

Terrorism in the Iguaza Falls Region: \$100 Bills, A DIME at a Time

**A Monograph
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Abstract

Terrorism in the Iguazu Falls Region: \$ 100 Bills, A DIME at a Time, by LTC Hugh Smith, United States Army, 52 pages.

The Iguaza Falls, a once popular international tourist destination in the northeast corner of Argentina, is one of most beautiful places in South America. Located in the Tri Border Area (TBA), which is comprised of Puerto Iguazu, Argentina, Foz de Iguazu, Brazil, and Ciudad del Este, Paraguay, it is populated with between 12,000 to 40,000 Arabs and their descendants, as well as 30,000 Asians. The area is a lawless zone that is home to Islamic terrorists of Syrian and Lebanese descent and their sympathizers. Together they work in an informal economy of fund-raising, narcotics trafficking, smuggling (human and commercial), money laundering, document and currency fraud, and the manufacture/movement of pirated goods. The porous borders of the region enable terrorist operatives of Hezbollah, Hamas, al-Qaeda and their splinter groups to pass through the TBA, easily conducting criminal activities to support worldwide terrorism.

The United States needs to do more to counter this threat in the Western Hemisphere. Even with terror groups on the run after three years of intense pressure since 9/11, Hezbollah, operates freely, especially in money laundering and the drug trade, in this South American safe-haven. Because of the full-time engagement of the United States in the Middle East, the threat has operated without the required level of attention of the United States for too long. A serious emphasis on the TBA is necessary for American security because of the region's proximity to the United States.

The diplomatic, informational, military, economic, intelligence and law enforcement (DIME) Plus Model provides a useful framework to analyze the issues in the TBA. The paper will identify what has worked in the past, and explain how certain conditions have created an environment in which terrorist groups operate in the region, and how their activities pose a threat to hemispheric security. It also and provides a robust checklist of recommendations to help both the Department of State and Southern Command (SOUTHCOM) remedy the problems. Ultimately, it will address how cooperation among the United States, Argentina, Brazil, and Paraguay can be improved to combat transnational terrorism in the TBA in a post 9/11 security environment.

Using the DIME Plus Model in an engaged strategy gives America the tools to assist the TBA nations in their own efforts to work toward a future of success in the TBA. Mustering all the elements of U.S. power will strengthen the rule of law in the region and spawn economic development. U.S. projection of its national power tailored to the particular needs of each of the three countries of the TBA is the best way to resolve the persistent issues. A U.S strategy using the DIME Plus Model will build strong partnerships. Given its comprehensive structure and flexible implementation, it provides the most appropriate approach for this time. If America is to be secure, a fundamental change in the security situation in the TBA is essential.

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INTRODUCTION

The enemies of civil order in this world whether they be hostage takers, gangs, criminals, narco-traffickers, terrorists – they look for weaknesses. The only real way to defeat the terrorists is to put pressure on them across the board. We have to deny them safe havens. We have to seek them out where they are. We have to cooperate internationally in reducing their ability to raise money.

Defense Secretary Donald Rumsfeld, *New York Times*¹

The Iguaza Falls, a once popular international tourist destination in the northeast corner of Argentina, is one of most beautiful places in South America; however, the place plays host to more than tourists. Located in the Tri Border Area (TBA), which is comprised of Puerto Iguazu, Argentina, Foz de Iguazu, Brazil, and Ciudad del Este, Paraguay, it is populated with between 12,000 to 40,000 Arabs and their descendants, as well as 30,000 Asians. The area is a lawless zone that is home to Islamic terrorists of Syrian and Lebanese descent and their sympathizers. Together they work in an informal economy of fund-raising, narcotics trafficking, smuggling (human and commercial), money laundering, document and currency fraud, and the manufacture/movement of pirated goods. The porous borders of the region enable terrorist operatives of Hezbollah, Hamas, al-Qaeda and their splinter groups to pass through this region, easily conducting criminal activities to support worldwide terrorism.²

¹ Thom Shanker, “Rumsfeld Urges A Latin Push Against Terror,” *New York Times*, 17 November, 2004, sec. A6, 1.

² Martin Edwin Anderson, “Al-Qaeda Across the Americas, *Insight on the News*, 26 November, 2001, 20.



Figure 1-TBA Map

Source Mike, Boettcher, "South America's Tri Border Back on Terrorism Radar," CNN, 8 November, 2002, 1

Almost a decade before 9/11, Argentina had been investigating the region because of a series of bombings in Buenos Aires in 1992 and 1994 against the Israeli Embassy and the Jewish community center. Moreover, fundraising for the Palestine Liberation Organization (PLO) within Argentina and ties to the 1993 World Trade Center bombing have been traced to terror groups in the region. Before 9/11, Argentina's intelligence service, the Secretaria de Inteligencia del Estado (Secretariat for State intelligence/SIDE), was most actively conducting intelligence collection in the region. It provided information to the U.S. Central Intelligence Agency (CIA) so that the CIA could better understand the activities in the TBA. As the major partner in the alliance, SIDE shared its intelligence analysis with the CIA, European intelligence services, and the Israeli Mossad. However, SIDE was stunned to find little concern or recognition from the U.S. intelligence agencies when it provided evidence of links to transnational terror. For its part, the CIA viewed the Argentine intelligence as suspect because it did not respect the agency and its information. It considered it a sub-par South American intelligence organization. The Argentines were infuriated. The situation culminated with the release of the CIA's station chief's name and photograph published in the Argentinean newspaper *La Pagina* on 14 January 2001. The CIA

believed SIDE released the name in retaliation at the CIA for its snub.³ Argentinean sympathies, however, changed after the 9/11 attacks. The partnership resumed, and has since improved. The most visible sign of the improved relations has been a series of meetings called the “3+ 1 Group on Tri Border Security,” which started in 2002. The U.S. State Department sponsored the most recent meeting in December 2004, in Washington, D.C. The TBA countries along with the United States have committed to increase intelligence and law enforcement cooperation and sharing, strengthen host nation financial institutions to reduce money laundering, create more effective money laundering legislation, and eradicate criminal drug activities. These meetings, which have shown an increased U.S. emphasis in the region, have helped develop better cooperation among the partners against terrorism in the Western Hemisphere.⁴

Nevertheless, the United States needs to do more to counter this threat in the Western Hemisphere. Even with terror groups on the run after three years of fighting since 9/11, Hezbollah, operates freely, especially in money laundering and the drug trade, in this South American safe-haven. Because of the full-time engagement of the United States in the Middle East, the threat has operated without direct United States pressure for too long. A serious emphasis on the TBA is needed for American security in the Western Hemisphere because of the regions’ proximity to the United States.

Methodology & Structure

The diplomatic, informational, military, economic, intelligence, and law enforcement (DIME) Plus Model is a useful framework to analyze the issues in the TBA. The paper will identify what has worked in the past, and explain how conditions have created an environment in which terrorist groups operate freely in the region, and how these activities pose a threat to

³ John C.K. Daly, “Islamist Terrorism in Latin America’, *Jane’s Terrorism and Security Monitor*, 1 October, 2003, 1, 2.

⁴ U.S. Department of State, *Seminar on Preventing Terrorism and Organized Crime in the Tri-Border Area*, (Washington, D.C. U.S. Government Printing Office), 2001, 1, 2.

hemispheric security. It also provides a robust checklist of recommendations to help both the Department of State and Southern Command (USSOUTHCOM) remedy the problems. Ultimately, it will address how cooperation among the United States, Argentina, Brazil, and Paraguay can be improved to combat transnational terrorism in the TBA in a post 9/11 security environment.⁵

Chapter Two identifies the key problems for the United States in the TBA and shows why the TBA is a threat to America's national security. Chapter Three examines the 3+1 Group on Tri Border Security, which is the State Department's annual ambassadorial level meeting. The discussion will center heavily on the most recent session held in December 2004, because it offered the most up-to-date information on the multi-national effort in the region. The chapter concludes with a proposal for an improved meeting model that specifically addresses synchronization, dissemination, and collection deliverables among the partners, and includes an examination of a better way to conclude future meetings. Chapter Four uses the DIME Plus Model to explore the successes and failures of U.S. policy in the region, and assesses the partners' understanding of the problem. Specifically, the United States views the problem as part of the GWOT because criminal activities in the TBA provide funding for terrorism, which are a global problem and a threat to American national security. Argentina clearly understands that terrorist problems exist in the TBA. On the other hand, Brazil is in general suspicious of the United States, and at times, is reluctant to accept training, military, and law enforcement exchanges in the TBA. Moreover, Brazil, a regional power, does not acknowledge that terrorism is a problem, and only admits to criminal activity in the area. While Paraguay acknowledges the problems in the TBA, it is poor, has just recently become a democracy, and suffers from

⁵ This is a modified DIME model, which adds intelligence and law enforcement elements to better analyze the specific problems in the TBA. The source of the DIME comes from United States Joint Forces Command Pamphlet for future Joint operations: Bridging the Gap between Concepts and Doctrine, 1 March 2002.

widespread government corruption. It is the weakest nation among the three regional partners. Finally, Chapter Five, Conclusion and Recommendations, summarizes the major points/answers, and makes specific recommendations to USSOUTHCOM and the State Department.

Definitions

The components of “national power” are diplomacy, information, military, economic, intelligence, and law enforcement. These tools, used effectively in a coherent strategy, give the best chance to solve the TBA problem. These elements of federal power, however, must be synchronized across the disciplines with chronologically executable tasks. Thus, the DIME Plus Model is the tool the United States can use for the specific problem set called the TBA.

The elements have the following meanings. “Diplomacy” is a means to preserve peace and minimize harm to the national interests of the United States and the TBA countries.⁶ The State Department has the lead with this element, and through its use of diplomatic measures such as meetings, communiqués, ambassadorial exchanges, and expertise can influence the governments of the TBA to side with the United States in the fight against terror. The “Informational” element can be used to increase understanding of American values, policies, and initiatives to create a receptive environment for our methods of combating terrorism. It entails direct engagement with Argentina, Brazil, and Paraguay and individually because the State Department and SOUTHCOM engage with countries, not regions.⁷ The “Military” element focuses on maintaining strong military-to-military relations with the countries of the TBA to train equip and advise on operations to combat terror in the region. It includes the air, sea, and land forces of the TBA states working joint-combined operations and exercises with USSOUTHCOM. The “Economic” part of the model focuses on strengthening TBA economic growth, development

⁶ U.S. Department of State, *FY 2005 Performance Summary* (Washington, D.C. U.S. Government Printing Office, 2005).

