alberto Perez near San Jose de Guaviare, injuring him and killing four police officers.
- 
- On March 24, the FARC detonated a powerful car bomb on a crowded street in downtown Buenaventura, Valle del Cauca Province, next to the offices of the prosecutor general and the mayor. Ten were killed in the attack, and more than 50 were wounded.
- 
- On March 25, the FARC convinced an unsuspecting 12-year-old to carry an explosive device to a police station in Charco, Nariño Province. The FARC detonated the bomb, killing the child and wounding five others, including two police officers.
- 
- On August 12, the FARC detonated a powerful car bomb in north Bogota in front of the Caracol Media Building, injuring nine civilians and causing significant property damage.
- 
- On September 1, a sophisticated FARC roadside IED attack and ambush killed 14 Colombian National Police officers and wounded nine others unit near Doncello, Caqueta Province.
- 
- On November 30, the FARC tricked a bus driver into carrying a powerful bomb in Vegalarra, Huila, and detonated the explosive while it was parked in front of a police station, killing the driver, and wounding 10 police officers and a civilian.
- 

The ELN remained active with approximately 1,250 fighters, but with diminished resources and a reduced capability. Still, the ELN continued to inflict numerous casualties on the Colombian military through use of land mines and ambushes. The

ELN financed its operations through drug trafficking, kidnapping, and extortion. Reaffirming their pact of non-aggression announced in December 2009, there was some increase in the FARC and ELN level of cooperation against Colombian security forces in 2010, but long-existing rivalries remained in many areas.

**Legislation and Law Enforcement:** The Colombian government continued vigorous military, law enforcement, intelligence, and economic measures against the FARC, ELN, and remaining elements of the demobilized AUC. Extradition to the United States remained an important tool for bringing drug traffickers and terrorists to justice. Colombia extradited 148 defendants to the United States in 2010 for prosecution, and 1,200 have been extradited since July 4, 1991; most were Colombian nationals. The Colombian government sought to extend the legislation allowing for individual demobilizations from these terrorist groups, and proposed legislation to address legal issues associated with the earlier demobilization of approximately 17,000 of the over 32,000 demobilized members of the AUC.

On September 23, the Colombian government announced that FARC Secretariat member and Eastern Bloc commander Victor Julio Suarez Rojas (alias “Mono Jojoy”) was killed in a joint police and military operation. Mono Jojoy had more than a dozen convictions and 60 orders for capture for terrorism, murder, drug trafficking, kidnapping, and forcible recruitment of minors. He had also been indicted for the March 1999 killing of three U.S. citizens (Ingrid Washinawatch, Kah’ena’e Gay, and Terence Freitas). On June 13, Colombian forces rescued three Colombian police and one Army hostage who had been held captive by the FARC for nearly 12 years. Although the FARC’s supreme commander, Guillermo León Sáenz (alias “Alfonso Cano”), evaded capture, Colombian security forces also captured or killed a number of mid-level FARC leaders during the year.

Public forces continued to debrief terrorist group deserters for detailed information on their respective units, and reduced the amount of territory where terrorists could freely operate. The Colombian military and police destroyed caches of weapons and supplies, and reduced the groups’ financial resources through counternarcotics operations.

Colombia participated in the Megaports and Container Security Initiatives.

**Countering Terrorist Finance:** Colombia cooperated with the United States to block terrorists’ assets, and Colombian authorities and police carried out several operations during the year to arrest and charge financial support networks of the FARC. Aerial and manual eradication of illicit drugs in Colombia destroyed approximately 143,000 hectares of illegal drug crops as of December 3, thus depriving terrorist groups of potentially huge profits. All Colombian financial institutions immediately close drug trafficking and terrorism-related accounts on Colombian government orders or in response to sanctions designations by the United States. The Colombian financial sector is proactive in the filing of Suspicious Activity Reports (SARs) with the Colombian Financial Intelligence

Unit (UIAF), and the Colombian government has now extended its SAR requirements to casinos, public notaries, and other non-financial sectors.

The United States carried out two major designation actions against over 100 financial targets associated with narcotics traffickers and money launderers tied to the FARC pursuant to the Foreign Narcotics Kingpin Designation Act. Both actions were tied to ongoing Colombian money laundering investigations of the same targets. In June, UIAF hosted the annual Egmont plenary for more than 100 member financial intelligence units worldwide in Cartagena, Colombia, which recognized Colombia's global role and regional leadership in efforts to investigate and analyze money laundering and terrorist financing cases.

**Regional and International Cooperation:** The Colombian government expanded its role as a regional leader in counterterrorism, continued to seek enhanced regional counterterrorism cooperation to eliminate terrorist safe havens in vulnerable border areas, and provided counterterrorism training to officials from partner countries across the region. Colombia and Mexico significantly increased joint training and operations against narco-terrorist organizations operating in both countries. Colombia enjoyed positive relations with and cooperated on border security with Panama, Peru, and Brazil.

Colombia and Ecuador formally restored diplomatic relations in December, which Ecuador had broken in March 2008 following a Colombian military attack against a FARC camp inside Ecuadorean territory. Relations with Venezuela deteriorated in the first half of 2010, with Colombia publicly accusing the Venezuelan Government of harboring and aiding top FARC and ELN leaders in its territory. Relations with Venezuela were restored, however, after Colombian President Juan Manuel Santos took office in August. In November, the Venezuelan government extradited one FARC and two ELN members to Colombia.

**Countering Radicalization and Violent Extremism:** The Colombian government maintained strategic communications aimed at countering terrorist propaganda and sought to increase individual demobilizations. The government proposed potentially transformative legislative agenda on victims and land restitution, and began implementing an initial plan to return and formalize land for 130,000 families.

