



Latin America: Terrorism Issues

Mark P. Sullivan

Specialist in Latin American Affairs

June S. Beittel

Analyst in Latin American Affairs

April 5, 2013

Congressional Research Service

7-5700

www.crs.gov

RS21049

CRS Report for Congress

Prepared for Members and Committees of Congress

Summary

U.S. attention to terrorism in Latin America intensified in the aftermath of the September 2001 terrorist attacks on New York and Washington, with an increase in bilateral and regional cooperation. In its 2011 *Country Reports on Terrorism* (issued in July 2012), the State Department maintained that the threat of a transnational terrorist attack remained low for most countries in the hemisphere. It reported that the majority of terrorist attacks in the hemisphere were committed by two Colombian terrorist groups—the Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army (ELN)—and other radical groups in the Andean region. With regard to Mexico, the report asserted that there was no evidence of ties between Mexican drug trafficking organizations and terrorist groups, and no evidence “that these criminal organizations had aims of political or territorial control, aside from seeking to protect and expand the impunity with which they conduct their criminal activity.”

Cuba has remained on the State Department’s list of state sponsors of terrorism since 1982 pursuant to Section 6(j) of the Export Administration Act. Both Cuba and Venezuela are on the State Department’s annual list of countries determined to be not cooperating fully with U.S. antiterrorism efforts pursuant to Section 40A of the Arms Export Control Act. U.S. officials have expressed concerns over the past several years about Venezuela’s lack of cooperation on antiterrorism efforts, its relations with Iran, and potential support for Colombian terrorist groups, although improved Venezuelan-Colombian relations have resulted in closer cooperation on antiterrorism and counter-narcotics efforts and border security.

Over the past several years, policymakers have been concerned about Iran’s increasing activities in Latin America. Concerns center on Iran’s attempts to circumvent U.N. and U.S. sanctions, as well as on its ties to the radical Lebanon-based Islamic group Hezbollah. Both Iran and Hezbollah are reported to be linked to two bombings against Jewish targets in Argentina in the early 1990s. As in past years, the State Department 2011 terrorism report maintains that there are no known operational cells of either Al Qaeda or Hezbollah in the hemisphere, but noted that “ideological sympathizers in South America and the Caribbean continued to provide financial and moral support to these and other terrorist groups in the Middle East and South Asia.”

Legislative Initiatives

In the 112th Congress, several legislative initiatives were introduced and several oversight hearings were held related to terrorism issues in the Western Hemisphere regarding Mexico, Venezuela, and the activities of Iran and Hezbollah in the region. Most significantly, the 112th Congress enacted the Countering Iran in the Western Hemisphere Act of 2012 (P.L. 112-220) in December 2012, which requires the Administration within 180 days to conduct an assessment and present “a strategy to address Iran’s growing hostile presence and activity in the Western Hemisphere.” The report may be submitted in classified form, but is to include an unclassified summary of policy recommendations to address the growing Iranian threat in the hemisphere.

The 113th Congress is already continuing its oversight of terrorism concerns in the Western Hemisphere, especially the activities of Iran and Hezbollah. The forthcoming State Department assessment of Iranian activities in the region and a strategy to address them, due to Congress by mid-2013, is likely to be the subject of congressional oversight.

Contents

Recent Developments	1
Terrorism in Latin America: U.S. Concerns	2
Colombia	3
Cuba.....	7
Mexico.....	9
Peru.....	12
Venezuela.....	12
Venezuela and FARC-Related Sanctions	14
Venezuela Sanctions Related to Iran and Hezbollah	15
Iran’s Activities in Latin America.....	16
Concerns about Iran’s Military and Potential Terrorist Activities	20
Concerns about Hezbollah	21
U.S. Policy.....	24
U.S. Sanctions	25
U.S. Assistance and Other Support.....	26
Increased Regional Cooperation Since 9/11	27
Legislative Initiatives and Oversight.....	28
111 th Congress	28
112 th Congress	29
113 th Congress	31
Conclusion	32

Figures

Figure 1. Colombia and Neighboring Countries.....	6
Figure 2. Tri-Border Area of Argentina, Brazil, and Paraguay	23

Tables

Table 1. AMIA Bombing Investigation.....	22
--	----

Contacts

Author Contact Information.....	33
---------------------------------	----

Recent Developments

On March 19 and 20, 2013, General John Kelly, head of the U.S. Southern Command (SOUTHCOM), testified before the Senate and House Armed Services Committees, respectively, that “Iran is struggling to maintain influence in the region,” and that “its efforts to cooperate with a small set of countries with interests that are inimical to the United States are waning.” General Kelly stated that Iran’s “outreach has only been marginally successful...and the region as a whole has not been receptive to Iranian efforts.” (See “Iran’s Activities in Latin America” below.)

On March 7-8, 2013, the Inter-American Committee on Terrorism (CICTE) of the Organization of American States held its 13th regular session, which focused on hemispheric cooperation in combating terrorism and its financing. (See “Increased Regional Cooperation Since 9/11” below; also CICTE’s website at http://www.oas.org/en/sms/cicte/session_2013.asp.)

On February 28, 2013, Argentina’s Congress approved the establishment of a joint Truth Commission with Iran to review the 1994 bombing of the Argentine-Israeli Mutual Association (AMIA) in Buenos Aires that killed 85 people and allegedly has been linked to Iran and Hezbollah. Argentina’s Jewish community strongly opposed the agreement because they believe it could allow Iranian suspects to go unpunished. (For background on the AMIA investigation, see “Concerns about Hezbollah” below.)

On December 28, 2012, President Obama signed into law H.R. 3783 (P.L. 112-220), the Countering Iran in the Western Hemisphere Act of 2012, that requires the Administration, within 180 days, to conduct an assessment and present “a strategy to address Iran’s growing hostile presence and activity in the Western Hemisphere.” (For more on the measure, see “112th Congress.” For background, see “Iran’s Activities in Latin America.”)

On October 17, 2012, formal peace talks began in Norway between the Colombian government and the Revolutionary Armed Forces of Colombia (FARC). In mid-November 2012, the talks moved to Cuba where they continue. (See “Colombia” below.)

On July 31, 2012, the Department of State released its 2011 *Country Reports on Terrorism*, which showed that terrorist attacks in the Western Hemisphere, perpetrated largely by radical Andean groups, rose by 40% in 2011, although the report maintain that the threat of a transnational terrorist attack remained low for most countries in the hemisphere. (See the report at <http://www.state.gov/j/ct/rls/crt/2011/index.htm>.)

On July 31, 2012, General Douglas Fraser, then-head of the U.S. Southern Command, maintained in a press interview that he did not view Venezuela as a “national security threat,” and that Iran’s connection with Venezuela was primarily diplomatic and economic. Fraser’s comments followed a press interview with President Obama earlier in July in which the President expressed general concern about “Iran engaging in destabilizing activity around the globe,” but indicated that his “sense is that what Mr. Chávez has done over the past several years has not had a serious national security impact on us.” The President maintained that his main concern about Venezuela “is having the Venezuelan people have a voice in their affairs” and “having fair and free elections.” (See “Venezuela” below.)

Terrorism in Latin America: U.S. Concerns

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

The State Department's annual *Country Reports on Terrorism* highlights U.S. concerns about terrorist threats around the world, including in Latin America. The 2011 report (issued in July 2012) maintained that terrorist attacks in the Western Hemisphere rose by 40% from 2010 to 2011, with 343 attacks in 2010 and 480 attacks in 2011.¹ The majority of terrorist attacks in the region were reported to be perpetrated by terrorist organizations in Colombia (the Revolutionary Armed Forces of Colombia and the National Liberation Army) and by other radical leftist Andean groups, such as the Shining Path in Peru. Overall, the report maintained that the threat of a transnational terrorist attack remained low for most countries in the hemisphere.