⁷ Ibid.

and stability through MERCOSUR, while expanding opportunities for U.S economic prosperity.⁸ Through this element, the United States can assist the host nations in strengthening their financial and money laundering legislation to support the legitimate growth of their economies.⁹

The next two elements intelligence and law enforcement are necessary additions to the basic DIME model. They are essential to countering the specific problems in the TBA. Thus, “Intelligence” for the purposes of this study refers to the sharing of information and intelligence between the 3+1 countries and the United States. Much of the effort focuses on the prevention of illicit financial transactions that support worldwide terrorism. Since 1995, the United States and its allies have created financial intelligence units (FIU) to counter and track the flow of funding in and out of the TBA and worldwide. “Law enforcement” is defined as cooperation, coordination, and understanding among the policing organizations of the TBA countries, and requires that the United States train TBA police, judiciary, and prosecutors.

CHAPTER 2

THE TBA PROBLEM

In the Tri-Border area we see a busy, culturally diverse business center with an astonishing array of goods and services available to consumers. We see evidence of a multi-billion dollar economic engine. We see, in the beautiful waterfalls nearby, one of the world’s notable tourist attractions. We are worried, however, not by the things we see, but by the things we don’t see – the darker side of the commercial trade, clandestine networks of persons and money – money that may act to support terrorist organizations in the Middle East.

Ambassador Francis X. Taylor, U.S. Department of State¹⁰

⁸ MERCOSUR, is an economic group which includes Argentina, Brazil, Paraguay and Uruguay. MERCOSUR’s main objective is to boost the four economies by spawning economic investment through open markets, improving business laws for internal and external investment, building an increased capability and infrastructure to actualize new investment, protecting the environment, improving telecommunications, and coordinating regional economic policies.

⁹ U.S. Department of State, *FY 2005 Performance Summary* (Washington, D.C. U.S. Government Printing Office, 2005).

The best way to start a discussion of the TBA is to point out the history and the problems of the region. This background is necessary to understanding the problems of the region, and the serious threat posed to U.S. security. An additional area of importance is the cooperation between the TBA partners and the region's relationship to the United States. The key questions to answer are: What are the major problems in the TBA? How serious is the threat in the region? Do the problems in the TBA threaten the United States? How strong is the relationship between the TBA countries and the United States in countering terrorism?

History

The region's problems originated in the 1970s when the TBA countries formed a free trade zone in the area. Each country wanted to capitalize on the TBA's natural resource, the Iguazu Falls, both as a tourist attraction and as a source of energy power. But, the relaxed trade barriers and open borders created an environment that fostered the lawlessness of the region that exists today. Heavy traffic crosses the Friendship Bridge connecting Brazil and Paraguay each day. Customs officials conduct sporadic spot checks on less than ten percent of the traffic crossing the border.¹¹

Some economists estimate commerce, both legal and illegal combined, at 12 billion dollars per year in the TBA.¹² The TBA's economy is larger than Paraguay's. The region has attracted criminals from all parts of the world, and they launder billions of dollars through the area annually. The TBA now has international crime organizations from Brazil, Colombia, Hong Kong Italy, Japan, Lebanon, Nigeria, and Russia. Many of these organized criminal entities have strong ties to the regions' business executives, military leaders, and politicians, particularly in

¹⁰ U.S. Department of State, *Seminar on Preventing Terrorism and Organized Crime in the Tri-Border Area*, (Washington, D.C: U.S. Government Printing Office, 2001), 1.

¹¹ The Library of Congress, *Terrorist and Organized Crime Groups in the Tri-Border Area (TBA) of South America*, (Washington, D.C. U.S. Government Printing Office, 2003), 7.

¹² *Ibid.*, 3.

Paraguay.¹³ In particular, several Chinese gangs have gained strength by importing illegal electronics from Asia without harassment from local or national law enforcement agencies. Corruption in the government of Paraguay has made it extremely difficult to bring the rule of law to the region, which has taken its toll on the local population. While the Tri-Border area is fairly wealthy compared to other regions of Brazil and Paraguay, criminal activity has caused a gap between rich and poor, and fueled violent crime such as homicide, which is extremely high in Ciudad de Este, Paraguay. Human trafficking especially on the Argentinean side of the border, has garnered worldwide attention from human rights groups. Presently, organized crime runs the major cities of the area.¹⁴ The recent history of the region gives a snapshot of its problems; however, its major problem from the United States perspective is financing in support of transnational terrorism.

The Seriousness of the Terrorist Threat

The major actor of terrorism financing in the TBA is Hezbollah.¹⁵ For example, in February 2000, in the border town of Ciudad del Este, Paraguayan security officials arrested a 32-year-old Lebanese businessperson named, Ali Khalil Mehri. He had allegedly been selling millions of dollars worth of pirated software and funneling the proceeds to Hezbollah. According to the police, a CD confiscated from his store contained images of terrorist propaganda and training. Financial documents seized showed a connection between the TBA, Lebanon and the United States totaling almost one million U.S. dollars.¹⁶ Shortly after his arrest, the Paraguayan

¹³ Ibid., 3.

¹⁴ Ibid. 3, 4.

¹⁵ Hezbollah is the most active terrorist group operating in the TBA. This organization has its origins in Lebanon and Iran but has a worldwide apparatus for fund raising with Arab Diaspora worldwide.

¹⁶ Jess, Altschul, *The Jewish Institute for National Security Affairs*, "Middle East Terror Groups Find Sanctuary, Revenue in South America," 15 January 2004, 1.

authorities released Mehri.¹⁷ Within months, he was formally indicted on charges of violating copyright laws and aiding a criminal enterprise.¹⁸ By that time, Mehri escaped into Brazil, flew from San Paulo to Paris, and more *than* likely continued on to Syria.¹⁹

At the same time, the authorities were monitoring the activities of a bigger target in the region. His name is “Assad Ahmad Barakat, the alleged ringleader of Hezbollah's financial network in the TBA. Barakat arrived in Paraguay as a teenager in 1985.” He set up a large network of businesses in Ciudad del Este that were involved in illicit fundraising for Hezbollah.²⁰ In 2000, Barakat fled to Brazil, where he is currently residing.²¹ His known presence in Brazil highlights one of the many problems TBA countries have with cooperation and extradition. At this point, a close look at Paraguay’s internal situation will help illuminate the problem.

Prior to 9/11, Paraguay exemplified a country torn between internal pressure and external cooperation. Paraguay walked a fine line between cracking down on terrorists and potentially destabilizing its weak economy.²² The region, driven by the successful Lebanese and Syrian business owners, still generates tremendous revenue for Paraguay even after the post 9/11 economic downturns. Paraguay feared a crackdown on Hezbollah would cause economic repercussions in the TBA. If the Arab population was angered by the arrests of their people, it could leave en masse and devastate the Paraguayan economy. Paraguay still struggles against these competing interests because it has the most terrorist activity within its borders, and understands it must assist the United States and the world in the terror fight.²³

¹⁷ Blanca Madani, *Middle East Intelligence Bulletin*, “Hezbollah’s Global Finance Network: The Triple Frontier,” January 2002, 2.

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ Ibid.

²¹ Ibid.

²² Ibid.

²³ Jess, Altschul, *The Jewish Institute for National Security Affairs*, “Middle East Terror Groups Find Sanctuary, Revenue in South America,” 15 January 2004, 3, 4.

As a result, since September 11th, Paraguay, has taken a more aggressive approach investigating Hezbollah's financial network, risking its own internal stability. In late September 2001, 16 illegal Lebanese nationals were arrested.²⁴ In early October, police raided an electronics store owned by Barakat, who still maintained his business in absentia, and arrested two of his associates, Mazen Ali Saleh and Saleh Mahmoud Fayed.²⁵ “The raid uncovered documents showing that they had sent periodic remittances of \$25,000 - \$50,000 to Hezbollah.”²⁶ Police found videos and literature that called young men to join Hezbollah to become freedom fighters in the war against Israel.²⁷ Officers also confiscated a letter from Hezbollah Secretary-General Hassan Nasrallah Assad thanking Ahmad Barakat for his support and assistance.²⁸

Nonetheless, despite its efforts, Paraguay still lacks the ability and competence within its intelligence and law enforcement agencies to take control of the situation. For example, the borders remain porous, they have extradition problems with their TBA neighbors, they have unacceptable delays in the criminal justice system, and they suffer from systemic corruption which derails the prosecution of the perpetrators. Paraguay is addressing these issues with a draft bill in its legislative branch that calls for a new secretariat for prosecuting terrorists with the strengthening of its domestic laws. The bill also calls for the training of judges and attorneys in the intricacies of the new law. Even still, the level of competence of the Paraguayan government and the other governments of the TBA is a significant drawback in the fight against international terrorism. Criminal drug activity in support of terrorism remains a threat to the United States, as it

²⁴ Blanca Madani, *Middle East Intelligence Bulletin*, “Hezbollah’s Global Finance Network: The Triple Frontier,” January 2002, 2.Ibid, 3.

²⁵ Ibid.

²⁶ Ibid.

²⁷ Ibid.

²⁸ Ibid.

is a major source of funds used to support worldwide terror, and the TBA countries are ill equipped to disrupt it.²⁹

The Menace of Drugs

Drug activity is a criminal threat to the United States not only as an illegal activity, but also as a funding stream to support terror worldwide. For years, the United States and TBA law enforcement officials had investigated to find a link between drugs and terrorism moving from the TBA into the United States. In January 2002, the Drug Enforcement Administration (DEA) unearthed the problem on its own soil. In a massive operation across Ten U.S. Cities, DEA agents arrested 136 people with ties to Hezbollah, and seized drugs, property, and \$4.5 million in cash.

³⁰ The operation concentrated on drug trafficking and money laundering. It showed that millions of dollars were sent illegally to overseas bank accounts connected to known terror groups in countries such as Yemen and Lebanon. Ultimately, the DEA could not prove that terrorist groups were in control of the drug operation in the United States, but the DEA did establish a link between drug trafficking and money laundering in support of Middle Eastern terror organizations.³¹ If the link exists in the United States, it undoubtedly exists in the TBA.

Since 9/11, United States agencies have tracked and pursued terrorist finances internationally with the cooperation of the worldwide financial community. Terrorist related accounts have been identified and frozen, but this is a constant struggle between investigators attempting to find illegal financing and the terrorists changing their modus operandi to keep a step ahead. As a result, the terrorists must spend more time and effort laundering the funds, hopefully slowing down their operations.³²

²⁹ Ibid.