The Colombian government continued to process and investigate demobilized AUC members under the Justice and Peace Law (JPL), which offers judicial benefits and reduced prison sentences for qualifying demobilizing terrorists. The law requires all participants to confess fully to their crimes as members of a terrorist group and to return all illicit profits. More than 32,000 rank-and-file ex-AUC members who did not commit serious crimes have demobilized, and many were receiving benefits through the government's reintegration program, including psychosocial attention, education, healthcare, and career development opportunities. Three senior leaders of the AUC have been convicted and sentenced to eight years in prison under the JPL process. Over 160,000 victims have

registered under JPL, although Colombian government efforts to create measures to provide reparations to victims stalled. Some former paramilitaries continued to engage in criminal activities after demobilization, mostly in drug trafficking. The Colombian government refers to these criminal groups as criminal bands, and estimated their membership at more than 3,500, while non-governmental organizations estimate membership at 6,000 or more.

## **ECUADOR**

**Overview:** Ecuador's greatest counterterrorism and security challenge remained the presence of Colombian narcotics and criminal and terrorist groups in the extremely difficult terrain along its porous 450-mile border with Colombia. Ecuador continued its response to this threat, although it faced resource constraints and limited capabilities. The Correa Administration, while still maintaining that the Colombian conflict was mainly Colombia's responsibility, repeated its opposition to encroachments by armed groups across its borders and increased its military presence in the north to discourage incursions by these groups. Ecuador's security forces continued operations against Revolutionary Armed Forces of Colombia (FARC) training and logistical resupply camps along the northern border.

**2010 Terrorist Incidents:** On November 22, an undetonated bomb was found in the office of the rector at the University of Guayaquil. The Popular Combatants Group (PCG), which had been dormant for the last few years, claimed responsibility for the bomb. The PCG said that it had placed the device in support of the leftist student movement University Students of Daniel Cuellar to influence the upcoming elections for the national Federation of University Students of Ecuador. The Daniel Cuellar movement disavowed the action and said it had no ties with the PCG. Other fragments of the PCG claimed the device was placed by "rightist" police forces to discredit the organization.

**Legislation and Law Enforcement:** Until September 7, 2010, Ecuadorean immigration officials allowed almost all travelers to enter the country for 90 days without a visa, including travelers from countries of concern for terrorism, drug smuggling, and illegal immigration, based on a visa-free travel policy enacted in June 2008. On September 7, the Ministry of Foreign Affairs revised this policy to require that citizens from nine countries – Afghanistan, Bangladesh, Eritrea, Ethiopia, Kenya, Nepal, Nigeria, Pakistan, and Somalia – obtain visas prior to entering the country. Active smuggling rings in Ecuador that focused on moving aliens continued to raise concerns about the transit of individuals with terrorism connections.

Ecuador's judicial institutions remained weak, susceptible to corruption, and heavily backlogged with pending cases. While the military and police made numerous arrests, the judicial system had a poor record of achieving convictions in all types of criminal cases.

**Countering Terrorist Finance:** Ecuador is a member of the Financial Action

Task Force (FATF) of South America (GAFISUD). In February, the Financial Action Task Force (FATF) included Ecuador on the list of countries that pose a high-risk to the international financial system due to strategic anti-money laundering and counterterrorism finance deficiencies. Following Ecuador's demonstration of a high level political commitment to work with FATF and GAFISUD to address these deficiencies in June, FATF moved Ecuador to the ongoing review list of countries that have developed a FATF action plan. On November 5, Ecuador's National Assembly voted to approve a bill reforming the existing anti-money laundering (AML) law. Ecuador's new AML law is the "Law of Prevention, Detection, and Eradication of the Crime of Money Laundering and the Financing of Crimes." The bill added an article to the Penal Code criminalizing the financing of any of the acts listed in the Penal Code's section under "Crimes of Sabotage and Terrorism." Ecuador is not yet a member of the Egmont Group of Financial Intelligence units, as terrorist finance legislation is a requirement for Egmont membership.

The Ecuadorean government sought to strengthen controls over money laundering through the Financial Intelligence Unit, established under a 2005 Money Laundering Law and further strengthened in the AML passed in November. This unit, which under the new law is now called the Financial Analysis Unit, continued to improve cooperation with the Anti-Narcotics Police Directorate's Financial Crimes Unit, the Superintendent of Banks, the Attorney General, the courts, and the private banker association to identify suspicious transactions and develop information for the prosecution of cases.

**Regional and International Cooperation:** Ecuador restored diplomatic relations with Colombia in December 2010, which it had broken in March 2008 following a Colombian military attack against a FARC camp inside Ecuadorean territory. Restoration of these ties permitted closer security and political cooperation on northern border issues.

**Countering Radicalization and Violent Extremism:** The Government of Ecuador is working to improve access to government services and economic development in the northern border region to reduce the incentive to work with or for illegal armed groups.

## **MEXICO**

**Overview:** The Mexican government remained vigilant against domestic and international terrorist threats and continued its efforts to disrupt and dismantle the transnational criminal organizations responsible for unprecedented drug-trafficking-related violence. It worked with its neighbors to increase control of its northern and southern borders. No known international terrorist organization had an operational presence in Mexico and no terrorist group targeted U.S. interests and personnel in or from Mexican territory. There was no evidence of ties between Mexican criminal organizations and terrorist groups, nor that the criminal organizations had aims of political or territorial control, aside from seeking to

protect and expand the impunity with which they conduct their criminal activity.

**2010 Terrorist Incidents:** The Animal Liberation Front claimed responsibility for using propane and gasoline-based bombs to cause property damage at banks and commercial sites in Mexico City. Police arrested several alleged members. The People's Revolutionary Army (EPR), which has resorted to violence in the past, threatened to reemploy violent measures to force a response to its demands for a government investigation into the disappearance of two of its members.