U.S. policymakers have expressed concerns over the past several years about Iran's deepening relations with several Latin American countries, especially Venezuela, and its activities in the region. These concerns were reflected once again in the 2011 terrorism report, which cited a foiled plot in 2011 to assassinate the Saudi Ambassador to the United States in Washington, D.C. by an Iranian operative who thought he was working with a member of a Mexican drug trafficking organization (but was actually a U.S. Drug Enforcement Administration informant). The terrorism report also cited U.S. sanctions against several Venezuelan companies for violating U.S. sanctions against Iran.

One of the main concerns about Iran's increasing relations with the region is its ties to Hezbollah, the radical Lebanon-based Islamic group that the Department of State designated a Foreign Terrorist Organization in 1997. While the State Department asserted in its 2011 terrorism report that there were no known operational cells of either Hezbollah or Al Qaeda or in the hemisphere, it noted that "ideological sympathizers in South America and the Caribbean continued to provide financial and moral support to these and other terrorist groups in the Middle East and South Asia." The report also stated that there were credible reports that Hezbollah sympathizers and supporters engaged in fundraising and support activity in Venezuela.

There has been significant U.S. concern in recent years about the increasing and brutal violence of Mexico's drug trafficking organizations, with as many as 65,000 drug trafficking-related deaths in Mexico from 2007 through 2012. In response to some concerns that these criminal organizations may be adopting terrorist tactics, the State Department asserted in its 2010 and 2011 terrorism reports that there is no evidence of ties between the Mexican Drug Trafficking Organizations (DTOs) and terrorist groups. The State Department maintains that there is no evidence that these criminal organizations have "aims of political or territorial control, aside from seeking to protect and expand the impunity with which they conduct their criminal activity."

¹ U.S. Department of State, "Country Reports on Terrorism 2011," July 31, 2012, available at <http://www.state.gov/j/ct/rls/crt/2011/index.htm>.

In terms of Latin American countries' abilities to combat terrorism, the State Department maintained in the terrorism report that regional governments "took modest steps to improve their counterterrorism capabilities and tighten border security" but that progress was limited by "corruption, weak government institutions, insufficient interagency cooperation, weak or non-existent legislation, and a lack of resources." The State Department lauded Mexico in its report, maintaining that regular exchange of intelligence and information with Mexico was crucial in thwarting an Iranian plot in 2011 targeting the Saudi Ambassador to the United States that involved attempting to enlist criminal elements from a Mexican drug trafficking organization. The State Department also cited the Inter-American Committee Against Terrorism (CICTE) at the Organization of American States as important for U.S. cooperation on terrorism with the region.

The State Department currently lists two Latin American countries—Cuba and Venezuela—on its annual list of countries that are not "cooperating fully with United States antiterrorism efforts" pursuant to Section 40A of the Arms Export Control Act. The most recent annual determination was made in May 2012.² In addition, since 1982, Cuba has been on the State Department's state sponsors of terrorism list pursuant to Section 6(j) of the Export Administration Act (EAA) of 1979. The state sponsors of terrorism list is not an annual list. Rather, countries remain on the list until either the President or Congress takes action to remove a country. The EAA sets forth procedures for the President to remove a country from the list.

Colombia³

Three violent Colombian groups have been designated by the Secretary of State as Foreign Terrorist Organizations (FTOs): the leftist National Liberation Army (ELN), remaining elements of the demobilized rightist paramilitary United Self-Defense Forces of Colombia (AUC), and the leftist Revolutionary Armed Forces of Colombia (FARC). The State Department's 2011 terrorism report maintains that the FARC and ELN accounted for the majority of attacks in the hemisphere—the FARC alone, responsible for 377 attacks, accounted for almost 79% of all terrorist attacks in the hemisphere.

The ELN reportedly has a membership of around 2,000 fighters (although some observers maintain that it is less than 1,300) with diminished resources and reduced offensive capability, but has continued to undertake attacks and inflict casualties. In recent years, the ELN has been involved in joint attacks with the FARC. Past peace talks between the ELN and the Colombian government ended in 2008. More recently, the ELN indicated a willingness to join the peace talks between the government and the FARC that began formally in Oslo, Norway in October 2012 and continue in Havana, Cuba.

With more than 32,000 members demobilized between 2003 and 2006, the AUC remained inactive as a formal organization and did not carry out any terrorist attacks in 2011, according to the Department of State, but some former AUC paramilitaries have continued to engage in criminal activities, mostly drug trafficking, in newly emerging criminal organizations (known as

² Department of State, "Determination and Certification Under the Arms Export Control Act," 77 *Federal Register* 31909, May 30, 2012.

³ For additional information, see CRS Report RL32250, *Colombia: Background, U.S. Relations, and Congressional Interest*, by June S. Beittel.

BACRIM, *Bandas Criminales Emergentes*). Some human rights groups contend that these successor groups to the paramilitaries are tolerated by Colombian security public security forces.⁴

Over the past several years, the FARC has been weakened significantly by the government's military campaign against it, including the killings of several FARC commanders in 2007 and the group's second in command, Raúl Reyes, during a Colombian government raid on a FARC camp in Ecuador on March 1, 2008. In May 2008, the FARC admitted that its long-time leader, Manuel Marulanda, had died of a heart attack in March. In July 2008, a Colombian military operation in the southeastern province of Guaviare rescued 15 long-held hostages, including three U.S. defense contractors held since February 2003—Thomas Howes, Keith Stansell, and Marc Gonsalves; Colombian Senator and presidential candidate Ingrid Betancourt; and other Colombians. The Colombian military dealt a significant blow to the terrorist group in September 2010 when it killed a top military commander, Victor Julio Suárez (aka "Mono Joyoy") in a bombing raid on his camp in a mountainous region of Meta department in central Colombia. Even more significantly, in early November 2011, the Colombian military killed top FARC leader Alfonso Cano in a bombing raid in the department of Cauca in southwestern Colombia. In the aftermath of Cano's death, Rodrigo Londoño, also known as Timoleón Jiménez or Timochenko, a long-time member of the FARC Secretariat, was chosen as the FARC's new leader in mid-November 2011. More recently, in September 2012, a top FARC commander, Danilo García, and 15 other FARC members were killed in a military raid in the northern department of Norte de Santander.

The FARC is still estimated to have a strength of around about 8,000-9,000, with the group responsible for terrorist attacks, destruction of infrastructure, extortion, and kidnappings. In late November 2011, the FARC executed four hostages who had been held for more than a decade when the Colombian military approached a guerrilla camp in the southern department of Caqueta. In February 2012, the FARC announced that they would end their practice of kidnapping for ransom.

In late August 2012, the Colombian government announced that it had begun exploratory peace talks with the FARC. Formal talks began in Norway in October 2012, and have continued in Cuba where they are ongoing. Public support for the peace process remains cautious. While a large majority of Colombians supported President Juan Manuel Santos' initiative to launch the negotiations, a February 2013 poll found that only 20% thought the talks would end in a peace accord.⁵ President Santos says he will discontinue the talks in November 2013 if they have not made sufficient progress toward bringing to an end the nearly half century- long internal armed conflict. Many observers have noted the considerable political risks associated with initiating a peace process with the FARC given hardened public opinion against the FARC, both in Colombia and internationally.⁶ On the other hand, expressions of support for the peace negotiations from governments in the region, the Obama Administration, and international organizations such as the United Nations have been strong and widespread.

⁴ See for example, Human Rights Watch, *World Report 2012: Colombia*, available at: <http://www.hrw.org/world-report-2012/colombia>

⁵ See Cameron Combs and Tim Heine, *Debating the Prospects For Peace in Colombia*, Latin America Working Group Report, Inter-American Dialogue, April 2013.

⁶ For more background on the FARC-government peace talks and the challenges they face, see CRS Report R42982, *Peace Talks in Colombia*, by June S. Beittel.