³⁰ Altschul, 2.

³¹ Ibid.

³² Ibid., 3, 4.

Cooperation

While cooperation has increased at the policy level (The 3+1 Group on TBA Security) and the government officials say the right things in public, the actual implementation has been minimal. So, in November 2004, Secretary Rumsfeld attended the American defense ministers meeting in Quito, Ecuador. The secretary's main goal was to emphasize that the illegal activities, such as money laundering and drug trafficking, generate funding for terrorism. Rumsfeld emphasized to his colleagues that the nexus of crime, gangs, drugs and money laundering, enables terrorism to flourish.³³ To combat the problem, Rumsfeld stressed greater coordination among police, customs, the armed forces, and immigration within each country, and encouraged joint efforts to fight terror in South America. Additionally, the Secretary stressed the need for an increased level of naval cooperation to assure better control of the seas and security for our hemisphere, by tightening the shipping lanes.³⁴ Recently, LTC Phillip K Abbot addressed these issues in an insightful article on the TBA.

In a September-October 2004 *Military Review* article, Abbott pointed out why terrorism can flourish in South and Central America. He talked about how terrorists work best among the poor and disfranchised of society, because that is where they recruit new members and finance their operations.³⁵ South America is a breeding ground for such activities because of the millions of poor Muslims who live in South American cities. Lawless zones such as the TBA make it easy for terrorists and their sympathizers to exploit terrain for the use of both human and commercial smuggling. The lawlessness of the TBA makes it harder for officials to counter financial and logistical support for terrorist groups. In other places in South and Central America, such as: Bolivia, Colombia and Peru, drugs are used as a lucrative activity to support terrorism in

³³ Eric Green, "Rumsfeld says Nations of the Americas Must Fight Terror Together, U.S. Department of State, 17 November, 2003, 1, 2.

³⁴ Ibid., 2.

³⁵ Philip K. Abbott, "Terrorist Threat in the Tri-Border Area: Myth or Reality?" *Military Review*, (September-October, 2004), 52.

ungoverned regions that lack the notoriety of the TBA.³⁶ LTC Abbot made a significant point when he wrote, “Terrorist groups are flexible, patient, and use globalization to achieve their objectives. Unless its leaders cooperate with the U.S. National Strategy for Combating Terrorism, Latin America will remain a lucrative target for terrorist funding, recruiting, and safe haven.”³⁷

As a result, the fight against terror in South and Central America remains a major problem for the United States and the region. Poverty, lack of cooperation and collaboration, lack of sharing and fusion of actionable intelligence, and the absence of law enforcement cooperation are the major obstacles. The picture, however, is not entirely bleak. Efforts of the Organization of American States (OAS) have promoted a greater degree of cooperation to fight terrorism. “In both 1998 and post 9/11, the efforts of Argentina and the OAS finally realized the extent of the problem. In 1998, the Argentines created the Inter-American Committee to Combat Terrorism, and in 2001, the OAS created the “Inter-American Committee against Terrorism to enhance hemispheric security through improved regional cooperation.”³⁸ The committee pushed for and created financial intelligence units (FIU), which investigate and fight money laundering. On 28 September 2001, the United Nations passed resolution 1373, which provides for freezing of terrorists’ funds.³⁹ At this time, One hundred ninety three nations have approved the resolution.

But despite these policy efforts and stated intentions, many pit falls and challenges remain for the United States and South America. Using his version of the DIME model, LTC Abbott explained:

³⁶ Ibid.

³⁷ Ibid., 53.

³⁸ Ibid.

³⁹ See United Nations Secretariat, Counter Terrorism Committee, Resolution 1373, 2001. The United Nations Security Council passed the United Nations Resolution 1373 because of the 9/11 attacks. The UN Security Council adopted the resolution to impose a series of obligations on UN Member States to suppress terrorism. Sub-paragraph 1(c) of Resolution 1373 obliges Member states: “Freeze without delay funds and other financial assets or economic resources of persons who commit, or attempt to commit, terrorist acts or participate in or facilitate the commission of terrorist acts; of entities owned or controlled directly or indirectly by such persons; and of persons and entities acting on behalf of, or at the direction of such persons and entities, including funds derived or generated from property owned or controlled directly or indirectly by such persons and associated persons and entities.”

Regrettably, a huge gap often exists between a government's good intentions and its ability or political will to act. Most countries in Latin America support international counterterrorism efforts as a policy, but do little to control their porous borders; crack down on illegal arms shipments and illegal immigration; or tighten weak financial controls. Full cooperation between and among nations is quite minimal.

Several Latin American countries do not consider the GWOT their war and do not actively participate in it. Preoccupied with pressing social issues like poverty and unemployment, most Latin American governments are reluctant to support what they perceive as a politically unpopular cause. Only the Dominican Republic, El Salvador, Honduras, and Nicaragua provided troops for Operation Iraqi Freedom's international stabilization force. Some regional political leaders even denounced preemptive U.S. military action against suspected terrorist threats, although many high-ranking military officers privately expressed their support of and willingness to provide troops for Operations Enduring Freedom and Iraqi Freedom.

Many Latin American governments do not have the legal infrastructure to counter transnational threats or the law-enforcement, intelligence, or military capabilities to assert effective control over their territories. Economic interdependence among TBA nations further complicates matters. For example, each day, 30,000 people cross the International Friendship Bridge that connects Brazil and Paraguay. Tight security measures and better enforcement of the laws on contraband hurt commerce and anger tourists, consumers, and business people.

Representatives from MERCOSUR (the Latin American common market) have discussed ways to increase security and facilitate the movement of people and commerce between member countries. In 2002, the MERCOSUR countries signed an agreement making it easier for their citizens to travel and obtain resident visas. The agreement also permits inspection-free transportation of commercial containers. Such open borders make the region inviting for terrorists and make an already difficult law-enforcement situation worse.

Latin America must use the economic, political, intelligence-gathering, and military elements of national power to cut off terrorism's life-blood--financing and state support. However, most countries in the region cannot afford to control their borders, deny terrorists safe haven in ungoverned territories, eliminate money laundering, or restrict terrorists' abilities to operate.

Resource needs are great, fiscal challenges severe, and available funding insufficient. Latin American militaries and law-enforcement agencies are not suitably organized for or adequately used to confront terrorist networks. The constitutions of many Latin American countries prohibit using military forces for internal security. Memories of the military dictatorships of the 1970s and 1980s have not been forgotten, and the people are afraid such dictatorships might return if the military's role expands. Law-enforcement agencies are not well funded and trained and are notoriously corrupt. Distrust between the military and law-enforcement institutions impedes routine coordination.⁴⁰

LTC Abbot's synopsis points out the challenges the United States confronts in making progress on terrorism issues in South America. Convincing these countries to assist America in the GWOT

⁴⁰ Abbott., 53.

and that support of the GWOT in the Western Hemisphere is necessary to stave off an imminent threat is a hard sell countries beset with socio-economic problems that are clearly more pressing to them. Obviously, without a significant American investment and the use of elements of national power, the problems will continue indefinitely.

Summary

The relationship between the TBA countries and the United States in the fight against terror in the region is improving, but remains inadequate. After 11 September 2001, the TBA attracted so much attention from local law-enforcement groups, intelligence agencies, and the international media that many regional experts believed terrorists moved to less scrutinized locations in South America. This is not to suggest, however, that the eyes of the world combined with Argentina, Brazil, and Paraguay's counterterrorism efforts have eliminated terrorism in the TBA. As world attention has turned away, most experts continue to believe that terrorism financing is still the greatest threat in the region. Consequently, the United States must stay engaged in the discussion and foster a dialogue between itself, the TBA countries, and the OAS.

CHAPTER 3

The 3+1 GROUP ON TRI BORDER SECURITY

There's no evidence so far of the existence of cells and training camps of terrorist organizations in the region. There's also no evidence of the presence of any member of al-Qaeda in the region.

Brazil's intelligence agency chief Mauro Marcelo de Lima e Silva, *Los Angeles Times*⁴¹

The United States keeps communications open with the TBA countries through the 3+1 Group, which consists of the U.S., Argentina, Brazil, and Paraguay. The 3+1 Group is an

⁴¹ Henry Chu, "Suspicious Gather Where 3 Nations Converge," *The Los Angeles Times*, 21 December 2004, 1.

important policy initiative for the United States, Argentina, Brazil, and Paraguay. The Dialogue partners have held four annual sessions with the most recent in Washington, D.C., which provide a forum for the four partners to seek consensus on strategies, plans, and policies to counter criminal activity and terrorism in the TBA.⁴² Despite this positive step in maintaining dialogue, the countries have divergent views of the nature and extent of the problems in the TBA.

For example, on 6 December 2004, two conversations took place during the opening day of the 3+1 Group in Washington, D.C., each lasting approximately 30 minutes. They illustrate the differences of opinion on the current security situation in the region. During the first conversation, Ambassador Pope, Acting U.S. Coordinator for Counterterrorism addressed his Brazilian counterpart, and asked, “So are you ready to give your country presentation?” Minister Marcos Pinta Gama replied, “Yes Brazil looks forward to it. For 10 years, Brazil has stepped up surveillance in the TBA and has found no evidence of terrorism in the region or the rest of Brazil. Our intelligence agency says that the chance for terrorism activity in the TBA is low to non-existent. Its not that we do not pay attention we just have found no evidence of it.” Ambassador Pope replied, “Be careful about underplaying information in the TBA! The TBA is an important component of terrorism financing (not attack planning) by certain groups. We must be careful on not exaggerating or underplaying the issues.” Minister Gama replied, “I am not being defensive but this charge of terrorism financing in the TBA is an old phenomena! I believe the meeting should work on concrete data that can be proved. We must all seek mutual understanding to tackle the real problems in the region.” Antonio Gustavo Rodriques, President of Brazil’s Money laundering and CT Finance office added, “Ambassador Pope and delegations we must keep in mind that the TBA problem is not at the same magnitude as the Colombia problem. It is easy for

⁴² The author attended the 6, 7 December 2004 meeting as a non-speaking participant. The views are from my notes and discussions with the other meeting participants. The absence of extensive footnotes in this chapter is a result of the author’s attendance. All quotes are from the speakers at the meeting. The meeting session is attributable.

others to make accusations without proof.” After that exchange, there was a break followed with the final country presentation from Paraguay.⁴³