**Legislation and Law Enforcement:** Mexican security forces improved their operational effectiveness, information sharing, and interagency coordination as part of a government-wide campaign to combat organized crime, reduce violence, and prevent terrorism. As part of this effort, the United States supported the Mexican government's efforts by providing training to Mexican federal law enforcement and security agencies, and promoting interagency law enforcement cooperation at the federal and state levels. President Calderon proposed legislation to clarify national security roles and responsibilities, streamline control of non-federal police forces, and prevent money laundering and terrorist financing. Although these efforts were primarily aimed at organized crime groups, they also supported government preparedness against domestic or international terrorism. The Mexican government has nearly doubled spending on public and national security over the past four years.

The United States and Mexico worked closely to address border security challenges along Mexico's southern and northern borders. U.S. Homeland Security Secretary Napolitano signed arrangements with Mexican Interior and Public Security departments to share information about transnational threats; promote law enforcement information and intelligence sharing; produce joint strategic plans; deploy enhanced airport screening technologies; and strengthen passenger information sharing. On the U.S.-Mexico border, officials increased coordination of patrols and inspections and improved communications across the border. U.S. and Mexican officials also improved cooperation on investigations of aliens who may raise terrorism concerns. Mexico implemented biometric controls and other measures to reduce smuggling on its border with Guatemala and Belize.

**Countering Terrorist Finance:** There was no indication that terrorist organizations used Mexico as a conduit for illicit activities. Nevertheless, Mexico's limited capacity to counter money laundering suggested a potential vulnerability. In order to counter the illegal movement of funds, Mexican financial institutions are required to follow international standards advocated by the Financial Action Task Force, of which Mexico holds the 2010-2011 presidency. Furthermore, Mexican financial institutions are required to follow the Law of Credit Institutions, as ordered by the Mexican Treasury and supervised by the National Bank and Securities Commission. This law requires banks to consult international and country lists of individuals involved in terrorism or other illicit activities and submit a suspicious activities report within 24 hours to the Mexican Department of Treasury's Financial Intelligence Unit on the activities of any individual on that

list.

**Regional and International Cooperation:** As 2009-2010 chair of the Inter-American Committee Against Terrorism, Mexico worked to strengthen the capacities of OAS member countries to prevent terrorism by promoting consultation and by strengthening border controls. Mexico signed the Beijing Convention on the Suppression of Unlawful Acts Relating to International Civil Aviation and the Beijing Protocol to the Convention for the Suppression of Unlawful Seizure of Aircraft at the conclusion of an International Civil Aviation Organization diplomatic conference in September.

## PANAMA

**Overview:** The most direct counterterrorism challenge facing Panama is a unit of the Revolutionary Armed Forces of Colombia (FARC), which used the remote Darien Region as a safe haven. The safety of the Panama Canal continued to benefit from the Government of Panama's solid stewardship and support of the annual PANAMAX exercise, a multinational security training exercise tailored to the defense of the canal, perhaps the region's most important infrastructure component.

**Legislation and Law Enforcement:** The Government of Panama's determination to exercise its sovereignty in the Darien through more aggressive patrolling by security forces has increasingly brought FARC combatants in direct contact with Panamanian forces. In January, three FARC members were killed and two were captured during a confrontation with Panamanian border police in the Darien, and in June two border police were injured by improvised explosive devices (IEDs), presumably placed by the FARC. Eight local Panamanians were subsequently arrested for collaborating with the FARC. In October, the Colombian military bombed a FARC camp near the Panamanian border, killing one mid-level commander and several other members. Finally, in December, Panama brought to trial three presumed members of the FARC 57th front captured after a February 2008 confrontation with border police in the Darien; the trial is one of the first held in Panama specifically on terrorism charges.

The United States and Panama continued to plan for incidents that could potentially shut down transit through the Panama Canal. In September, Panama co-hosted the annual PANAMAX exercise, a multinational security training exercise initiated in 2003 that focuses on the security of the canal. The exercise replicates real world threats and includes specific exercises designed to counter terrorist attacks. Several U.S. government agencies participated in the exercise.

In November, U.S. Department of Homeland Security Secretary Napolitano signed a memorandum of understanding with Panama to collect and interpret Advance Passenger Information System (APIS) data to target potentially dangerous and criminal passengers on all flights in and out of Panama, complementing data already being shared between Panama and the United States.

Panama continued its participation in the Container Security Initiative at Balboa and Manzanillo, and the Evergreen Colon Container Terminal. The U.S. Southern Command (SOUTHCOM) sponsored Combating Terrorism Fellowship Program (CTFP) has supplemented instructional training and professional development with Mobile Training Teams and conferences.

**Countering Terrorist Finance:** The factors that have contributed to Panama's growth and financial sophistication— the large number of offshore banks and shell companies, the presence of the world's second-largest free trade zone, the growth in ports and maritime industries, and the use of the U.S. dollar as the official currency – also provided the infrastructure for significant money laundering activity. While Panama has taken extensive measures to counter money laundering in the banking system, the Colon Free Trade Zone's significant revenue turnover and cash-intensive transactions left the area vulnerable to money laundering and terrorist financing. In October, Panama passed Law 67, which among other actions now requires the declaration of cash or merchandise valued at \$10,000 or over when leaving the country, consistent with FATF Special Recommendation IX. The Government of Panama cooperated fully in reviewing terrorist finance lists.

**Regional and International Cooperation:** Panama hosted a September meeting on terrorism legislation sponsored by the UN Office of Drugs and Crime, and participated actively in meetings sponsored by the OAS/Inter-American Committee Against Terrorism and the FATF. In October, Panama attended a regional demobilization conference in Bogota sponsored by Ameripol, an association of Latin American police forces. Panama signed the Beijing Convention on the Suppression of Unlawful Acts Relating to International Civil Aviation and the Beijing Protocol to the Convention for the Suppression of Unlawful Seizure of Aircraft shortly after the conclusion of an International Civil Aviation Organization diplomatic conference in September.