In developments in 2013, the Colombian military destroyed a large FARC-controlled drug storage center in the southwestern department of Cauca in March, reportedly seizing 3.9 tons of cocaine and equipment with the capacity to process up to one ton of cocaine a day.⁷ In March 2013 testimony before the House and Senate Armed Services Committee, General John Kelly, commander of U.S. Southern Command, stated that the hundreds of millions of dollars in drug revenue that the FARC receives enables them to purchase surface-to-air missiles and fund the construction of “narco-subs.”⁸ However, the Colombian Defense Minister subsequently disputed the claim that the FARC has surface-to-air missiles.⁹

Colombian terrorist groups have continued to use territory of several of Colombia’s neighbors—Ecuador, Panama, Peru, and Venezuela—according to the State Department’s terrorism report (**Figure 1**). The FARC has training and logistical supply camps along Ecuador’s northern border with Colombia. While Ecuador’s relations with Colombia became tense in the aftermath of Colombia’s March 2008 military raid on a FARC camp in Ecuador’s Sucumbios province, Ecuador’s military subsequently increased the number of operations against the FARC in its northern border region. According to the 2011 terrorism report, Ecuador’s military has conducted limited operations against the FARC’s trafficking, training, and logistical resupply camps along the northern border. Ecuador’s actions, however, were reported to be affected by resource constraints and limited capabilities. Under Colombian President Santos who took office in August 2010, the two countries made progress in improving bilateral relations, and restored diplomatic relations in December 2010.

In Panama, a small number of FARC members from the group’s 57th Front have operated in the country’s Darien province bordering Colombia for a number of years, using the area as a safe haven. Panama’s government has stepped up its efforts in recent years to confront this presence by patrolling the province and conducting raids against FARC camps. Panama has cooperated closely with Colombia to secure its border. Panamanian President Ricardo Martinelli stated in May 2012 that his country would soon have sovereignty over all its national territory because of its efforts to expel the FARC from Darien province.¹⁰ In 2012, the government continued to conduct raids on FARC camps in the region.

In Peru, the FARC uses remote areas along the Colombian-Peruvian border to rest, regroup, and make arms purchases, according to the State Department terrorism report. The FARC is also reported to fund coca cultivation and cocaine production among the Peruvian population in border areas.

⁷ “Colombia’s FARC Denies Link to Drug Haul,” *LatinNews Daily Report*, March 18, 2013.

⁸ General John F. Kelly, Commander, United States Southern Command, Posture Statement, Senate Armed Services Committee, March 19, 2013, available at <http://www.armed-services.senate.gov/statemnt/2013/03%20March/Kelly%2003-19-13.pdf>; and Jason Sherman, “DOD: Colombian Rebel Group Has Acquired Surface-To-Air Missiles,” *Inside Defense*, March 28, 2013.

⁹ Vivian Sequera, “Colombia Officials: No Evidence Rebels Have Surface-to-Air Missiles,” *Associated Press*, April 4, 2013.

¹⁰ “Martinelli Asegura Que Expulsará a las FARC de Región Fronteriza del Darién,” *Agencia EFE*, May 31, 2012.

Figure I. Colombia and Neighboring Countries



Source: CRS.

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

With regard to Venezuela, both the FARC and ELN have long been reported to have a presence in Venezuelan territory, and the United States has imposed sanctions on several current and former Venezuelan government and military officials for providing support to the FARC. (See section on “Venezuela” below.) As described in the State Department’s 2010 terrorism report, the previous

Colombian government of President Álvaro Uribe publicly accused the Venezuelan government several times of harboring members of the FARC and ELN in its territory.¹¹ In July 2010, the Uribe government presented evidence at the OAS of FARC training camps in Venezuela. In response, Venezuela suspended diplomatic relations on July 22, 2010, yet less than three weeks later new Colombian President Santos met with Venezuelan President Chávez and the two leaders agreed to reestablish diplomatic relations and to improve military patrols along their common border.

Since then, Venezuelan-Colombian relations on border security have improved. Venezuela has captured and returned to Colombia several members of the FARC and ELN and has returned them to Colombia. In October 2011 congressional testimony, a U.S. official maintained that there continues to be evidence that the FARC are sheltering in Venezuela, but not as close to the border as before.¹² The State Department's 2011 terrorism report maintained that Venezuela and Colombia continued the dialogue begun in 2010 on security and border issues, and noted that on several occasions during the year, President Chávez, in referring to the FARC and ELN, stated that his government would not permit the presence of illegally armed groups in Venezuelan territory. In 2012, Colombian-Venezuelan security cooperation extended to the capture of wanted Colombian drug kingpin Daniel Barrera (alias "El Loco") in September. Barrera was captured in the Venezuelan border state of Táchira in a joint operation and had allegedly served as a bridge between the FARC, rightwing paramilitaries, and some of Colombia's largest drug trafficking organizations for two decades.¹³ In the aftermath of President Chávez's death in early March 2013, most observers believe that Venezuelan cooperation with Colombia on border security issues will continue.

Cuba¹⁴

The Department of State, pursuant to Section 6(j) of the Export Administration Act (EAA) of 1979, has included Cuba among its list of states sponsoring terrorism since 1982 (the other states currently on the list are Iran, Sudan, and Syria). Communist Cuba had a history of supporting revolutionary movements and governments in Latin America and Africa, but in 1992, then Cuban leader Fidel Castro said that his country's support for insurgents abroad was a thing of the past. Most analysts accept that Cuba's policy generally did change, largely because the breakup of the Soviet Union resulted in the loss of billions in subsidies. As noted above, Cuba is also on the State Department's annual list of countries determined to be not cooperating fully with U.S. antiterrorism efforts pursuant to Section 40A of the Arms Export Control Act.

¹¹ U.S. Department of State, Country Reports on Terrorism 2010," August 18, 2011, available at <http://www.state.gov/j/ct/rls/crt/2010/index.htm>.

¹² See testimony of Kevin Whitaker, Deputy Assistant Secretary of State for Western Hemisphere Affairs in "The Senate Caucus on International Narcotics Control Holds a Hearing on 'U.S.-Andean Security Cooperation,'—News Event," *Political Transcripts by CQ Transcriptions*, October 19, 2011.

¹³ William Neuman and Jenny Carolina González, "Unlikely Joint Effort by U.S. and Venezuela Leads to a Drug Lord's Arrest," *Washington Post*, September 23, 2012; "Narco's Capture Boon for Colombia & Venezuela," *LatinNews Daily Report*, September 19, 2012.

¹⁴ For additional information, see CRS Report R43024, *Cuba: U.S. Policy and Issues for the 113th Congress*, by Mark P. Sullivan. For background information, see archived CRS Report RL32251, *Cuba and the State Sponsors of Terrorism List* (August 22, 2006).

The State Department's 2011 terrorism report maintained that "current and former members of Basque Fatherland and Liberty (ETA) continued to reside in Cuba," and that "press reporting indicated that the Cuban government provided medical care and political assistance to the FARC." At the same time, the report maintained that there "was no indication that the Cuban government provided weapons or paramilitary training for either ETA or the FARC." With regard to ETA, the State Department reported that three suspected ETA members were arrested in Venezuela after sailing there from Cuba and were deported back to Cuba in September 2011— one of the men, Jose Ignacio Echarte, is believed to have ties to the FARC and is a fugitive from Spain, which has requested his extradition.¹⁵

In developments since 2012, Cuba has been playing a role in hosting talks between the FARC and Colombian government of President Juan Manuel Santos. Conversations began in Cuba with the FARC in early 2012, while formal peace talks began in Norway in October 2012 and have continued in Cuba since November 2012. (See "Colombia" above.)

Another issue noted in the 2011 terrorism report is that the Cuban government continues "to permit fugitives wanted in the United States to reside in Cuba," and provides such support as housing, food ration books, and medical care. In the 112th Congress, a resolution was introduced in the House, H.Res. 226 (King), that would have called for the immediate extradition or rendering of all fugitives from justice receiving safe harbor in Cuba in order to escape prosecution or confinement for criminal offenses committed in the United States; no action was taken on the measure.