The second conversation occurred later in the morning and it illustrates the tension between Paraguay and Brazil. It also shows a different mindset between Paraguay which speaks mostly in generalities, and Brazil which prefers specifics. During that conversation, Ambassador Pope asked Paraguayan Minister Carlos Yegros, Director of SEPRALAD (Secretary for Prevention of Money Laundering), “Paraguay, are you ready for your country brief?” Minister Yegros replied, “Yes thank you for the opportunity and we are honored to be at such an important meeting. Paraguay’s major issue is the banking system. We have centralized control in our banking systems to prevent money laundering. Preventing support for terrorism is a priority for the central bank. Most importantly, we have a bill pending in Congress, which will further tighten our money laundering laws. First, it defines money laundering complicity and evasion that supports terrorism. Second, this law criminalizes money laundering with defined sentences of between five to twenty years in prison. The bill further protects informants and agents, and allows for wire-tapping. We hope this bill will be approved in the first semester of 2005. Minister Gama asked, “Do you have facts of terrorism or terrorism financing in the TBA? I’m sure the delegations would like to hear about the concrete facts. I repeat only the facts please.” Adolfo Marin, Paraguayan prosecutor replied, “We are convinced that terrorists cannot work without the movement of assets illegally. Paraguay believes terrorism is financed through commercial operations and benefits from the smuggling of contraband and drug trafficking.” Minister Gama replied, “Just as we thought there are no concrete facts to prove terrorism in the TBA.” These discussions took place over the day-and-a-half-long conference and show stark differences between the partners, but also lay the groundwork for future discussion. The two major questions the meeting raised are: has the Dialogue made a difference to counter criminal activity and

⁴³ The first and second conversations occurred on the morning of 6 December 2004.

terrorism? How can we move parties who see the problem differently toward a common goal? These questions, however, can only be answered after a more specific review of the “3+1” conference.⁴⁴

The first day of the meeting featured welcoming comments from William Pope, the moderator for the conference, followed by country briefings from the delegations of Argentina, Brazil and Paraguay. This session outlined the views of the TBA problem from each country’s perspective. The conference then offered briefings from subject matter experts and keynote speakers such as Assistant Secretary for Western Affairs Roger Noriega, Homeland Security Advisor to the President Frances Townsend; and United Nations International Counterterrorism Obligations Ambassador Javier Ruperez.

The session provided an opportunity for the participants to discuss issues arising from terrorism and criminal activities and to plan for the future. The end state was for the “3+1” partners to mitigate terrorism activities in the region through cooperation and sharing intelligence and law enforcement information, through the use of the partner elements of national power.

In the afternoon of day one, the participants discussed the status of four joint proposals from the last year’s meeting: 1) assume joint customs operations in the TBA; 2) address cross-border physical movement of currency, money laundering and terrorism finance; 3) implement an Integrated Migration Control system throughout the TBA; and 4) exchange information on air cargo flights in the TBA. By this year’s meeting, the group had accomplished mutual training and conferences dealing with criminal justice and border control. But the major objectives of 2003 remained the same in 2004, and shaped the course of this summit as well. The conference emphasized coordination, integration of capabilities, problem identification and resolution, as well as identification of sourcing and funding to aid in the development of coordinated terrorism countermeasures.

⁴⁴ Ibid.

On the second day, the conference started with an address from Mrs. Townsend, and a review of the “Best Practices Dialogues” (see Communiqué in Appendix A), intelligence sharing and personnel exchanges among Financial Intelligence Units, It culminated with a final review and release of a Communiqué, containing the group’s ultimate consensus. The consensus of participants was that the summit objectives were achieved and in some instances, exceeded. The specific accomplishments listed in the communiqué related to training and fighting money laundering, and included commitments to cooperate, share information, and train together to fight transnational terrorism and money laundering.

The Effect of the Dialogue

At the 2004 meeting, the partners discussed the security situation focusing on terrorism, or the absence of it, and proposals finalized in the communiqué. Issues included a proposal to establish better intelligence and law enforcement sharing and cooperation, increase training for prosecutors and judiciary by the United States, and Brazil’s announcement of the creation of a Regional Intelligence Center. The partners agreed that reports of operational activities by terrorists in the TBA could not be proven; however, money laundering and transnational terrorism were a major concern, especially for the United States and Argentina.⁴⁵

The Dialogue keeps the issues current, and demonstrates their seriousness for the public and the press. The Dialogue is a genuine attempt to generate ideas and seek guidance in a participatory process, which empowers the TBA countries and is the best way to make progress. The meeting was characterized by robust debate and exchanges of ideas and opinions that were at times divergent. Even though different views exist, the frank discussions by the participants’ showed that the meeting was a joint combined endeavour.

⁴⁵ www.defesanet.com.br/noticia/globalterror/

Only through meetings such as this, where the United States supports these governments and encourages them to cooperate with each other and to assist the United States against terrorism can the GWOT have a chance. Because of the Dialogue, intelligence sharing and training programs have improved. In addition to helping our allies and partners enhance their capacity to combat terrorism, the United States has laid the groundwork through active diplomacy to build a coalition that will protect American interests in the TBA. The meetings have reassured the partners that America's commitment to their concerns and problems is serious. Likewise, the free flow of ideas fosters the sense of a true partnership in the effort.

As terrorists work illegally to smuggle men, commerce and money across borders, coordination with the TBA partners in an annual meeting identifies vulnerabilities and explores countermeasures for implementation. Thus, dialogue keeps the TBA countries engaged with one another, and shows the world the commitment of the United States in fighting worldwide terrorism originating in its own hemisphere. Moreover, by actively engaging in these meetings, the United States promotes cooperation in the region, which at a minimum will improve America's standing in South America.

How Each Partner Defines the Problem

The meeting on 6-7, December highlighted the differences between the partners on how to define the problem. The United States sees it as a hemispheric threat, and part of the GWOT as a funding source for transnational terror. Argentina's views are similar to those of the United States, while Brazil denies the existence of terrorists in the region. Not unexpectedly, Paraguay plays the middle road to avoid alienating its more powerful neighbors. The differences of opinions seem to arise from socio-economic and political differences, with each nation looking at the TBA through its own filter.

United States

The United States views the problem as part of the GWOT. The narco-trafficking, human and commercial smuggling, and money laundering in the TBA provide funding for terrorism, a global problem and a threat to American national security. The strategy of the United States in the Western Hemisphere is to protect the homeland from terrorist attacks and concentrate on the lawless zones where terrorism can exist. Staying engaged and working with partners is the only way to improve the problems in the TBA. The goal of the United States is to use the elements of national power against terrorism. It sees Hezbollah as a major player because financial enablers allow terrorism to exist. The U.S. advocates an aggressive prosecution policy for illegal acts generating the funds for terrorists. It also stresses diligently seizing and freezing the proceeds of these crimes.⁴⁶

Argentina

Like the United States, Argentina views terrorism as a concern in the region with global implications. The Argentines laid out the problem clearly on 6 December 2004. The republic believes terrorism is a threat to its security, threatens democracy, and unlike the other TBA partners, has felt the impact of terrorism in the 1990s. It is willing to take strong measures, but like its two South American counterparts, believes that the defeat of terrorism must not sacrifice the sanctity of human rights a condition which it stated repeatedly throughout the conference.⁴⁷

Argentina has been the key driver of important initiatives in the TBA. One such initiative is the Trilateral Joint Command, designated on 12 June 1996, which has assisted host nation federal police to better identify criminal targets on the borders. So far, 109 meetings have taken

⁴⁶ The United States view taken from the presentations of Ambassador Pope and Assistant Secretary for Western Hemisphere Affairs Robert Noriega on 6 December at the 3+1 meeting.

⁴⁷ The Argentine country presentation given by Ambassador Victor Beauge, head of the delegation, on 6 December 2004 at the 3+1 meeting.

place to improve communications, and conduct combined raids. Argentina believes the Dialogue is an important catalyst for these activities, and the partners should continue information exchanges, acquire financial software tracking tools, and obtain sensors for border control. Argentina's Coast Guard has taken the lead on the surveillance of the Iguaza River and cooperates with Interpol to apprehend criminals. As discussed at the conference, Argentina's efforts have prevented kidnappings, interdicted contraband, and have added greatly to a decrease in lawlessness.⁴⁸

Argentina continued to express strong support for the GWOT. In fact, it has ratified 11 of the 12 United Nations resolutions on terrorism as of December 2004. Moreover, Argentina has close ties with the United Nations, the Organization of American States (OAS), MERCOSUR, and the United States to ensure full implementation of existing agreements. The Argentine government and the Central Bank are prepared to freeze the assets of terrorist groups identified by the United States or United Nations if detected in their financial institutions.⁴⁹

Argentina cooperated fully in 2004 with all significant international counterterrorism efforts at the UN, and the OAS, to strengthen security and search for terrorist support networks worldwide. Argentina worked within existing regional and international forums to elicit strong condemnations of terrorism and to elicit support for organizations combating terror. Argentina maintains an active role in the OAS Inter-American Committee against Terrorism (CICTE).⁵⁰

Brazil

Brazil's view is that terrorism does not exist in the TBA. Minister Gama, head of the Brazilian delegation, stated, "Transnational terrorism and transnational crime is not present in the

⁴⁸ Ibid.

⁴⁹ Ibid.

⁵⁰ The Inter-American Committee against Terrorism (CICTE) is an organization to combat terrorism in the Americas. The organization is designed to protect OAS states from terrorist incidents and has a terrorism database set up to assist.

TBA.” However, the Dialogue is still an important way to improve intelligence cooperation and mutual understanding. For 10 years, Brazil has increased surveillance and intelligence collection in the TBA and has found no evidence of terrorism. The assessment of the Brazilian intelligence agency is that the threat from terrorism is low, but Brazil actively engages and monitors the region for any contrary evidence. So far, Brazil has ratified 12 of the 12 anti-terrorism bylaws of the United Nations. In 2004, Brazil revised its 1978 money-laundering laws.⁵¹ It is currently working on implementing a 2005 strategy to fight money laundering, which Brazil sees as the main threat to its security. Although Minister Gama also stated there was a lack of evidence of money transfer from terrorist fronts to groups in the Middle East, Brazil nevertheless aggressively fights commercial smuggling on the rivers and road networks in the TBA. Brazil has backed the CICTE like Argentina, and has worked with the United States to identify and bring to justice suspects in money laundering crimes. Finally, despite its belief that the TBA does not have a terrorism problem, Brazil has agreed to cooperate with the United States on the GWOT. Brazil warned that the Dialogue is important but that the partners must be careful not to incite the press about the wild rumors of terrorism in the TBA. It noted that the region has suffered economically, since 9/11, because of these rumors Brazil is concerned that stereotypes of the region have hurt its international standing, and have stained the reputation of the peoples who live in the TBA.⁵²

Paraguay

Unlike Brazil, Paraguay admits to a terrorism problem in the TBA readily accepting aid and training. Paraguay has supported efforts of the UN and OAS against terrorism. It has complied with the 12 UN conventions against terrorism. Paraguay, like Brazil and Argentina, has great concerns about human rights and, in 2004, hosted a high-level meeting with the UN and OAS high commissions on human rights. Paraguay supports the CICTE. It is also strengthening

⁵¹ Minister Gama of Brazil country presentation and comments 6, 7 December 2004.