## **PARAGUAY**

**Overview:** Increased activity by an internal insurgent group and the resulting public demands for action brought terrorism to the policy forefront. President Fernando Lugo responded to threats by mobilizing the military in April and passing terrorism legislation in June. Though Paraguay enhanced its counterterrorism efforts, it remained hampered by ineffective immigration, customs, and law enforcement controls along its porous borders, particularly the Tri-Border Area (TBA) with Argentina and Brazil. The June arrest of alleged Hizballah financier Moussa Ali Hamdan in Ciudad del Este, Paraguay, demonstrated the area's permissive environment for terrorist financing activity. Limited resources, sporadic interagency cooperation, and corruption within customs, the police, the public ministry, and the judicial sector, impeded the government's law enforcement initiatives throughout the country.

Since 2008, the leftist Paraguayan People's Army (EPP) has been active in the

northern departments of Paraguay, abutting the Brazilian border. Membership statistics for the EPP are difficult to establish, but it is believed to be a small, decentralized group operating mainly in Concepcion Department. The Paraguayan government classified the EPP as an internal terrorist organization based on several kidnappings and multiple shootouts with the police and military. The EPP claimed responsibility for a 2009 explosion and a December 2010 bomb threat, both at the Palace of Justice, though neither claim was verified.

**Legislation and Law Enforcement:** On June 23, President Fernando Lugo signed a new terrorism bill into law that defines and criminalizes terrorist activities and aids governmental counterterrorism efforts, particularly in relation to terrorism financing, when paired with Paraguay's 2009 anti-money laundering law. The law established sentencing guidelines from five to 30 years for terrorism-based crimes.

In May, five U.S. Border Patrol and Customs and Border Protection (CBP) Officers conducted an assessment of Paraguay's porous eastern border with Brazil and Argentina. Based on its assessment, the CBP and Border Patrol conducted a three-week training session in September to assist Paraguayan Customs Officials and Police in better confronting smuggling and related crimes in areas known as sources of terrorist financing.

**Countering Terrorist Finance:** The new counterterrorism law includes a terrorist financing provision stipulating prison sentences of five to 15 years for financial assistance, interaction, or connection with terrorist organizations and/or individuals. Paired with 2009's anti-money laundering law, the new legislation provides Paraguay's Secretariat for the Prevention of Money Laundering (SEPRELAD) better tracking, reporting, and enforcement powers.

Paraguay is a member of the Financial Action Task Force (FATF) against Money Laundering in South America (GAFISUD). Paraguay assumed GAFISUD's rotating Presidency in December 2010. As a member of the Egmont Group, SEPRELAD exchanges information with other members of the Egmont Group, including the United States.

Paraguayan law does not provide for freezing or seizure of many criminally derived assets. Authorities can only freeze assets of persons under investigation for a crime in which the state risks loss of revenue from furtherance of a criminal act, such as tax evasion. In December, SEPRELAD's Minister submitted a draft bill to the Presidency that requests SEPRELAD be given administrative power to freeze suspected money laundering and terrorism-related assets.

**Regional and International Cooperation:** In March, Paraguay signed an agreement with Colombia to fight terrorism and organized crime. Paraguay's strongest regional partner in counterterrorism and law enforcement activities was Brazil. In October, Brazilian and Paraguayan ministers met in Asuncion and announced a plan to coordinate activities along the border to counter arms and narcotics trafficking, though no agreement has been signed.

Paraguay signed the Beijing Convention on the Suppression of Unlawful Acts Relating to International Civil Aviation and the Beijing Protocol to the Convention for the Suppression of Unlawful Seizure of Aircraft at the conclusion of an International Civil Aviation Organization diplomatic conference in September.

## **PERU**

**Overview:** Peru's primary counterterrorism concern remained Sendero Luminoso (Shining Path or SL), a U.S.-designated Foreign Terrorist Organization that wreaked havoc on the country in the 1980s and 1990s in a conflict that claimed more than 69,000 lives. SL elements in the Upper Huallaga River Valley (UHV) sought to regroup and replenish their ranks following significant setbacks in recent years. Separately, the rival SL faction in the Apurimac and Ene River Valley (VRAE) maintained its influence in that area. Implementation of the government's Plan VRAE, which in its security component called for 2,000 troops and 19 counterterrorism bases under a central command, was still evolving in 2010. Plans for new health, education, and infrastructure investment in these isolated communities were not fully implemented, but authorities made some improvements to roadways and rural electrification.

Although Peru nearly eliminated SL in the 1990s, the organization, now entwined with narcotics trafficking, remained a threat. Because of the nature of the threat and SL's close ties to narcotics trafficking, counterterrorism efforts are often, but not always, intrinsically tied to counter-narcotics; some analysts refer to SL as "narco-terrorists." In 2010, the U.S. State Department added the leaders of both SL factions to its Narcotics Rewards Program, and offered up to US\$5 million each for information leading to the arrest and/or conviction of Florindo Eleuterio Flores-Hala (aka "Artemio," of the UHV) and Victor Quispe Palomino (aka "Jose," of the VRAE).

SL forcibly recruited young children. Digital cameras found at an SL camp in the VRAE raided by Peruvian authorities in October contained numerous photos of about 50 children of ages 5 to 16, many of them carrying automatic weapons or reading Maoist literature. The children apparently formed part of a group led by "Alipio," a high ranking leader known for leading some of the bloodiest ambushes in the VRAE. Some of the children were thought to have been kidnapped from local towns or indigenous communities, while others may be the children of SL members.

The Revolutionary Armed Forces of Colombia (FARC) continued to use remote areas along the Colombian-Peruvian border to regroup and make arms purchases. Peruvian government experts believed the FARC continued to fund coca cultivation and cocaine production among the Peruvian population in border areas.

**2010 Terrorist Incidents:** The two factions of the SL (UHV and VRAE) together carried out 136 terrorist acts that killed police and civilians (mostly individuals

perceived by SL in the UHV as police informants or collaborators), and members of the military in 2010. The Peruvian Army's 2008 offensive in the Vizcatan region, called "Operation Excellence 777," continued haltingly, with the military maintaining a number of small provisional bases in the area. Confrontations generally consisted of SL members attacking Peruvian patrols or incoming supply helicopters, but in several cases SL attacked a military base.