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

As set forth in Section 6(j) of the Export Administration Act, a country's retention on the list may be rescinded in two ways. The first option is for the President to submit a report to Congress certifying that there has been a fundamental change in the leadership and policies of the government and that the government is not supporting acts of international terrorism and is providing assurances that it will not support such acts in the future. The second option is for the President to submit a report to Congress, at least 45 days in advance justifying the rescission and certifying that the government has not provided any support for international terrorism during the preceding six months, and has provided assurances that it will not support such acts in the future.

In February 2013, a press report claimed that high ranking State Department officials concluded that Cuba should not be on the state sponsors of terrorism list, but State Department officials contend that the report was incorrect and that there are no current plans to remove Cuba from the list.¹⁶ The State Department conducts an annual review to see whether a country should be on the

¹⁵ "Spain Requests Extradition of ETA Suspect from Cuba," *Agence France Presse*, October 14, 2011.

¹⁶ Bryan Bender, "Talk Grows of Taking Cuba Off Terror List," *Boston Globe*, February 21, 2013; U.S. Department of State, Daily Press Briefing, February 21, 2013.

list. Some observers maintain that Cuba's role in facilitating Colombia's peace talks could ultimately be a factor in removing Cuba from the list.

Cuba has been the target of various terrorist incidents over the years. In 1976, a Cuban plane was bombed, killing 73 people. In 1997, there were almost a dozen bombings in the tourist sector in Havana in which an Italian businessman was killed and several others were injured. In November 2000, four anti-Castro activists were arrested in Panama for a plot to kill Fidel Castro. The four stood trial in March 2004 and were sentenced on weapons charges to prison terms ranging from seven to eight years. In late August 2004, Panamanian President Mireya Moscoso pardoned the four men before the end of her presidential term. One of the men, Luis Posada Carriles (a nationalized Venezuelan citizen originally from Cuba), is also alleged to be involved in the 1976 Cuban airline bombing and the series of bombings in Havana in 1997.¹⁷

Posada entered the United States illegally in 2005. In subsequent removal proceedings, an immigration judge found that Posada could not be removed to Cuba or Venezuela because of concerns that he would face torture, and he was thereafter permitted to remain in the United States pending such time as he could be transferred to a different country. Posada subsequently applied for naturalization to become a U.S. citizen. This application was denied, and criminal charges were brought against him for allegedly false statements made in his naturalization application and interview. Although a federal district court dismissed the indictment in 2007, its ruling was reversed by an appellate court in 2008. In April 2009, the United States filed a superseding indictment, which included additional criminal charges based on allegedly false statements made by Posada in immigration removal proceedings concerning his involvement in the 1997 Havana bombings. Posada's trial began in January 2011 and he ultimately was acquitted of the perjury charges in April 2011.¹⁸

Mexico¹⁹

In recent years, violence perpetrated by drug trafficking organizations (DTOs) in Mexico such as murder and kidnapping has spiked and reached a level of brutality many analysts have characterized as unprecedented. In the six-year term of Mexico's former President Felipe Calderón (2006-2012), homicides related to organized crime spiked, numbering between 47,000 – 65,000 depending on the source. In 2012, the Calderon government's final year in office, some analysts estimated that the high levels of homicides leveled off or declined, while other recorded a slight increase.²⁰ Mexico is a major transit point for the lucrative cocaine trade and a major source and trafficking country for marijuana, methamphetamine and heroin.²¹ U.S. government

¹⁷ Frances Robles, "An Old Foe of Castro Looks Back on His Fight," *Miami Herald*, September 4, 2003.

¹⁸ For additional information, see "Background on Luis Posada Carriles," CRS Congressional Distribution Memorandum, December 8, 2010, prepared by Mark P. Sullivan, Specialist in Latin American Affairs, and Michael John Garcia, Legislative Attorney. Available from the authors.

¹⁹ For further background on Mexico, see CRS Report R41576, *Mexico's Drug Trafficking Organizations: Source and Scope of the Rising Violence*, by June S. Beittel and CRS Report R42917, *Mexico's New Administration: Priorities and Key Issues in U.S.-Mexican Relations*, by Clare Ribando Seelke.

²⁰ Cory Molzahn, Octavio Rodriguez Ferreira, and David A. Shirk, *Drug Violence in Mexico: Data and Analysis Through 2012*, Trans-Border Institute (TBI), February 2013.

²¹ U.S. Department of State, *2013 International Narcotics Control Strategy Report*, March 2013. For instance, according to the 2013 INCSR more than 90% of the cocaine seized in the United States transits the Central America/Mexico "corridor."

estimates of the annual profits derived from drug trafficking that flow back to Mexico from the United States range between \$8 and \$29 billion.²² This highly lucrative market has generated fierce competition within and between the DTOs to control trafficking routes into the United States and for a share of the growing internal drug market inside Mexico.

The Calderón administration made combating the drug trafficking organizations its central focus, and the government's aggressive counterdrug strategy was violently resisted. The government operations that targeted the DTOs, and that removed top leaders or "kingpins" by arrest or death in arrest efforts, caused fragmentation. A handful of larger DTOs that were dominant at the start of the Calderón administration splintered, while two organizations became dominant. The two polarized rivals—the Sinaloa DTO in the western part of the country and Los Zetas in the east—remain the largest drug trafficking organizations in Mexico and both have moved aggressively into Central America. Furthermore, the Mexican syndicates that traffic illegal drugs have diversified into other illicit activity including kidnapping, human trafficking, robbery, extortion, resource theft, product piracy and other crimes. Many authorities now refer to the DTOs as "transnational criminal organizations (TCOs)" in recognition of their widespread diversification into other types of crime.

The new government of President Enrique Peña Nieto which took office in Mexico in December 2012 has proposed a new security strategy that builds on many of the programs that the Calderón government initiated. To combat the DTOs, the Mexican government under President Calderón had sought and received assistance from the U.S. government. U.S.-Mexico security cooperation has been structured upon the Mérida Initiative, a bilateral and anti-crime assistance package that began in 2008. The Mérida Initiative has significantly deepened U.S.-Mexico security cooperation based on a principle of joint responsibility, with Mexico's government committed to reform of its judicial sector and police as a top priority. Exactly how the Mérida Initiative will be reshaped under the new Peña Nieto government remains to be seen.²³

During his electoral campaign and in his first 100 days in office, President Peña Nieto has pledged to focus on reducing violent crime to improve citizen security in Mexico and advocated the strengthening of crime prevention efforts. He has also tried to shift the national conversation to a more positive message about economic growth rather than remaining focused on the DTOs and the violence and mayhem that they cause. According to the new Attorney General, Mexico now faces a challenge from some 60-80 organized crime groups as a result of the use of the kingpin strategy employed by the Calderón government.²⁴

Over the past several years, the DTO-related violence has involved brazen and high profile crimes such as car bombings, deadly blockades, use of grenades, and at times even indiscriminate attacks involving civilians, although much of the violence has been between DTO rivals as well as engagement with Mexican security forces.²⁵ Homicides attributed to the DTOs have included

²² Several U.S. agencies have made estimates in recent years. For example, the U.S. Department of Homeland Security (DHS) estimates that between \$19 to \$29 billion generated by illicit drug sales in the United States flows back to Mexico each year. See DHS, Immigration and Customs Enforcement (ICE), *United States-Mexico Criminal Proceeds Study*, June 2010.

²³ For more background, see CRS Report R41349, *U.S.-Mexican Security Cooperation: The Mérida Initiative and Beyond*, by Clare Ribando Seelke and Kristin M. Finklea.

²⁴ Patrick Corcoran, "Mexico Has 80 Drug Cartels: Attorney General," *In Sight: Organized Crime in the Americas*, December 20, 2012.