⁵² Ibid.

its domestic legal framework to deal more effectively with terrorism and ancillary support activities. Paraguay currently has a draft bill in its legislative branch to fight terrorist and criminal activity. The bill calls for the establishment of a secretariat to prosecute terrorists and those financing it, and to report suspicious activities. It allows federal law enforcement to use special investigative techniques, already in use for suspected drug traffickers, for investigating money laundering and terrorist activities and financing. The bill also allows for training of judges and prosecutors in the new law. Additionally, during the Dialogue, Paraguay pledged to the exchange of information and eradication of terrorist activities.⁵³

While not addressed during the 3+1 Dialogue, Paraguay has two major problems in countering terrorism. First, it does not have an anti-terrorism law approved. This prevents prosecutors from charging suspects with terrorism crimes. Instead, it must find other ways to go after these suspects. Second, Paraguay has a major problem with corruption. This creates problems for U.S. law enforcement working with their Paraguayan counterparts. When the corruption in Paraguay reaches the upper echelons of government, it causes a lack of trust by American law enforcement and reluctance to share information freely. As a result, U.S. law enforcement agents have been selectively sharing information, while never divulging sources to the Paraguayan authorities.⁵⁴

Summary

The Dialogue promotes cooperation, training, and sharing of intelligence and law enforcement information. At the policy level, the meeting is supposed to encourage adaptive planning, promote equal partnership of national front-line decision makers, and invest in developing joint process systems to integrate and synchronize efforts. In reality though, most of

⁵³ Comments from, head of the Paraguayan delegation, Carlos Yegros on 6 December 2004.

⁵⁴ The Library of Congress, *Terrorist and Organized Crime Groups in the Tri-Border Area (TBA) of South America*, (Washington, D.C. U.S. Government Printing Office), 2003, 49.

what occurred at the meeting is a diplomatic exercise in partnership building. Rarely, except for scheduling future meetings and training between now and the next meeting in Brazil in 2005, did the ambassadors go from a strategic vision to a coordinated action plan with specifics to conduct synchronized missions on the ground. Granted this is diplomacy in action, and it has some value, but there should have been a working group developed to complete the tedious task of a combined strategic plan to counter the problems. In any event, without key military, law enforcement (DEA), and intelligence officials present, a strategic plan was not attainable. In future Dialogues, an overarching synchronized plan of attack for the TBA across the elements of national power should take place. In the future, the dialogue must develop a synchronization matrix and execution checklist, which clearly identifies on-the-ground responsibilities, and actions.

While there has been progress by U.S. federal law enforcement officials and the partners, both unilaterally and bilaterally in defeating the threat, the threat posed to the partners by criminal organizations based in the TBA is constant. A substantially greater level of effort, like an operations order or action plan is required if the partner governments are to have a significant impact on terrorist organizations and the criminal organizations that feed them.

No single component such as this Dialogue is an adequate response to terrorism. It takes the response, coordination, and synchronization of all the U.S. elements of national power working in concert with partners and allies. An absence of this kind of detail or regional cooperation will never solve the challenges of the TBA. The analysis must objectively consider the implications to, and contributions of, all the elements of national power, and incorporate them into a solution.

ARGENTINA, BRAZIL, PARAGUAY AND THE DIME PLUS MODEL

Americans are asking how will we fight and win this war? We will direct every resource at our command every means of diplomacy, every tool of intelligence, every instrument of law enforcement, every financial influence, and every necessary weapon of war to the disruption and to the defeat of the global terror network.

President George W. Bush, Joint Session of Congress ⁵⁵

The DIME Plus Model is an analytical framework from which to examine United States effectiveness in the region. Theoretically, this approach integrates United States elements of national power working in a coordinated way to provide options to mitigate terrorist planning, money laundering, and illegal fund-raising. Depending on the situation, policy makers can rely heavily on diplomacy to persuade an adversary or on military action when vital national interests are challenged. The TBA needs diplomatic, informational, military, economic, intelligence and law enforcement options to counter terrorist actions and power in the region. As a result, coalitions such as the “3+ 1 group” will need to seek consensus and take decisive action using the principles of the DIME to achieve success. For the United States, success in the region is vital to national interest in the wake of 9/11. What was once an inconsequential part of the world from a security standpoint is now a serious threat. The TBA’s location in the Western Hemisphere accentuates its level of importance, if not only psychologically.

Diplomacy

The challenge that arises in South America is how the United States conducts diplomacy as an element of national power to develop a policy. That policy must be targeted and received with cooperative goals that benefit the four partners and is synchronized with the other elements

⁵⁵ George W. Bush, “Address to a Joint Session of Congress and the American People,” 20 September, 2001, (Washington, D.C., The White House), 1.

of government power. This is difficult to accomplish, given the uneven power relationship between the United States and the TBA countries. Partner political sensitivities and differences of opinion on the TBA/GWOT make this a difficult diplomatic campaign for the United States. The challenge is to determine where the right balance lies in this combined effort to require all sides to make sacrifices and put aside their different regional and global views. The United States needs to continue a light-handed approach, and to listen and learn from the partners. Argentina, Brazil, and Paraguay must set aside their preconceived notions of the United States as a powerful nation that does not cooperate with international organizations such as the OAS and UN, and assume a more open view of the United States worldwide security situation.⁵⁶

In working together, the pressure will be on the United States to be more flexible. At this moment, for instance, it would backfire if Washington put undue pressure on the partners to make the fight against terror and crime in the TBA their top priority. These countries have internal issues and national strategies different from the United States. The United States thus needs to push for American interests as it does at the 3+1 group dialogues, but at the same time, it must be cognizant of its partner's internal problems and demands.⁵⁷

Once America accepts the different interests of the partners, it needs to gain their increased cooperation. Even if we have the same threats, we cannot take it for granted that the TBA countries will collaborate fully with America. The State Department needs to court these countries carefully. The multilateral approach to terrorism is the best way to solve the problems in the TBA. The 3 + 1 Dialogue" has been successful from a diplomatic standpoint. Another way to address the problem diplomatically is for the United States to solicit cooperation as part of this 3+1 coalition through the UN and OAS, two highly respected organizations in South America.

⁵⁶ Miguel Diaz, "Moving the Hemispheric Security Partnership Forward" (Paper, Director of the South American Project, CSIS, 2002), 2.

⁵⁷ Ibid.

This would be helpful because of the disdain for American actions in OIF and the history of United States unilateral intervention in both Central and South America.⁵⁸

Diplomacy and constructive engagement with Argentina has been more successful than the relationships with the other TBA countries. Diplomatic efforts with Argentina have established it as a regional anti-terror partner in South America. Its government is now a central component of the Bush Administration's engagement in the area, especially post 9/11. Diplomacy may not always work, but here diplomatic measures are one of the best conduits of national power for the United States. Distrust of the motives of the United States is a historical problem. The open communication and combined efforts fostered by diplomacy, however, can build a positive relationship, and with it, the trust necessary to accomplish U.S. goals.⁵⁹

Diplomacy in the TBA is a process of building mutual respect. The State Department needs to build new relationships with South Americans. Through the efforts of State, Brazil has now come to see the tie between drugs, violence and lawlessness in their own country. Now, America must convince Brazil terrorism financing fuels drug trafficking, and endangers the security of Brazil and its people. The road is difficult because Brazil insists that there is no evidence of groups tied to terrorism in the region.⁶⁰

Paraguay and the United States have an extensive relationship, especially as partners to combat drugs, money laundering and other illicit cross-border activities. Since its return to Democracy in 1989, Paraguay with urging and assistance from the United States has adopted a new constitution, has free elections, and is a more willing partner to counter drugs and terrorism in the TBA. The United States continues to encourage Paraguay to modernize its criminal law to combat terrorist financing and has sent trainers in law to help. The exchange of U.S. law enforcement expertise has created a stronger partner in Paraguay because it reduces criminal

⁵⁸ Ibid., 3.

⁵⁹ Author notes from the 3+1 meeting on 6, 7 December 2005.

⁶⁰ Diaz, 4.

activities and transnational terrorism there. The United States also has encouraged the strengthening of border officials and police with sorely needed technological tools, which help to enforce the law and interfere with illegal cross border activities.⁶¹

With these successes, the State Department must continue to push Paraguay to eliminate corruption and to improve of the life of its people. As the internal situation improves, Paraguay can engage more fully in the international problems of concern to the United States and surrounding countries. Hopefully, the United States role in Paraguay's emerging democracy with its vibrant presidential and parliamentary systems will encourage the government and the people to support U. S. policy in the region and the GWOT in general.

Informational

The informational component of the DIME plus Model requires the influencing of public opinion through public diplomacy and the media. It is being used to influence public opinion in South America so the people will pressure their governments to take action against terrorism. Thus far, the informational emphasis has been on portraying the United States as an equal partner with the TBA countries in combating regional crime and terrorism. The message has been relatively successful, and has been communicated through State Department diplomacy, press releases, and recent visits by General Myers (chairman of the Joint Chiefs of Staff) to Argentina in 2003 and by Secretary Rumsfeld to Ecuador in November 2004.⁶² These high level visits, which generate publicity enable the message of the American government to reach the widest audience in the TBA and South America as a whole. It can reshape South Americans' views and assure them that the United States respects them and their sovereignty. Using an information

⁶¹ Author notes from the 3+1 meeting 6, 7 December 2004.

⁶² The meeting of the Defense Ministers of the Americas was held in Quito Ecuador in November 2004. It is an annual meeting focusing on military matters pertinent to the participating states. Secretary Rumsfeld's focus was for regional security cooperation and joint operations in support of the GWOT.

campaign is arguably one of the best tools in winning the hearts and minds of the South Americans.