**Legislation and Law Enforcement:** Government efforts to improve interagency cooperation, especially in intelligence, and to strengthen prosecutorial capacity were somewhat successful. Police units specializing in counterterrorism and counternarcotics conducted some joint operations with the Peruvian Army in the UHV, where police captured two high-ranking SL terrorists. Peru has counterterrorism legislation and applied it consistently to arrest and convict terrorists. No new counterterrorism legislation was passed in 2010, and there was no movement on President Garcia's 2006 proposal calling for the death penalty for those convicted of acts of terrorism.

Police detained over 121 suspected terrorists during the year, including Edgar Mejia Ascencio (aka "Izula"), believed to be the UHV faction's number two leader, and later Mario Antonio Sifuentes Sandoval (aka "Sergio), who had succeeded Mejia as number two. In November, police arrested 43 people during a raid in the UHV as part of its "Operation Eclipse." The detainees, several of whom were prominent coca farmer leaders and local elected officials, faced drug trafficking, terrorism, falsification of documents, homicide, money laundering, and other charges. Some of the detainees had been filmed meeting with Artemio in April, demonstrating an alliance between coca growers and SL.

Authorities also killed five SL members in clashes with SL columns, including Victor Raul Vasquez Santa Cruz (aka "Ruben"), who was reputed to have assassinated political leaders in the UHV and to be in Artemio's inner circle. SL founder and leader Abimael Guzman and key accomplices remained in prison serving life sentences on charges stemming from crimes committed during the 1980s and 1990s. Many others have been released in recent years, having completed their sentences or been released on parole for good behavior.

Peruvian authorities installed body scanners for drug detection at the border crossings with Chile and two international airports. Authorities collected no biometrics information, and citizens of neighboring countries were allowed to travel to Peru by land using national identification cards alone. There is no visa requirement for citizens of most countries in Western, Central, and Eastern Europe.

**Countering Terrorist Finance:** Peru is a member of the Financial Action Task Force (FATF) Against Money Laundering in South America (GAFISUD), which held its XXI Plenary Session in Lima in July. Peru's Superintendent of Banks served as Chair of GAFISUD during 2010. Peru was ranked as 'partially compliant' in the GAFISUD 3rd Evaluation Report (2008) on the Ratification and Implementation of UN Instruments and the Special Recommendation Freezing and

Confiscating Terrorist Assets. As a result, the Superintendent of Banking issued a resolution in September establishing guidelines for financial and insurance entities to implement the UN resolutions to prevent and suppress the financing of terrorism.

**Regional and International Cooperation:** Peru is an active member of the OAS, the Union of South American Nations, and the Andean Community. On October 21, senior military commanders from Colombia, Peru, and Brazil met in Leticia, Colombia to discuss joint actions, including aircraft monitoring against drug trafficking and guerrillas along their common tri-border area in the Amazon jungle. Previously, the countries had conducted bilateral operations; this will mark the first tripartite effort to address drug trafficking and terrorism.

**Countering Radicalization and Violent Extremism:** While the Government of Peru does not have a systematic program to counter radicalization and violent extremism, aspects of Plan VRAE (improvements in education, infrastructure, health, and security) are designed to increase the state's presence and improve governance. The official position of the National Penitentiary Institute is that prison is meant to rehabilitate and reintegrate prisoners, especially terrorists, and therefore a psychological assessment that indicates such change has taken place is required before a terrorist can be granted parole. This benefit is also meant to encourage prisoners to change, rather than to continue in conflict with the state. Many observers have expressed concern that convicted terrorists are not, in fact, rehabilitated, and many return to SL after they complete sentences and are released. Comrade "Sergio," for example, completed a 12-year prison sentence for terrorism charges in 2004, and promptly returned to SL to become Artemio's number two leader in 2010 before being re-arrested in December.

## VENEZUELA

**Overview:** In May 2010, for the fifth consecutive year, the U.S. Department of State determined that Venezuela was not cooperating fully with U.S. antiterrorism efforts pursuant to section 40A of the Arms Export Control Act. Throughout the year, President Chavez rejected allegations that he or his government supported terrorism and instead accused the United States of sponsoring terrorism. Several times during the year, the Colombian government publicly accused the Venezuelan government of harboring members of the Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army (ELN) on its territory. It alleged that these groups used Venezuelan territory to rest and regroup, engage in narcotics trafficking, and extort protection money and kidnap Venezuelans to finance their operations. In a July 22 special session of OAS Permanent Council, the Colombian Permanent Representative presented alleged evidence of FARC training camps in Venezuela and proposed an international verification commission to investigate the presence of FARC and ELN members in Venezuela.

In response to these charges, the Venezuelan government broke diplomatic relations with Colombia, and on July 25, President Chavez denied that "a foreign

paramilitary or military guerrilla force has taken over even the smallest millimeter squared of our sovereign territory." On August 10, newly-inaugurated Colombian President Juan Manuel Santos and President Chavez met in Santa Marta, Colombia, and announced the restoration of diplomatic relations, including the establishment of a bilateral commission with five working groups, including one on security. Since then, there have been ministerial-level meetings to discuss bilateral security issues.

During the year, the Spanish government asked Venezuela for information regarding allegations that it was providing support to Basque Fatherland and Liberty (ETA). Although President Chavez initially said that Venezuela "has nothing to explain," the two governments later issued a statement that "condemned terrorism in all its forms" and promised police and judicial cooperation. There was no information publicly available about the results of that cooperation.