²⁵ Incidents of indiscriminate attacks on civilians have been quite rare, although there have been a number of harrowing (continued...)

beheadings, hangings, dismemberment of victims' bodies, and torture. Some observers have labeled these violent tactics as similar to those of insurgents or terrorists. However, the DTO actions, while indeed carried out to instill fear and generate compliance, are not paired with terrorist political motivation or intent. Rather, their actions are motivated by a ruthless pursuit of profit. The organizations lack a religious or political ideology with the goal of destroying the government or undermining legitimate authority, except to continue to neutralize the government's efforts to curtail their illicit businesses.

The State Department asserts in its 2011 Terrorism report published in July 2012 that "there was no evidence of ties between Mexican criminal organizations and terrorist groups, nor that the criminal organizations had aims of political or territorial control, aside from seeking to protect and expand the impunity with which they conduct their criminal activity." The State Department reports further concluded that "no known international terrorist organization had an operational presence in Mexico and no terrorist group targeted U.S. interests and personnel in or from Mexican territory."

Some analysts contend that characterizing the DTOs as terrorists misconstrues the problem. University of Pittsburgh Professor Phil Williams observes that the violence in Mexico compares to criminal violence in other settings such as mafia violence in Italy, blood feuds in Albania, and Russian contract killings in the 1990s.²⁶ Because of a "perfect storm" of conditions in Mexico and different dimensions of the DTO violence, Williams maintains the epidemic of criminal violence in Mexico may be uniquely intense and intractable.

The 112th Congress introduced several legislative initiatives focused on the Mexican DTOs, although none became law. H.R. 3401 (Mack), marked up by the House Subcommittee on the Western Hemisphere in December 2011, would have required the Secretary of State to submit a detailed counterinsurgency strategy "to combat the terrorist insurgency in Mexico waged by transnational criminal organizations." Supporters of the measure maintained that terrorist and insurgent tactics are employed by drug traffickers and criminal organizations in Mexico which constitute a threat to democracy. They argued that the Mérida Initiative failed to address the problem, and that the United States needs to use appropriate counterinsurgency tactics to combat these criminal organizations. Opponents of the measure argued that Mexico was not facing a "terrorist insurgency" by groups with political goals, but was combating narco-criminal organizations that employ brutal tactics to sustain their money-making goals. They contended that the bill's call for a counterinsurgency strategy would undermine the strong security relationship with Mexico developed under the Mérida Initiative.²⁷ In contrast, H.R. 6280 (Mack), introduced

(...continued)

cases of alleged mistaken identity including mass slayings as well as an increasing number of innocent bystanders killed in violent DTO shootouts. Two incidents stand out. One is an attack when grenades were thrown into a crowd gathered for Independence Day festivities in Morelia in September 2008 and the other the firebombing of a casino in Monterrey, Nuevo León in August 2011. The grenade attack, which killed eight, was widely condemned by the major drug trafficking groups and no group took credit for it. It appears to be a one-time event that has not been repeated. The casino firebombing, with a death toll of more than fifty, has been linked to Los Zetas and appears to be an example of organized crime's involvement in corruption and extortion. See Tracy Wilkinson, "Suspect Says Mexico Casino Fire Set Over Unpaid Extortion Money," *Los Angeles Times*, August 29, 2011.

²⁶ Phil Williams, "The Terrorism Debate Over Mexican Drug Trafficking Violence," *Terrorism and Political Violence*, vol. 24, no. 1 (April 2012). Phil Williams is the director of the Matthew B. Ridgway Center for International Security Studies at the University of Pittsburgh, and a former visiting research professor at the U.S. Army War College.

²⁷ "House Foreign Affairs Subcommittee on Western Hemisphere Holds Markup on H.R. 3401 and H.R. 2542," *CQ Congressional Transcripts*, December 15, 2011.

in August 2012, took a broader approach, requiring the President to undertake an interagency “whole-of-government plan” to combat Mexican-based transnational criminal organizations; this measure omitted the term “terrorist insurgency.” Both H.R. 1270 (McCaul), introduced in March 2011, and an updated version, H.R. 4303 (McCaul), introduced in March 2012, called for the Secretary of State to designate as foreign terrorist organizations certain Mexican drug cartels.

Peru²⁸

The brutal Shining Path (Sendero Luminoso or SL) Maoist insurgency, which the Department of State has designated as an FTO, was significantly weakened in the 1990s with the capture of its leader Abimael Guzman, who, after a new trial in 2006, was sentenced to life in prison. According to the 2011 State Department terrorism report, there are two remaining SL factions in Peru, one operating in the Apurimac and Ene River Valley (VRAE) in the south led by Victor Quispe Palomino, also known as Comrade José, and the second operating in the Upper Huallaga River Valley (UHV) in the north that was led by Florindo Eleuterio Flores Hala (also known as Comrade Artemio) until he was captured in February 2012. The VRAE faction remains the stronger of the two SL groups, with about 300 members compared to about 100 members of the UHV faction at the time of Artemio’s capture.²⁹ Both factions have engaged in drug trafficking, and in 2011 were reported to have carried out a total 74 terrorist acts, including the killing of 19 people. (Also see discussion above on the FARC’s activities in border areas with Colombia.)

Venezuela³⁰

U.S. officials have expressed concerns over the past several years about Venezuela’s lack of cooperation on antiterrorism efforts, President Hugo Chávez’s sympathetic statements for Colombian terrorist groups, and Venezuela’s relations with Iran. Since May 2006, the Secretary of State has made an annual determination that Venezuela has not been “cooperating fully with United States antiterrorism efforts” pursuant to Section 40A of the Arms Export Control Act (AECA). The most recent determination was made in May 2012. As a result, the United States imposed an arms embargo on Venezuela in 2006, which ended all U.S. commercial arms sales and retransfers to Venezuela. (Other countries currently on the Section 40A list include Cuba, Eritrea, Iran, North Korea, and Syria, not to be confused with the “state sponsors of terrorism” list under Section 6(j) of the Export Administration Act of 1979.) As discussed, below, the United States has imposed various sanctions on Venezuelan individuals and companies for supporting the FARC, Iran, and Hezbollah.

In June 2011 congressional testimony, State Department officials again expressed concern about “Venezuela’s relations with Iran, its support for the FARC, [and] its lackluster cooperation on counterterrorism.”³¹ At the same time, the State Department testified that “Colombian-Venezuelan

²⁸ For further background on Peru, see CRS Report R42523, *Peru in Brief: Political and Economic Conditions and Relations with the United States*, by Maureen Taft-Morales.

²⁹ “Capture of ‘Artemio’ Heralds New Phase in Peruvian Insurgency,” Latin News Daily Report, February 22, 2012; “Peru Politics: Remnants of Shining Path on the Run,” *Economist Intelligence Unit ViewsWire*, February 23, 2012.

³⁰ For additional background on Venezuela, see CRS Report R40938, *Venezuela: Issues for Congress*, by Mark P. Sullivan, and CRS Report R42989, *Hugo Chávez’s Death: Implications for Venezuela and U.S. Relations*, by Mark P. Sullivan.

³¹ Joint Hearing on “Venezuela’s Sanctionable Activities,” House Committee on Foreign Affairs, Subcommittee on the Western Hemisphere and Subcommittee on the Middle East and South Asia, and House Committee on Oversight and (continued...)

cooperation on terrorism and security matters is clearly increasing and being systematized, yielding notable results.” The State Department noted Venezuela’s deportation of several FARC and ELN members to Colombia, including key operatives and high-profile political actors. It said that President Chávez has “called on the FARC to join a political reconciliation process and has claimed that any discussion between Venezuelan government officials and the FARC about establishing bases in Venezuela took place without his authorization.”³² In its 2011 terrorism report, the State Department maintained that Venezuela and Colombia continued the dialogue begun in 2010 on security and border issues, and noted that on several occasions during the year, President Chávez, in referring to the FARC and ELN terrorist groups, stated that his government would not permit the presence of illegal armed groups in Venezuelan territory. (Also see “Venezuela and FARC-Related Sanctions” below.)