Following United States actions in the Middle East, specifically the invasion of Iraq, our reputation in South America suffered. One way to mitigate this is to show the United States takes the viewpoints of South American governments seriously, publicly acknowledging its mistakes and policy failures in South America, thus building trust and defusing anti-American rhetoric. The United States must gain trust in the region by working through our historical baggage. For the most part, the message has resonated in the South America, especially after 9/11.⁶³

Military

In expanding its commitments worldwide, the United States has found it useful to support the militaries of the TBA countries, in the hope that they will be partners in supporting American objectives there. Indeed, as a result of better support and cooperation, Argentina and Brazil recently sent troops to Haiti as peacekeepers in 2004, as SOUTHCOM had urged them to do. The peacekeeping mission has helped build military bonds with these countries, and hopefully will bear fruit in future training and exercises in the region, and as a force that can assert its presence in the TBA.⁶⁴

In his annual testimony given before Congress in early 2004, former USSOUTHCOM Commander Gen. Hill stated, “As with every other combatant commander, the war on terrorism is my number-one priority.”⁶⁵ With that as guidance, USSOUTHCOM has built partnerships through bilateral and multilateral training exercises. “Exercises such as FUERZAS COMANDO (joint and combined special operations skills competition) held in El Salvador, in July 2004, was

⁶³ Diaz, 3.

⁶⁴ Mark Mazzetti, “U.S. Seeks Greater Security Cooperation in Latin America,” *Los AngelesTimes*, 17 November, 2004, 1, 2.

⁶⁵ Adam Isacson, Joy Olson, and Lisa Haugaard, *The Latin America Working Group Education Fund, The Center for International Policy, and Washington Office on Latin America*, “Blurring the Lines, Trends in U.S. Military Programs with Latin America,” September 2004, 3.

a regional success. The exercise enhanced cooperation, trust, and improved the readiness of Special Operations Forces in tactics and interoperability skills used in the GWOT.”⁶⁶ The exercise was a seven-day special operations skills competition with militaries from Argentina, Bolivia, Brasil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panamá, Paraguay, Perú, Uruguay, Venezuela, and the United States.⁶⁷ Bilaterally the military relationship between the United States and Argentina is close. Though Argentina is not a major aid recipient, cooperation and communication between USSOUTHCOM and Argentina is frequent, and Argentina is active in international peacekeeping missions. Moreover, Argentina's is the only partner that has status as a “Major Non-NATO Ally” with the United States.⁶⁸ Though this status is largely symbolic, it carries weight as an indicator of the cordiality of the United States Argentine military relationship.

Likewise, USSOUTHCOM is working to improve Brazilian capabilities in the future. In 2005, USSOUTHCOM is assisting Brazil in intelligence sharing to improve liaison between the United States and Brazil. Brazilian intelligence units, which support active operations against transnational crime and terrorism, are vital to American objectives in the GWOT.⁶⁹ In 2006, USSOUTHCOM will push for a Brazilian Armed Forces which can perform internal operations in Brazil supporting its Law Enforcement Agencies in combating criminal activities.⁷⁰ Finally, in 2007, USSOUTHCOM will urge Brazil to provide military forces for the GWOT. Brazilian

⁶⁶ Major Hector Gonzalez (USSOUTHCOM J3 exercises), interview by author, 7 January 2005, via telephone, email, and J3 exercise and training notes.

⁶⁷ Argentine Press, El Salvador and the C3ndor Plan, *El Correo de la Diaspora Argentina*, 24 July, 2004, 1,2.

⁶⁸ Federico Larrinaga, “Argentina, a New U.S. Non-NATO Ally Significance and Expectations.” *Naval War College Press* (Spring 2000), 15, 16.

⁶⁹ Major Hector Gonzalez (USSOUTHCOM J3 exercises), interview by author, 7 January 2005, via telephone, email, and J3 exercise and training notes.

⁷⁰ Ibid.

forces should be able to conduct an Information operation (IO) campaign to shape transnational criminals, terrorists and their bases.⁷¹

As to Paraguay its three goals are: to combat terrorism in the TBA and within the country as a whole. By 2009, Paraguay wants an ability to provide government control over ungoverned spaces that provide bases for terrorists.⁷² These exercises and security cooperation agreements are excellent ways to encourage regional military cooperation and enhance military capabilities. Bilateral and multilateral exercises empower South American countries to fight global terrorism without threatening national sovereignty, a major concern based on a long United States pattern of hemispheric interference. USSOUTHCOM's training and exercise program is relevant now and in the future.⁷³

Economic

The use of economic sanctions is a powerful tool to gain compliance from governments worldwide and in South America. Sanctions can be used to not only punish nations, but can also target terrorist financial assets. President Bush signed an Executive Order in 2001, Order 1334, which immediately froze terrorist finances throughout the world, and more importantly, gave the Treasury Secretary Powers to impose sanctions on terror organizations and the tools to designate entities as terrorist organizations with little oversight. As of late 2004, millions of dollars in terrorist funds had been frozen worldwide according to U.S. and U.N. financial data.⁷⁴

Application of these economic measures is the right approach, on a case-by-case basis; however,

⁷¹ Ibid.

⁷² Ibid.

⁷³ Ibid.

⁷⁴ *Terrorism and National Security: Issues and Trends*, (Washington, D.C. Congressional Research Service), 2004, 12.

terrorists also place funds outside of established financial networks in informal mechanisms called “Hawala” chains.⁷⁵

The Congressional Research Service made a significant point when it explained about the types of economic sanctions:

With respect to nation states, economic sanctions fall into six categories: restrictions on trading, technology transfer, foreign assistance, export credits and guarantees, foreign exchange and capital transactions, and economic access. Sanctions may include a total or partial trade embargo, an embargo on financial transactions, and suspension of foreign aid, restrictions on aircraft or ship traffic, or abrogation of a friendship, commerce, and navigation treaty. In addition, the President has a variety of tools at his disposal, but the broadest in its potential scope is the International Emergency Economic Powers Act. The Act permits imposition of restrictions on economic relations once the President has declared a national emergency because of a threat to U.S. national security, foreign policy, or the economy. The President can regulate imports, exports, and all types of financial transactions, such as the transfer of funds, foreign exchange, credit, and securities, between the United States and the country in question.⁷⁶

Using these tools with the TBA countries is not appropriate at this time, but having them available helps America persuade the partners to help voluntarily. Without question, economic assistance is the better policy approach in the TBA. The United States needs to make friends in the region, not enemies. It should use its economic power and influence as a carrot, not a stick. Economic sanctions can assist in creating social conditions that provide a recruiting ground for terrorists. On the contrary, United States economic assistance can improve social conditions especially in South American cities where deplorable living conditions can provide a fertile breeding ground for potential terrorists. A further advantage of economic aid is a more positive image of the United States in South America.⁷⁷ Both economic aid and sanctions impact the poor of South America. If the United States is a friend economically, it can revitalize an area and

⁷⁵ Hawala chains are an informal funds transfer system that is a centuries old Islamic tradition.

⁷⁶ *Terrorism and National Security: Issues and Trends*, (Washington, D.C. Congressional Research Service), 2004, 12, 13.

⁷⁷ *Ibid.*, 13.

establish a different image with the population. Consequently, it can alleviate some of these underlying causes of terrorism, while at the same time build good will within the populations.⁷⁸

Intelligence

The TBA intelligence agencies vary in capabilities. Argentina, Brazil, and Paraguay intelligence services need more training, and specialized collection tools to be competent. TBA intelligence services tend to be internal looking institutions, corrupt and compromised, and are technologically subpart. Like the U.S. intelligence community, the TBA countries have multiple intelligence services, with little coordination between them.⁷⁹

One way to improve the situation is through training. South American intelligence services benefit from exchanges and training from U.S. intelligence organizations. Such exposure expands the information flow between partner intelligence agencies and helps in the analysis of terrorist activities in the TBA. Increased contact and liaison between host nation and the U.S. intelligence agencies could provide early warning of an upcoming attack. Additionally, Mobile Training Teams (MTT's) designed to share practices and methods with the TBA intelligence organizations will increase professionalism and combined training, mitigate cultural differences, share a combined modus operandi, increase collaboration, and foster trust with all the partners.⁸⁰

Information sharing and training of the FIUs is the key to both enhancing expertise and attacking the money-laundering situation and countering other financial crimes. During the past decade, a number of countries have created specialized government agencies as part of their attempt to counter the problem of money laundering. These units increasingly serve as the main vehicle for nations to counter money laundering because they provide rapid exchange of

⁷⁸ Ibid.

⁷⁹ Diaz, 5.

⁸⁰ Ibid.

information between jurisdictions, financial institutions, and law enforcement, while maintaining the privacy of cases and privacy of individuals.⁸¹

In 1995, the EGMONT Group germinated.⁸² The first meeting took place at the Egmont-Arenberg Palace in Brussels, Belgium and was named after the first meeting site. The goal of the group is to provide a forum for FIUs to improve support to their national money laundering programs. EGMONT is not a policy organization; it is an operational entity where reciprocity of information sharing is key. FIUs do not investigate money laundering crimes. FIUs are a support element for investigations in the sense that they foster communication, improve expertise, and invest in new technologies to help fight money laundering.⁸³ Argentina, Brazil, and Paraguay have FIUs and are in EGMONT. To progress, the United States must continue to work with the FIUs of the TBA countries.⁸⁴

Law Enforcement

Law enforcement is another element of national power critical in assisting the TBA countries to counter crime and terrorism financing in the TBA. Domestic law enforcement agencies are better suited and more palatable than the military to combat terrorist financing and crime in the region. Past abuses committed by the military regimes in Paraguay and Argentina still linger. U.S. strategy should seek to continue to train and enhance the regional law enforcement capabilities and interoperability with U.S. law enforcement agencies.

For example, the Argentines hosted a conference on law enforcement in October 2004, in Buenos Aires. It was attended by the law enforcement agencies of the TBA along with agents of United States Customs, FBI, Treasury and the Department of Homeland Security (DHS). The purpose of the conference was to communicate best practices, and to learn from each other's

⁸¹ Author notes from the 3+1 meeting on 7 December 2004

⁸² Ibid.

⁸³ Ibid.