In October, the Spanish government requested the extradition of Arturo Cubillas Fontan, a naturalized Venezuelan citizen and employee of the Venezuelan National Land Institute, on several charges, including murder, in connection with an ongoing investigation in Spain about ETA-FARC links in Venezuela. Two former ETA members accused Cubillas in a Spanish court of having given training to ETA members in weapons and explosives in an undisclosed training camp in Venezuela in 2008. President Chavez "dismissed and denied" the accusations on October 4, 2010, which he claimed were the result of a "permanent international conspiracy" against his "Bolivarian revolution." The Venezuelan prosecutor general said the constitution prohibited the extradition of Venezuelan nationals.

The Venezuelan government took no action against government and military officials linked to the FARC or ELN. General Hugo Armando Carvajal Barrios, who was designated by the United States in September 2008 for materially assisting the narcotics trafficking activities of the FARC, remained Director of the Military Intelligence Directorate. In November, President Chavez promoted another official also designated by the United States in 2008 for materially assisting the FARC, Henry Rangel Silva, Chief of the Armed Force's Strategic Operation Command, to the four-star equivalent General in Chief. The prosecutor general also awarded Rangel Silva with a Citizen's Merit Medal for his "service in defense of the interests of the country and the constitution."

President Chavez has continued to strengthen Venezuela's relationship with state sponsor of terrorism Iran. In October 2010, President Chavez met President Ahmadinejad during a two-day visit to Iran. During the visit, Chavez condemned international sanctions against Iran over its nuclear program and signed cooperation agreements in areas including oil and gas, trade, and construction.

We remain concerned about Hizballah's fundraising activities in Venezuela.

**Legislation and Law Enforcement:** The Government of Venezuela took the following actions in connection with individuals allegedly connected to terrorist

organizations:

- In July, Venezuelan officials arrested and extradited the Salvadoran Francisco Chavez Abarca in connection with the bombings of Cuban hotels in 1997.
- 
- On November 17, the Venezuelan government extradited to Colombia two suspected members of the ELN and one of the FARC.
- 

**Countering Terrorist Finance:** Venezuela is a member of the Caribbean Financial Action Task Force (CFATF) and its Financial Intelligence Unit is a member of the Egmont Group; it also participates in the Money Laundering Experts Working Group of the OAS Inter-American Commission on Drug Abuse Control. In March, Venezuela hosted a five-day CFATF training workshop on "The Legal Framework against Money Laundering."

**Regional and International Cooperation:** As a member of the Union of South American Nations, Venezuela publicly condemned the terrorist action of those behind the August 12 car bomb attack in Bogota, Colombia.

[1] Air India Flight 182 was an Air India flight operating on the Montréal-London-Delhi route. On June 23, 1985, it was blown up by a bomb while in Irish airspace and crashed into the Atlantic Ocean, killing 329 people, including 280 Canadian citizens, mostly of Indian birth or descent, and 22 Indians. The incident was the largest mass murder in modern Canadian history and the deadliest act of air terrorism before 9/11.

# Chapter 3: State Sponsors of Terrorism

Saturday, August 20, 2011  
11:21 AM

## Chapter 3: State Sponsors of Terrorism

Office of the Coordinator for Counterterrorism  
Country Reports on Terrorism 2010  
August 18, 2011

In order to designate a country as a State Sponsor of Terrorism, the Secretary of State must determine that the government of such country has repeatedly provided support for acts of international terrorism. Once a country has been designated, it continues to be a State Sponsor of Terrorism until the designation is rescinded in accordance with statutory criteria. A wide range of sanctions are imposed as a result of a State Sponsor of Terrorism designation, including:

1. A ban on arms-related exports and sales.
2. Controls over exports of dual-use items, requiring 30-day Congressional notification for goods or services that could significantly enhance the terrorist-list country's military capability or ability to support terrorism.
3. Prohibitions on economic assistance.
4. Imposition of miscellaneous financial and other restrictions.

More information on State Sponsor of Terrorism designations may be found online at <http://www.state.gov/s/ct/c14151.htm>.

## CUBA

Overview: Designated as a State Sponsor of Terrorism in 1982, the Government of Cuba maintained a public stance against terrorism and terrorist financing in 2010, but there was no evidence that it had severed ties with elements from the Revolutionary Armed Forces of Colombia (FARC) and recent media reports indicate some current and former members of the Basque Fatherland and Liberty (ETA) continue to reside in Cuba. Available information suggested that the Cuban government maintained limited contact with FARC members, but there was no evidence of direct financial or ongoing material support. In March, the Cuban government allowed Spanish Police to travel to Cuba to confirm the presence of suspected ETA members.

Cuba continued to denounce U.S. counterterrorism efforts throughout the world, portraying them as a pretext to extend U.S. influence and power.

Cuba has been used as a transit point by third-country nationals looking to enter illegally into the United States. The Government of Cuba is aware of the border

integrity and transnational security concerns posed by such transit and investigated third country migrant smuggling and related criminal activities. In November, the government allowed representatives of the Transportation Security Administration to conduct a series of airport security visits throughout the island.

**Legislation and Law Enforcement:** Cuba did not pass new counterterrorism legislation in 2010. The Cuban government continued to aggressively pursue persons suspected of terrorist acts in Cuba. In July, Venezuela extradited Salvadoran national Francisco Antonio Chavez Abarca to Cuba for his alleged role in a number of hotel and tourist location bombings in the mid to late 1990s. In December, a Cuban court convicted Chavez Abarca on terrorism charges and sentenced him to 30 years in prison. Also in December, the Cuban Supreme Court commuted the death sentences of two Salvadorans, René Cruz León and Otto René Rodríguez Llerena, who had been convicted of terrorism, and sentenced them both to 30 years.

**Regional and International Cooperation:** Cuba did not sponsor counterterrorism initiatives or participate in regional or global operations against terrorists in 2010.

## IRAN

**Overview:** Designated as a State Sponsor of Terrorism in 1984, Iran remained the most active state sponsor of terrorism in 2010. Iran's financial, material, and logistic support for terrorist and militant groups throughout the Middle East and Central Asia had a direct impact on international efforts to promote peace, threatened economic stability in the Gulf, and undermined the growth of democracy.