With regard to Venezuela’s relations with Iran, the State Department’s 2011 terrorism report maintained that “Venezuela maintained its economic, financial, and diplomatic cooperation with Iran as well as limited military related agreements.” In a July 2012 press interview, President Obama expressed general concern about “Iran engaging in destabilizing activity around the globe,” but indicated that his “sense is that what Mr. Chávez has done over the past several years has not had a serious national security impact on us.”³³ This was reiterated by the then-head of the U.S. Southern Command, General Douglas Fraser, who maintained that he did not see Venezuela as a “national security threat,” and that Iran’s connection with Venezuela was primarily diplomatic and economic.³⁴ (Also see “Venezuela Sanctions.”)

A reason for U.S. concerns about Iran’s deepening relations with Venezuela is its ties to Hezbollah, a State Department-designated Foreign Terrorist Organization. Hezbollah, along with Iran, is reported to have been linked to two bombings against Jewish targets in Argentina in the early 1990s, including the 1994 bombing of the Argentine-Israeli Mutual Association (AMIA) in Buenos Aires that killed 85 people (See **Table 1** for background on the AMIA investigation.) The United States has imposed sanctions on individuals and companies in Latin America for providing support to Hezbollah, including two Venezuelans. The State Department’s 2011 terrorism report maintained that “there were credible reports that Hizballah sympathizers and supporters engaged in fundraising and support activity in Venezuela.” (For more, see “Concerns about Hezbollah” below.)

Past Venezuelan comments about potential Iranian support for the development of nuclear energy in Venezuela raised concerns among U.S. officials and other observers. In September 2009, President Chávez announced during a visit to Iran that Venezuela was working on a preliminary plan for the construction of a “nuclear village” in Venezuela with Iranian assistance so that “the Venezuelan people can count in the future on this marvelous resource for peaceful purposes.”³⁵

(...continued)

Government Reform, Subcommittee on National Security, Homeland Defense and Foreign Operations. State Department testimony of Ambassador Daniel Benjamin, Coordinator for Counterterrorism; Kevin Whitaker, Acting Deputy Assistant Secretary for Western Hemisphere Affairs; and Thomas Delare, Director of the Terrorist Finance and Economic Sanctions Policy, Bureau of Economic, Energy, and Business Affairs, June 24, 2011, available at <http://foreignaffairs.house.gov/112/ben062411.pdf>.

³² Ibid.

³³ “The Situation Room,” Transcript, *CNN*, July 11, 2012; and Patricia Massei and Erika Bolstad, “Mitt Romney, GOP Howl Over President Barack Obama’s Remark About Hugo Chávez,” *Miami Herald*, July 11, 2012.

³⁴ Frank Bajak, “Top U.S. General: Venezuela Not a National Security Threat,” *AP Newswire*, July 31, 2012.

³⁵ “Iran Will Not Back Down on Nuclear Energy: Hugo Chávez” *Agence France Presse*, September 4, 2009.

The transfer of Iranian nuclear technology from Iran would be a violation of U.N. Security Council Resolutions—1737 (2006), 1747 (2007), and 1803 (2008)—that imposed restrictions on Iran’s nuclear technology transfers. In September 2010, President Chávez maintained that his government was carrying out initial studies into starting a nuclear energy program. In October 2010, Russia agreed to help Venezuela build its first nuclear power plant, but in March 2011, in the aftermath of Japan’s nuclear plant disaster, President Chávez said that he was freezing plans for a nuclear power program.³⁶

In September 2009, comments by Venezuelan officials offered conflicting information about Iran’s support for Venezuela’s search for uranium deposits. The then-Venezuelan Minister of Basic Industry and Mining Rodolfo Sanz said that Iran was assisting Venezuela in detecting uranium reserves in the west and southwest of Venezuela.³⁷ Subsequently, however, then-Venezuelan Minister of Science, Technology, and Intermediary Industry Jesse Chacon denied that Iran was helping Venezuela seek uranium, while Venezuela’s Minister of Energy Rafael Ramirez maintained that Venezuela has yet to develop a plan to explore or exploit its uranium deposits.³⁸ Observers point out that Venezuela does not yet mine uranium. U.N. Security Council Resolution 1929 (June 9, 2010) bars Iranian investment in uranium mining projects abroad.

In November 2010 and again in May 2011, an online German publication, *Die Welt*, alleged that Venezuela and Iran had signed an agreement in October 2010 for a jointly operated missile base in Venezuela.³⁹ The Department of State, however, maintains that there is no evidence to support such claims, and that there is no reason to believe that the assertions are credible.⁴⁰ Venezuela’s foreign minister called the reports by the German newspaper “an extravagant lie.”⁴¹

In the aftermath of President Hugo Chávez’s death in early March 2013, some observers contend that without Chávez at the helm, Venezuela’s relations with Iran could eventually begin to wane, especially since the strengthening of bilateral relations in recent years is viewed by many analysts as being driven by the personal relationship between Chávez and Iranian President Mahmoud Ahmadinejad.

Venezuela and FARC-Related Sanctions

To date, the United States has imposed financial sanctions against seven current or former Venezuelan government and military officials for providing support to the FARC. In September 2008, the Treasury Department froze the assets of two senior intelligence officials—General Hugo Carvajal and General Henry Rangel Silva—and the former interior minister, Ramón

³⁶ “Hugo Chávez Says Venezuela Is Studying Idea of Starting Peaceful Nuclear Energy Program,” *AP Newswire*, September 28, 2010; “Russia to Build Nuclear Power Plant in Venezuela,” *Reuters News*, October 15, 2010; Diego Ore, “Venezuela Halts Nuclear Program After Japan Disaster,” *Reuters News*, March 15, 2011.

³⁷ See the following press reports: “Iran Helps Venezuela Find Uranium Deposits,” *BBC Monitoring Caucasus*, September 26, 2009; and “Iran Helps Venezuela Find Uranium Deposits,” *Tehran Press TV Online*, September 26, 2009.

³⁸ “Venezuela Denies Iran is Helping It,” *New York Times*, September 27, 2009; and Fabian Cambero, “Interview: Venezuela Says No Plans Yet on Exploring Uranium,” *Reuters*, September 27, 2009.

³⁹ “Iran Planning to Build Missile Base in Venezuela,” November 25, 2010, and “Venezuela, Iran Press Ahead with Missile Base,” May 13, 2011, website of *Die Welt* online (as translated by Open Source Center).

⁴⁰ CRS correspondence with Department of State, January 5, 2011, and May 23, 2011; “Chávez Mocks Missile Base Reports,” *CNN Wire*, June 1, 2011.

⁴¹ “Chávez Mocks Missile Base Reports,” *CNN Wire*, June 1, 2011.

Rodríguez Chacín, for allegedly helping the FARC with weapons and drug trafficking.⁴² General Rangel was appointed by President Chávez as defense minister in January 2012, an action that raised concern among U.S. policymakers. He stepped down in October 2012, and went on to win the governorship of the Venezuelan state of Trujillo in December 2012 elections. Rodríguez Chacín also was elected as governor of the state of Guárico in December.

In September 2011, the Treasury Department imposed financial sanctions on four more Venezuelan officials for acting for or on behalf of the FARC, often in direct support of its narcotics and arms trafficking activities: Amilcar Jesus Figueroa Salazar, a member of Venezuela's delegation to the Latin American Parliament; Major General Clíver Antonio Alcalá Cordones of the Venezuelan Army; Freddy Alirio Bernal Rosales, a national legislator for the United Socialist Party of Venezuela (PSUV); and Ramon Isidro Madriz Moreno, an officer of Venezuela's intelligence service.⁴³

Venezuela Sanctions Related to Iran and Hezbollah

The United States has imposed sanctions on three Venezuelan companies because of their alleged support for Iran, and also has imposed sanctions on Venezuelan individuals because of their support for Hezbollah, the radical Lebanon-based Islamic Shiite group supported by Iran.