⁸⁴ Ibid.

mistakes in the fight against money laundering. Cooperation, coordination, and understanding were stressed as the pillars of regional law enforcement success. The conference reflects a mutual understanding between the countries that crime looks for opportunity. By their participation, all the countries involved acknowledged that drugs, human smuggling, fraud, and identity theft are threats to the safety of the TBA countries. Finally, through the conference, the countries better understand each other's systems, shared lessons learned from specific criminal cases for mutual education, and pledged to continue their combined relations.⁸⁵

Success in law enforcement is only attained if met with equal progress in the judicial systems of the TBA. The TBA countries are now giving priority to judicial reform as a necessary precondition for arresting and prosecuting terrorists. There is a growing awareness that a Judiciary able to resolve cases in a fair and timely manner is an important prerequisite for prosecuting criminals and terrorists, and spurring economic development (foreign businesses will more readily invest in South American Countries).⁸⁶ In the region, inconsistent application of laws, lack of anti-terrorism legislation, and a large backlog of cases erode the ability to function. In a paper written by Christie Warren, from the Institute for Court Management, she pointed out why judicial delays aid crime and terrorism. "Criminal court delays can threaten the rights of defendants held in pretrial detention for long periods of time; they can also threaten social stability when defendants are free for so long before trial that the likelihood of their conviction declines as the likelihood of their involvement in continuing criminal activities and terrorism increases."⁸⁷ United States Department of Justice trainers provide training for prosecutors, defense advocates, and police in addition to court staff. This training is part of the cycle of apprehension, prosecution and sentencing to achieve the desired result: a judicial system that

⁸⁵ Ibid.

⁸⁶ Christie Warren, "Court Administration as a Tool for Judicial Reform: An International Perspective" (Paper, Institute for Court Management, 2001), 30, 31, 32.

⁸⁷ Ibid, 31.

functions effectively to put criminals and persons involved with terrorism in jail.⁸⁸ Law enforcement is critical because it cuts off the source of the terrorist funding and incapacitates criminals and terrorists as well. As crime decreases and the TBA becomes more economically vital, the criminal element should diminish as the populace can turn to legitimate sources of income and shed the hopelessness of poverty.⁸⁹

Summary

The United States' elements of national power as employed through the DIME Plus Model can shape the strategic environment in favor of the United States and help the TBA countries win the fight against crime and terrorism. It can be used to forge stronger relationships between the TBA countries and the United States, while benefiting those countries in all aspects of their national power.⁹⁰ Critical to winning is the ability of the United States to use its capabilities in a joint combined effort to show our commitment both to the eradication of terrorism in the Western Hemisphere and to the improvement of the internal situation of our partners. This can be accomplished through the DIME Plus Model: 1) diplomatically through communication of our intentions; 2) informationally through the use of press releases and high level U.S. dignitary visits to the region; 3) militarily through joint and combined training and liaison; and 4) economically through inducements to spur economic growth and sanctions used as a tool to support American interests. Similarly, intelligence and law enforcement exchanges are important. They promote trust and confidence and increase the security of America and that of its TBA partners. Through the use of elements of U.S. national power understanding is increased, uncertainty is reduced, the security environment is improved, and the regional threat as part of the

⁸⁸ Ibid.

⁸⁹ *Terrorism and National Security: Issues and Trends*, (Washington, D.C. Congressional Research Service), 2004, 13.

⁹⁰ *National Military Strategy of the United States of America*, (Washington, D.C. U.S. Government Printing Office), 2004, 1, 2, 3.

greater GWOT, can be defeated.⁹¹ The DIME Plus Model's most positive attribute is its symbiotic nature. As it strengthens U.S. security, it strengthens each country with whom we are partners.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

Senior defense officials and analysts say some things are getting clearer. They have come to see the war on terrorism as a war of ideas as much as one of kinetics, in which changing minds and managing perceptions is as important as killing or capturing terrorists. Success must be measured not by body counts and arrests, but in the overall trend toward democracy in the region, a steady decline in hateful rhetoric and a sharp drop in the effectiveness of terrorist attacks.

Christian Lowe, *DefenseNews.com*⁹²

The relationship between the United States and the TBA countries is a work in progress. The region is of vital importance to the United States because of its links to transnational terrorism and its location in the Western Hemisphere. The 3 + 1 group's priorities for regional stability, which are combating terrorism financing and its transnational character, will not only stabilize the region, but advance the U.S. led GWOT. With a continued effort, vigilance, and commitment of the 3 + 1 group the chance for peace and prosperity in the region is attainable.

Despite progress in the cohesion of the 3 + 1 group, a number of fundamental security challenges nonetheless remain. They include porous borders and general lawlessness. The region presents a host of non-military threats to security including piracy, human smuggling, narcotics and poverty, each of which demands attention. The United States, however, should be mindful of the parameters within which the TBA countries can support U.S. policies, fight terrorism, and maintain political legitimacy and stability. In today's security environment, domestic populations

⁹¹ Ibid.

⁹² Christian, Lowe, "DoD Seeks Benchmarks for War on Terror," *DefenseNews.com*, 14 March, 2005, 1.

particularly in South America where the United States has a checkered past, are more suspicious and critical of U.S. motives. Although, after 9/11, the South American population supported the United States led GWOT, public opinion changed for the worse with the U.S. invasion of Iraq. Adding to the problem, the fear of political consequences has caused South American governments to be somewhat reluctant to pursue terrorists, particularly if they are perceived as bowing to US pressure in doing so. Precisely because of these concerns, the 3 + 1 Group on TBA Security and the DIME Plus Model show themselves as key instruments of United States Policy necessary for success in the TBA.

The 3 + 1 Group is a critical forum for discussing issues and demonstrating U.S. commitment to the TBA countries in the fight against terrorism. This group allows for forums, which are an important element of America's security strategy, provide an opportunity to share views on the pertinent TBA security issues, promote transparency and underline America's commitment to working cooperatively on security issues. Furthermore, the United States Department of State considers strong cooperation between regional governments critical to combat transnational terrorism, especially in the exchange of information and intelligence to identify possible terrorist threats early. The State Department has shown constructive focus in addressing the terrorism challenge through the 3 + 1 Dialogue. With that said, the annual meeting while helpful, is not synchronized across all elements of the U.S. federal government. Intelligence, military and economic representation are conspicuously absent from the Dialogue. Without those elements of national power in attendance, the synchronization of American power is fragmented, and a full spectrum approach for the TBA is hampered.

Without question, a synchronized approach, such as the DIME Plus Model, is the best way to achieve success in the TBA. The DIME Plus Model, however, should be adapted to the needs of the particular TBA country with which the United States is engaged, as each country has different strengths, weaknesses, and needs. Argentina as the closest partner in the fight against terror with the United States should have even closer ties with the United States especially with

the intelligence and law enforcement elements of the model. Intelligence and law enforcement are key because both, the United States and Argentina have a similar view of the problem and, thus, information sharing and combined operations in these elements should be strengthened further. Bi-lateral working groups and mutual intelligence sharing will engender greater trust and create a more common operating picture of the threat and countermeasures to neutralize it. Additionally, law enforcement sharing will increase arrests and prosecutions, and send a message to the terrorists and their sympathizers that Argentina is serious about the menace and will pursue any means available to stop it.

Brazil's relationship to the United States differs from Argentina's. At present diplomacy and an informational campaign should be the main emphasis of U.S. national power. Because of the differences of opinion on the terrorism threat in the TBA the State Department should take the lead in forging and shaping new perceptions in Brazil. The State department should aggressively counter distorted views of the United States in that country to emphasize that the GWOT is not a unilateral American interest, but a way to stop transnational terrorism in the Western hemisphere as well as globally. If terrorism financing is allowed to flourish in the TBA it will strain relations between the United States and Brazil and continue to foster a negative perception around the world that the area is a haven for terrorists and those that support them. The United States must convince Brazil that as a consequence, Brazil and the region's other countries will suffer the resulting economic consequences that generate and maintain crime and terrorism. In this war of public diplomacy, the United States must first enhance the political will of Brazil to fight terrorism. It must show that maintaining this fight is in Brazil's long-term interests. Second, America must bolster the capability of Brazil with additional training and technical advice to enable Brazil to unearth the criminal networks, and show its leaders that terrorism exists within its borders.

For Paraguay the United States should focus the DIME Plus Model on the Economic element. Paraguay has enormous challenges that can be remedied only with economic assistance.

Paraguay cannot otherwise become a full partner in the fight against terror in the TBA. With nearly 2 million people (36 percent of the population) living in poverty there a massive infusion of U.S economic assistance is needed.⁹³ The United States should assist to restore confidence in the economy and lay the basis for sustainable growth and poverty reduction. It could help instill confidence in state institutions by providing better governance training, which is a critical ingredient for growth in terms of creating a business climate that draws increased investment from the private sector. Because of poverty in the major cities, which could create conditions for criminal activity and terrorist recruitment, the United States should contribute loans and funding to expand basic social services (education, public health and water/sanitation). This will aid Paraguay in creating essential infrastructure, and an economy that attracts foreign business investment. By so doing, the United States will alleviate serious impediments and help build a Paraguay that will be an asset in the regional and global effort against terror.

Using the DIME Plus Model in a forward strategy gives America the tools to assist the TBA nations in their own efforts against lawlessness and toward prosperity. The model directs these elements of U.S. power toward strengthening the rule of law in the region and fostering economic development. The U.S. projection of its national power through the DIME Plus Model provides the best way to resolve the lingering problems in the TBA. It provides a comprehensive and flexible approach with which to shape its three different regional partners. If America is to be secure, a fundamental change in the security situation in the TBA is necessary.

State Department

The application of the DIME Plus Model to the situation in the TBA gives rise to four specific recommendations that will improve the image of the United States in the region and improve security there. First, the State Department needs to convince the partners and their

⁹³ CIA, *The World Fact Book*, "Paraguay," 2001, 5.

populations that the GWOT is everyone's war. It must convey that terrorism poses an internal and external security threat to the TBA countries as well as to the United States. At times, the United States has been slowed in its relations with the TBA countries by a perception in the region that the GWOT is a United States only war.⁹⁴ This impression has been changing slowly because of meetings such as the 3 + 1 dialogue, but the perception persists. Indeed, South Americans frequently criticize the US approach as concerned primarily with threats to Americans, rather than a deeper commitment that addresses the root causes of terrorism.⁹⁵ This perception will only be dispelled through a coordinated and synchronized DIME Plus Model using the elements of national power in a coordinated effort that has a real impact on the populations of TBA countries. The effort must include an information campaign, economic aid, and improvements in law enforcement, from these, intelligence sharing and joint combined military training and operations will flow.