In 2010, Iran remained the principal supporter of groups implacably opposed to the Middle East Peace Process. The Qods Force, the external operations branch of the Islamic Revolutionary Guard Corps (IRGC), is the regime's primary mechanism for cultivating and supporting terrorists abroad. Iran provided weapons, training, and funding to Hamas and other Palestinian terrorist groups, including the Palestine Islamic Jihad (PIJ) and the Popular Front for the Liberation of Palestine-General Command (PFLP-GC). Since the end of the 2006 Israeli-Hizballah conflict, Iran has assisted Hizballah in rearming, in direct violation of UN Security Council Resolution 1701. Iran has provided hundreds of millions of dollars in support of Hizballah in Lebanon and has trained thousands of Hizballah fighters at camps in Iran.

Iran's Qods Force provided training to the Taliban in Afghanistan on small unit tactics, small arms, explosives, and indirect fire weapons, such as mortars, artillery, and rockets. Since at least 2006, Iran has arranged arms shipments to select Taliban members, including small arms and associated ammunition, rocket propelled grenades, mortar rounds, 107mm rockets, and plastic explosives. Iran has shipped a large number of weapons to Kandahar, Afghanistan aiming to increase its influence in the country.

Despite its pledge to support the stabilization of Iraq, Iranian authorities continued to provide lethal support, including weapons, training, funding, and guidance, to Iraqi Shia militant groups that target U.S. and Iraqi forces. The Qods Force continued to supply Iraqi militants with Iranian-produced advanced rockets, sniper rifles, automatic weapons, and mortars that have killed Iraqi and Coalition Forces, as well as civilians. Iran was responsible for the increased lethality of some attacks on U.S. forces by providing militants with the capability to assemble explosives designed to defeat armored vehicles. The Qods Force, in concert with Lebanese Hizballah, provided training outside of Iraq as well as advisors inside Iraq for Shia militants in the construction and use of sophisticated improvised explosive device technology and other advanced weaponry.

**Domestic Terrorism/Terrorist Incidents:** Jundallah, a terrorist organization that operated primarily in the province of Sistan va Balochistan of Iran, has engaged in numerous terrorist attacks within Iran. Jundallah's primary target is the Iranian regime; however, it has also attacked many civilians. Since its inception in 2003, these attacks have resulted in the death and maiming of scores of Iranian civilians and government officials. Jundallah has used a variety of terrorist tactics, including suicide bombings, ambushes, kidnappings, and targeted assassinations. Following the February 2010 capture and execution by Iranian authorities of Jundallah's leader, Abdul Malik Rigi, the group selected a new leader, Mohammed Dhahir Baluch, and confirmed its commitment to continue its terrorist activities. In July, Jundallah attacked the Grand Mosque in Zahedan, killing approximately 30 and injuring hundreds. On December 15, Jundallah claimed credit for another attack in the Southeastern city of Chabahar, where two suicide bombs killed at least 39 and wounded more than 100 people. In November, the United States designated Jundallah as a Foreign Terrorist Organization. (See Chapter 6, Foreign Terrorist Organizations, for more information on Jundallah.)

**Legislation and Law Enforcement:** In 2010, Iran remained unwilling to bring to justice senior al-Qa'ida (AQ) members it continued to detain, and refused to publicly identify those senior members in its custody. Iran has repeatedly resisted numerous calls to transfer custody of its AQ detainees to their countries of origin or third countries for trial.

In June, Iranian authorities executed former Jundallah leader Abdul Malik Rigi. In December, Iranian authorities executed 11 members of Jundallah reportedly connected to the July mosque attack.

## SUDAN

**Overview:** Designated as a State Sponsor of Terrorism in 1993, Sudan remained a cooperative partner in global counterterrorism efforts against al-Qa'ida (AQ) in 2010. During the past year, the Government of Sudan worked actively to counter AQ operations that posed a potential threat to U.S. interests and personnel in Sudan. Sudanese officials have indicated that they viewed continued cooperation

with the United States as important and recognized the potential benefits of U.S. training and information-sharing.

**Domestic Terrorism/Terrorist Incidents:** The Sudanese government has taken steps to limit the activities of foreign terrorist groups within Sudan and has worked hard to disrupt foreign fighters' use of Sudan as a logistics base and transit point for violent extremists going to Iraq. Nonetheless, elements of designated Foreign Terrorist Organizations, including al-Qa'ida-inspired terrorists, remained in Sudan, as gaps remained in the Sudanese government's knowledge of and ability to identify and capture these individuals as well as prevent them from exploiting the territory for smuggling activities. Some evidence suggested that individuals who actively participated in the Iraqi insurgency have returned to Sudan, and may be in a position to use their expertise to conduct attacks within Sudan or to pass on their knowledge. Sudanese officials continued to view Hamas members as representatives of the Palestinian Authority. Hamas members conducted fundraising in Sudan, and Palestine Islamic Jihad (PIJ) maintained a presence in Sudan.

The Lord's Resistance Army (LRA) continued to operate in the region, though there was no reliable information that corroborated allegations that the Government of Sudan provided support to the LRA. Operating in small cells, the LRA carried out attacks in areas where the borders of the Democratic Republic of the Congo, Central African Republic, and Southern Sudan intersect. The UN estimated that in 2010, LRA attacks displaced 25,000 southern Sudanese. In October, the African Union (AU) announced that Uganda, Sudan, the Democratic Republic of the Congo and the Central African Republic will form an AU-backed joint brigade to pursue the LRA.

**Legislation and Law Enforcement:** On June 11, four Sudanese men sentenced to death for the January 1, 2008, killing of two U.S. Embassy staff members escaped from Khartoum's maximum security Kober prison. One police officer was reportedly killed and another was injured in an exchange of fire at a checkpoint following the breakout. Police subsequently intercepted the get-away car and arrested the driver, but the four fugitives escaped on foot. On June 22, Sudanese authorities confirmed that one of the four convicts was recaptured. The whereabouts of the other three convicts remained unknown at year's end. The Sudanese government cooperated with the United States in efforts to bring the four to justice.