To date, the United States has imposed sanctions on two companies in Venezuela because of connections to Iran's proliferation activities. In August 2008, the State Department imposed sanctions on the Venezuelan Military Industries Company (CAVIM) pursuant to the Iran, North Korea, and Syria Nonproliferation Act (P.L. 109-353) for allegedly violating a ban on technology that could assist Iran in the development of weapons systems.⁴⁴ The sanctions prohibited any U.S. government procurement or assistance to the company. While these sanctions expired in 2010, they were imposed once again on May 23, 2011, for a two-year period,⁴⁵ and again on February 11, 2013, for a two-year period.⁴⁶ In October 2008, the U.S. Treasury Department imposed sanctions on an Iranian-owned bank based in Caracas, the Banco Internacional de Desarrollo, C.A., under Executive Order 13382 that allows the President to block the assets of proliferators of weapons of mass destruction and their supporters. The bank is linked to the Export Development Bank of Iran (EDBI), which the Treasury Department asserts has provided or attempted to provide services to Iran's Ministry of Defense and Armed Forces Logistics.⁴⁷

⁴² Phil Gunson, op. cit., September 13, 2008; *Federal Register*, September 19, 2008, pp. 54453-54454.

⁴³ U.S. Department of the Treasury, "Treasury Designates Four Venezuelan Officials for Providing Arms and Security to the FARC," Press Center, September 8, 2011.

⁴⁴ Although the sanction became effective in August 2008, it was not published in the *Federal Register* until October 2008. See *Federal Register*, pp. 63226-63227, October 23, 2008.

⁴⁵ U.S. Department of State, "Iran, North Korea and Syria Nonproliferation Act (INKSNA)," Fact Sheet, May 24, 2011; Department of State, "Bureau of International Security and Nonproliferation; Imposition of Nonproliferation Measures Against Foreign Persons, Including a Ban on U.S. Government Procurement," 76 *Federal Register* 30986-30987, May 27, 2011.

⁴⁶ Department of State, "Bureau of International Security and Nonproliferation Imposition of Nonproliferation Measures Against Foreign Persons, Including a Ban on U.S. Government Procurement," 78 *Federal Register* 9768-9769, February 11, 2013.

⁴⁷ U.S. Department of the Treasury, Press Release, "Export Development Bank of Iran Designated as a Proliferator," October 22, 2008.

In May 2011, the United States imposed sanctions on Venezuela's state oil company, *Petróleos de Venezuela S.A. (PdVSA)*, pursuant to the Comprehensive Iran Sanctions, Accountability, and Disinvestment Act of 2010 (P.L. 111-195) because the company provided \$50 million worth of reformate, an additive used in gasoline, to Iran between December 2010 and March 2011. Specifically, the State Department imposed three sanctions on PdVSA to prohibit it from competing for U.S. government procurement contracts, securing financing from the Export-Import Bank, and obtaining U.S. export licenses. The sanctions specifically exclude PdVSA subsidiaries (Citgo) and do not prohibit the export of oil to the United States.⁴⁸

In June 2008, the Treasury Department imposed sanctions on two Venezuelans—Ghazi Nasr al Din (a Venezuelan diplomat serving in Lebanon) and Fawzi Kan'an—for providing financial and other support to Hezbollah. U.S. citizens are prohibited from engaging in any transactions with the two Venezuelans, including any business with two travel agencies in Caracas owned by Kan'an.⁴⁹ More recently, in June 2012, the Treasury Department designated three dual Lebanese-Venezuelan citizens a Venezuelan company for involvement in the Ayan Joumaa drug money laundering network that has links to Hezbollah. (For more see "Concerns about Hezbollah" below.)

Iran's Activities in Latin America

Over the past several years, there has been concern among policymakers about Iran's growing interest and activities in Latin America, particularly its relations with Venezuela under President Hugo Chávez, although there has been disagreement over the extent and significance of Iran's relations with the region. Since 2006, Iranian President Ahmadinejad has visited Latin America several times, most often Venezuela, but he has also visited Bolivia, Brazil, Ecuador, Nicaragua, and Cuba. In 2012, Ahmadinejad undertook two trips to the region: a visit in January to Cuba, Ecuador, Nicaragua, and Venezuela; and a June trip to Brazil to attend the U.N. Conference on Sustainable Development in Rio de Janeiro (which notably did not include bilateral meetings with the Brazilian government) along with side trips to Bolivia and Venezuela. This year, Ahmadinejad attended the funeral for President Chávez who died in early March after battling cancer.

Since 2011, Congress has focused extensively on concerns regarding the activities of both Iran and Hezbollah in the region. Several House and Senate Committee hearings have been held, and most significantly, the 112th Congress enacted the Countering Iran in the Western Hemisphere Act of 2012, which was signed into law on December 28, 2012 (P.L. 112-220). As enacted, the measure requires the Secretary of State to conduct an assessment within 180 days of the "threats posed to the United States by Iran's growing presence and activity in the Western Hemisphere" and a strategy to address these threats. The 113th Congress has continued its interest on the issue through oversight hearings, and will likely focus attention on the forthcoming State Department assessment of Iranian activities in the region. (For more on legislative initiatives and hearings, see "112th Congress" and "113th Congress" below.)

Iran's ties to the region predate its recent increased attention. Venezuela's relations with Iran have been long-standing because they were both founding members of OPEC in 1960. In the aftermath

⁴⁸ U.S. Department of State, "Seven Companies Sanctioned Under the Amended Iran Sanctions Act," Fact Sheet, May 24, 2011.

⁴⁹ "Treasury Targets Hizballah in Venezuela," *States News Service*, June 18, 2008.

of the 1979 Iranian revolution, Iran fostered closer relations with Cuba and with Nicaragua (after the 1979 Sandinista revolution). Under the government of President Mohammed Khatami (1997-2005), Iran made efforts to increase its trade with Latin America, particularly Brazil, and there were also efforts to increase cooperation with Venezuela. Venezuelan President Hugo Chávez visited Iran in 2001 and 2003, which led to a joint venture agreement to produce tractors in Venezuela.⁵⁰

Not until President Ahmadinejad's rule began in 2005, however, did Iran aggressively work to increase its diplomatic and economic linkages with Latin American countries. A major rationale for this increased focus on Latin America has been Iran's efforts to overcome its international isolation and reduce the effect of increasing sanctions. The personal relationship between Ahmadinejad and Chávez also drove the strengthening of bilateral ties. The two nations have signed a variety of agreements in agriculture, petrochemicals, oil exploration in the Orinoco region of Venezuela, the manufacturing of automobiles, and housing. During an April 2009 trip to Tehran, Chávez and Ahmadinejad inaugurated a new development bank for economic projects in both countries, with each country reportedly providing \$100 million in initial capital. Weekly flights between the two countries began in 2007, but were curtailed in September 2010.⁵¹ The State Department had expressed concern about these flights, maintaining that they were only subject to cursory immigration and customs controls.