Second, to make U.S. policy more effective, America, through the State Department, will have to increase TBA country participation and ownership in the antiterrorism campaign, and balance the current emphasis on apprehending Hezbollah and splinter groups with attention to social policy.⁹⁶ To date, U.S. counterterrorism policy in South America has been directed at defeating terrorist groups by arresting the leaders of the networks that supply funding for transnational terrorism.⁹⁷ This assumes that terrorist networks have operated with linear chains of command.⁹⁸ However, Hezbollah is structured in a more horizontal way and is based on social relationships. Consequently, these networks will meet arrests with a pool of replacements.⁹⁹ Greater attention to local culture and how terrorist groups operate will be the only way to weaken

⁹⁴ Stanley Foundation, "Political Islam and Counterterrorism in Southeast Asia: An agenda for U.S. policy," *44th Strategy for Peace Conference*, 2003, 4.

⁹⁵ Ibid.

⁹⁶ Ibid.

⁹⁷ Ibid.

⁹⁸ Ibid.

⁹⁹ Ibid.

these groups.¹⁰⁰ Human intelligence is essential to penetrating the decision cycle of terrorist cells and will enable the partners to destroy terrorists from the bottom up.¹⁰¹

Third, the State Department must have a policy that focuses on South American security concerns.¹⁰² U.S. policy needs to be in tune with security threats of concern to South Americans, which have been frequently ignored in US policy.¹⁰³ For example, the way to combat and arrest terrorists can also be applied to the piracy and the human smuggling trade that provide the funding for transnational terrorism.¹⁰⁴ U.S. policy has fallen into the trap of fighting money laundering and creating money-laundering legislation when the criminal aspect of the TBA is much broader. In the last 3 + 1 meeting, in December 2004, crime was discussed, but took a back seat to money laundering. If the United States does not assist the TBA in the elimination of root crimes, the flow of money out of the TBA and in support of transnational terrorism will only increase.

Fourth, the State Department must continue what works. A real plus is the regional approach to counterterrorism with venues such as the 3 + 1 Group on TBA security. The seamless nature of terrorism makes hard to detect, suggesting the need for a continued multi-lateral regional mechanism for U.S. policy in the region.¹⁰⁵ In the post-9/11 security environment, the United States has developed a concrete strategy for combating terrorism in the region with the 3 + 1 Group. This is a positive step, and should be maintained and strengthened.

USSOUTHCOM

First, USSOUTHCOM should emphasize law enforcement over military action against terrorism; however when conducting joint combined operations, emphasis infrastructure support

¹⁰⁰ Ibid.

¹⁰¹ Ibid., 6.

¹⁰² Ibid.

¹⁰³ Ibid.

¹⁰⁴ Ibid., 5.

¹⁰⁵ Ibid., 6.

over military missions. In countries such as Argentina, this is the optimal approach because of its history of military dictatorships as recently as the 1980s. With law enforcement playing an increased role in tracking and apprehending terrorist networks in the TBA, this method shows that the military protects the TBA countries externally, while internally the legal and judicial function are in civilian control. When conducting joint military exercises, the United States should conduct civil support (building bridges and schools, and providing medical help) as the main mission of the exercises to improve the indigenous population's way of life in poor areas. At the same time, this will strengthen joint combined operations between the United States and the partners as they work together on these significant civil projects.¹⁰⁶

Second, USSOUTHCOM should also strengthen intelligence cooperation with the TBA partners.¹⁰⁷ It should emphasize a policy of releasability of intelligence information to create a combined United States/TBA partner intelligence unit. In this environment, analysts could more readily fuse intelligence that could link Arab population of the TBA to terrorists. Moving from a predominant focus on individual terrorists to a broader and more in-depth approach, USSOUTHCOM should use host nation analysts in a fusion center where collaboration and joint analysis is not the exception but the norm.

FINAL THOUGHTS

Protecting the homeland from terrorism has become one of the greatest challenges faced by the United States in modern times. Threats have emerged not only in the Middle East, but in the TBA of South America. Since 9/11, this has forced the United States to rethink its strategy, develop closer relations with the TBA countries, and reconsider their role in the GWOT. While we have only begun to work toward realigning our security relationships and adjusting to this new and unfamiliar threat environment, the United States has taken steps toward building an

¹⁰⁶ Ibid.

¹⁰⁷ Ibid.

improved preparedness by engaging South America with forums such as the 3+1 Dialogue. With the rising threat of terrorism and the realities of the difficulty in countering terrorism financing, good relations with the TBA partners has become a key component of achieving national security, particularly in a region so close to home. A continued effort with the TBA countries is one way in defeating the flow of money and sympathies to transnational terrorists in the GWOT.

Appendix A: Communiqué of the 3 + 1 Group on TBA Security

On December 6 and 7, 2004, the delegations of Argentina, Brazil, Paraguay and the United States of America met in the city of Washington D.C. in the framework of the 3 + 1 Group on Tri-Border Area Security to discuss and analyze preventive actions against terrorism and other transnational crimes. The discussions focused on joint activities taken over the previous year by the parties, such as training, international counterterrorism obligations, and best practices for improving law enforcement cooperation, including combating money laundering and terrorist financing.

The United States has strongly supported the 3 + 1 Group and its efforts in preventing terrorism and transnational crime. The U.S. Assistant Secretary of State for Western Hemisphere Affairs Roger Noriega thanked the nations of the Hemisphere for their unwavering cooperation in these efforts, and enhancing security in the Americas. Noriega said he was very pleased by the actions of the 3 + 1 Group, complimenting the delegations that "moved immediately after your establishment into deeds, from an impressive array of cooperative training to sharing of intelligence and information."

As the head of the U.S. delegation, U.S. Acting Coordinator for Counterterrorism William Pope noted that the struggle against terrorism could only succeed by the joint efforts of all civilized nations. He said that while we have weakened terrorist organizations, they remain dangerous and unpredictable. The Americas have been largely free of terrorism, but our liberties and close ties between people, institutions, and businesses, can make us an attractive target for attack by desperate groups, he said. He concluded by urging all nations to remain vigilant while constantly improving our capabilities to defeat and deter terrorism.

The U.S. Homeland Security Advisor Frances Townsend described the United States' strategy in the Global War on Terrorism. She noted that in order to deter terrorism in our

Hemisphere, our countries must work together along various fronts. She congratulated the delegations for the work of the 3 + 1 Group since its inception and urged them to continue to deepen their cooperation.

The delegations, aware of the fact that the fight against terrorism and transnational crime can be effective only if applied from a perspective of broad cooperation among State agencies, gave presentations on the high priority their governments place on the fight against these scourges.

They have agreed that, worldwide, the financing of terrorism is a fundamental pillar of terrorist activities. Thus, the only way to confront it is through the exchange of information and experience, the design and application of specific controls, as well as ongoing training of the authorities involved.

Once the points on the agenda were analyzed, the delegations concluded the following:

- 1) They ratified that, according to currently available information, no operational activities of terrorism have been detected at the tri-border area.
- 2) They reiterated their commitment to continue meetings with the four countries under this informal mechanism, as the results achieved in this sphere are considered highly positive and auspicious.
- 3) Paraguay recalled the tri-lateral draft operational agreement to joint patrols regarding Itaipu Lake and adjacent waters. Brazil announced that Argentina, Brazil, and Paraguay will meet in Foz do Iguaçu the first half of 2005 for the purpose of analyzing, approving and implementing this plan. Brazil announced the establishment of a new Maritime Security Center in Foz do Iguaçu (*NEPOM*).
- 4) The Argentine delegation gave information about the computerized system for integrated immigration controls. The delegations of Argentina, Brazil and Paraguay expressed their interest in giving priority consideration to the implementation of integrated border and customs controls in the tri-border region and agreed to have a meeting during the first half of 2005 to analyze the issues.
- 5) The delegation of the United States presented an account of the training courses on combating money laundering and terrorist financing that the United States has provided to officials of the Argentine, Brazilian and Paraguayan Financial Intelligence Units (FIUs), as well as to officials working in the legal, financial regulatory, law enforcement and prosecutorial sectors.
- 6) The delegation of the United States provided an account of the other delegations' senior officials' visits to its borders with Mexico and Canada as well as to the Miami port of entry in 2004 to observe border control cooperation.

7) The delegations reiterated the importance of intensifying the struggle against money laundering and the financing of terrorism. More specifically, the delegations emphasized the need to implement the 40 + 8 Financial Action Task Force (FATF) recommendations, as well as the new FATF special recommendation on cash couriers (especially reporting suspicious transactions to the FIUs). The Argentine delegation reiterated, on this particular matter, the need for implementation of a matrix for the exchange of information among all the institutions linked to this activity in order to unify criteria and maximize the effectiveness of said exchange. They agreed to work together in this forum taking into account other multilateral and regional initiatives.

8) The delegation of the United States reported on the Conference of the 3 + 1 Group's FIUs that was held in May 2004 in Buenos Aires to strengthen communication, interaction, training and the development of information technology. Brazil, Argentina and Paraguay proposed that future FIU meetings, conducted in the context of the 3 + 1 dialogue, include a broader participation of other relevant agencies. Paraguay offered to host the next FIU meeting during 2005, with a focus on controls on cross-border transportation of monies and securities, as well as on non-profit organizations.

9) In order to have more in depth inter-agency cooperation, the delegations emphasized the need to strengthen closer institutional ties among prosecutors working in the tri-border area. In this regard the Brazilian delegation offered to host such a meeting in 2005.

10) Brazil announced the creation a Regional Intelligence Center inside the newly established federal police headquarters in Foz do Iguaçu. Paraguay and Argentina made a commitment to designate focal points and liaison officers to this new center, which will facilitate an exchange of information on illicit activities in the region and will contribute to the work of the tri-lateral Joint Command (*Comando Tripartito de la Triple Frontera*).

11) The Brazilian delegation proposed a greater and more coordinated exchange of information on cargo flights. It also discussed the importance of the exchange of information in regards to detecting and monitoring potentially illegal or irregular flights in the tri-border area. The Argentine delegation expressed the need to adopt guidelines for these purposes.

12) The Group renewed its commitment to the ratification and implementation of the international instruments on the matter of international terrorism, as well as to taking steps to bring its legislation pertaining to counterterrorism into compliance with international standards and commitments. The Paraguayan delegation announced that it has ratified all 12 UN terrorism conventions and taken steps to bring them into effect by February 2005.

13) The participating delegations congratulated the Government of the United States for the excellent organization of the meeting and expressed their gratitude for the hospitality government authorities had given. The delegation of Brazil offered to host the next plenary of the 3 + 1 Group in one year. The other delegations accepted with pleasure this gracious offer.

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