**Countering Terrorist Finance:** The Central Bank of Sudan and its financial intelligence unit circulated to financial institutions a list of individuals and entities that have been included on the UN 1267 al-Qa'ida and Taliban sanctions committee's Consolidated List. Through increasing cooperation with the Financial Action Task Force (FATF), Sudan took steps in 2010 to meet international standards in combating money laundering and terrorist financing. The most significant achievement was passage of the Money Laundering and Terrorism Financing Act of 2010, approved by the Council of Ministers in January 2010 and

ratified by Parliament in June 2010. Sudan continued its cooperation with the U.S. government in investigating financial crimes related to terrorism.

**Regional and International Cooperation:** Sudanese officials regularly discussed counterterrorism issues with U.S. counterparts. Sudan was generally responsive to the international community's concerns on terrorism and was generally supportive of international counterterrorism efforts.

## SYRIA

**Overview:** Designated in 1979 as a State Sponsor of Terrorism, Syria in 2010 continued its political support to a variety of terrorist groups affecting the stability of the region and beyond. Syria provided political and weapons support to Hizballah in Lebanon and allowed Iran to resupply the terrorist organization with weapons. The external leadership of Hamas, the Palestine Islamic Jihad (PIJ), the Popular Front for the Liberation of Palestine (PLFP), and the Popular Front for the Liberation of Palestine-General Command (PFLP-GC), among others, were based in Damascus and operated within Syria's borders. Statements supporting terrorist groups like Hamas and Hizballah consistently permeated government speeches and press statements.

President Bashar al-Asad continued to express public support for Palestinian terrorist groups as elements of the resistance against Israel. Damascus historically has allowed exiled individuals safe haven in Syria and Hamas Politburo head Khalid Meshaal and his deputies continued to reside in Syria, while the Syrian government provided Meshaal security escorts for his motorcades. Though the Syrian government claimed periodically that it used its influence to restrain the rhetoric and activities of Palestinian groups, Meshaal freely traveled around Damascus and the Syrian government allowed Meshaal's use of the Syrian Ministry of Information as the venue for press conferences. Open source reports indicated that Hamas used Syrian soil as training grounds for its militant fighters.

Added to the terrorist operatives calling Damascus home, in 2010, Iraqi Baathists continued to congregate in the Syrian capital and some of them call for violence against the Iraqi government, Iraqi civilian targets, and American and coalition forces within Iraq. Al-Rai Television, a television station owned by Iraqi Baathist Mishaan al-Jaburi and broadcast from a suburban Damascus location, transmitted violent messages in support of terrorism in Iraq throughout the year.

**Domestic Terrorism/Terrorist Incidents:** The Syrian government stressed its success in achieving security and stability within its borders, and terrorist attacks on Syrian soil remained rare. However, a string of incidents over the past several years have increased concerns that militant groups can strike Syrian targets and have caused the authorities to strengthen their efforts to prevent attacks. Especially following a September 27, 2009 bombing near a Syrian security installation that killed 17, the regime has attempted to portray Syria as a victim of terrorism rather than a purveyor of it. In July 2010, the Syrian security services conducted a series

of raids that netted operatives of the Kurdistan Workers' Party (PKK), accused of plotting and implementing terrorist attacks in neighboring Turkey.

**Regional and International Cooperation:** Syria continued its strong partnership with fellow state sponsor of terrorism Iran in 2010. Throughout the year, the countries exchanged frequent high-level visitors. Iranian President Ahmedinejad visited Damascus in February and September and President Assad visited Tehran in October. The Iranian National Security Advisor, Defense Minister, Foreign Minister, and Intelligence Chief all visited Damascus within the last year. Syria also allowed leaders of Hamas and other Palestinian groups resident in Syria to visit Tehran. Assad continued to be a staunch defender of Iran's policies, including Iran's nuclear ambitions.

Syria exhibited a mixed record on Iraq. Syria increased border monitoring activities, instituted tighter screening practices on military-age Arab males entering its borders, and expressed a desire to increase security cooperation with Iraq. These activities likely contributed to a decrease in Iraq-bound foreign fighters. At the same time, however, Syria remained a key hub for foreign fighters en route to Iraq and a safe haven for Iraqi Baathists expressing support for terrorist attacks against Iraqi government interests and coalition forces.

Attacks against coalition and Iraqi security forces and Iraqi citizens continued to have a destabilizing effect on Iraq's internal security. While Syria and Iraq returned their ambassadors to Baghdad and Damascus, respectively, in the autumn of 2010, Syrian and Iraqi security cooperation has been largely inactive since Iraqi Prime Minister Nouri al-Maliki in August 2009 accused Baathists harbored by Syria of fomenting terrorism in Iraq.

**Legislation/Law Enforcement:** Syria has laws on the books pertaining to counterterrorism and terrorism financing/money laundering, but largely used these legal instruments against only those groups perceived as a threat to the regime or country. Opponents of the regime, including Islamist activists and Kurdish separatists, were frequently charged with violating counterterrorism statutes. Furthermore, these laws were not enforced against Hamas, Hizballah, or the various Palestinian rejectionist groups based in Damascus.

**Countering Terrorist Finance:** Syria remained a source of concern regarding terrorist financing. Industry experts reported that 60 percent of all business transactions were conducted in cash and that nearly 80 percent of all Syrians did not use formal banking services. Despite Syrian legislation that required money-changers to be licensed by the end of 2007, many money-changers in 2010 continued to operate illegally in Syria's vast black market, estimated to be as large as Syria's formal economy. Regional "hawala" networks remained intertwined with smuggling and trade-based money laundering, facilitated by notoriously corrupt customs and immigration officials, raising significant concerns that some members of the Syrian government and the business elite were complicit in terrorist financing schemes.