Venezuela also has played a key role in the development of Iran's expanding relations with other countries in the region. This outreach has largely focused on leftist governments that share the goal of reducing U.S. influence in the region. In recent years, Iran's relations have grown with Bolivia under President Evo Morales, with Ecuador under President Rafael Correa, and with Nicaragua under President Daniel Ortega. Director of National Intelligence James Clapper testified to Congress in March 2013 that Iran has cultivated ties with the leaders of Bolivia, Cuba, Ecuador, Nicaragua, and Venezuela, and that Iran's relations with the governments of these countries offers a way for them "to stake out independent positions on the international issue of Iran, while extracting financial aid and investment for economic and social projects."⁵² While Iran has promised assistance and investment to these countries, observers maintain that there is little evidence that such promises have been fulfilled.⁵³

While Ahmadinejad's January 2012 trip to Venezuela, Nicaragua, Cuba, and Ecuador increased concerns of some U.S. policymakers about Iran's efforts to deepen ties with Latin America, some

⁵⁰ Farideh Farhi "Tehran's Perspective on Iran-Latin American Relations," in *Iran in Latin America: Threat or 'Axis of Annoyance'?*, Woodrow Wilson International Center for Scholars, 2009 (based on July 2008 conference), edited by Cynthia Arnson, Haleh Esfandiari, and Adam Stubits, available at: http://www.wilsoncenter.org/sites/default/files/Iran_in_LA.pdf

⁵¹ "House Foreign Affairs, Subcommittee on Middle East and South Asia, and Subcommittee on Western Hemisphere, and House Oversight and Government Reform, Subcommittee on National Security, Homeland Defense and Foreign Operations Hold Joint Hearing on Venezuela's Sanctionable Activity," *CQ Congressional Transcripts*, June 24, 2011; and "House Foreign Affairs Committee Holds Hearing on Threats and Security in the Western Hemisphere," *CQ Congressional Transcripts*, October 13, 2011.

⁵² James R. Clapper, Director of National Intelligence, "Worldwide Threat Assessment of the US Intelligence Community," Statement for the Record, Senate Select Committee on Intelligence, March 12, 2013, available at <http://intelligence.senate.gov/130312/clapper.pdf>

⁵³ For example, see Kavon "Hak" Hakimzadeh, "Iran & Venezuela: The Axis of Annoyance," *Military Review*, May 1, 2009; and Anne-Marie O'Connor and Mary Beth Sheridan, "Iran's Invisible Nicaragua Embassy; Feared Stronghold Never Materialized," *Washington Post*, July 13, 2009. Also see "House Foreign Affairs Committee Holds Hearing on Democracy in Nicaragua," *CQ Congressional Transcripts*, December 1, 2011.

policy analysts and U.S. officials contend that the trip was not successful. President Ahmadinejad signed a number of agreements during his tour, but it is doubtful that this will lead to significant Iranian investment or financial support. Analysts point out that leaders' statements during these trips are largely propaganda, with the official Iranian press trumpeting relations with these countries in order to show that Iran is not isolated internationally and that it has good relations with countries geographically close to the United States.⁵⁴ The January 2012 trip was restricted to meeting with four leftist governments that have often opposed U.S. policy in the region and have limited regional influence. The fact that the tour notably did not include a trip to Brazil to meet with President Dilma Rousseff detracted from the significance of the visit to the region. A close adviser to Ahmadinejad maintained in an interview in the Brazilian press that President Rousseff had "destroyed years of good relations" between Iran and Brazil.⁵⁵ Moreover, as noted above, President Rousseff did not meet with Ahmadinejad during his visit to Rio de Janeiro for a U.N. conference in June 2012.

Director of National Intelligence James Clapper testified before Congress in late January 2012 that while the U.S. intelligence community remains concerned about Iran's connection with Venezuela, Ahmadinejad's trip to Latin America "was not all that successful."⁵⁶ Some press accounts characterized Ahmadinejad's tour of the region as "lackluster" and a mere diplomatic show attempting to remind the world that Iran continues to have relations with countries in Latin America.⁵⁷ Nevertheless, a March 2013 investigative report by the International Assessment and Strategy Center focused on a plan that emerged from Ahmadinejad's 2012 visit to Ecuador to use an Ecuadoran bank, Banco COFIEC, to open correspondent accounts with sanctioned Iranian banking institutions through a state-owned Russian bank.⁵⁸

Iran's trade with Latin America is miniscule, and for most countries in the region, non-existent. What trade there is largely consists of Latin American exports to Iran. In 2012, Brazil and Argentina were the largest traders in the region with Iran. Brazil exported some \$2.1 billion in products to Iran in 2012, with corn, sugar, and beef and corn accounting for the majority, although Brazil's total exports to Iran represented less than 1% of Brazil's exports globally. Argentina's exports to Iran amounted to almost \$1 billion in 2012 (largely vegetable oils and animal feed), but accounted for just 1.2% of Argentina's total exports.⁵⁹

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

⁵⁴ Comments by Stephen Johnson, Center for Strategic and International Studies, and Afshin Molavi, New America Foundation, at a January 19, 2012, event sponsored by the Council of the Americas (Washington, D.C.) on "Iran in the Americas: A Readout of the Visit."

⁵⁵ Simon Romero, "Iranian Adviser Accuses Brazil of Ruining Relations," *New York Times*, January 24, 2012. Subsequently, the Iranian adviser denied part of the interview, and stressed that relations between Iran and Brazil are good, see "Iranian Aide Says Foreign Media Distorted His Interview on Ties with Brazil," *BBC Monitoring Newsfile* (text of report by Iranian official government news agency IRNA) January 24, 2012.

⁵⁶ "Senate Select Intelligence Committee Holds Hearing on Worldwide Threats," *CQ Congressional Transcripts*, January 31, 2012.

⁵⁷ Brian Ellsworth, "Iranian Leader Ends Lackluster Latin America Tour," *Reuters News*, January 13, 2012.

⁵⁸ Douglas Farah and Pamela Philips Lum, "Ecuador's Role in Iran's Latin American Financial Structure," International Assessment and Strategy Center, March 12, 2013, available at: http://www.strategycenter.net/research/pubID.304/pub_detail.asp.

⁵⁹ Statistics drawn from *Global Trade Atlas*, which uses trade statistics reported by countries worldwide.

existing embassies in Argentina, Brazil, Cuba, Mexico, and Venezuela.⁶⁰ Iran has also reportedly opened 17 cultural centers in the region in recent years.⁶¹ In late January 2012, Iran also launched a Spanish-language satellite TV network as part of its ideological battle to counter what it views as biased reporting—President Ahmadinejad said that it would help end the West’s “hegemony” of the airwaves.⁶² Reports that Iran was building a large embassy in Managua, Nicaragua (which even Secretary of State Hillary Clinton noted in public remarks) turned out to be erroneous.⁶³ Other reports that Iran’s embassy in Venezuela is one of the largest in the world were also inaccurate. State Department officials maintain that there are many embassies in Caracas that have a diplomatic presence far larger than that of Iran, including the U.S. Embassy.⁶⁴

In March 2013, current head of the U.S. Southern Command (SOUTHCOM), General John Kelly, testified before the House and Senate Armed Services Committees that “Iran is struggling to maintain influence in the region,” and that “its efforts to cooperate with a small set of countries with interests that are inimical to the United States are waning.” According to General Kelly, while “the Iranian regime has increased its diplomatic and economic outreach across the region with nations like Venezuela, Bolivia, Ecuador, and Argentina,” the “outreach has only been marginally successful...and the region as a whole has not been receptive to Iranian efforts.”⁶⁵ As noted above, in the aftermath of President Chávez’s death, some observers contend that without Chávez, Venezuela’s relations with Iran could eventually begin to wane, especially since the strengthening of bilateral relations was in large part driven by the personal relationship between Chávez and Ahmadinejad.

No matter the scope of Iran’s involvement in Latin America, Iran’s key foreign policy focus remains its immediate region. It is in the Middle East and South and Central Asia where Iran perceives that threats to its survival may emanate, and in which Iran has, for ideological, religious, and political motives, tried to alter political outcomes in its favor. Whatever efforts Iran is making to engage like-minded leaders in Latin America, these efforts pale by comparison to its level of involvement in countries such as Iraq, Afghanistan, Syria, or Lebanon, in which Iran’s Islamic Revolutionary Guard Corps—Qods Force personnel are on the ground consistently, funneling arms and funds to pro-Iranian movements and parties. Interactions with national leaders and faction leaders in Middle Eastern and South and Central Asian countries such as these are frequent.⁶⁶

⁶⁰ Anne-Marie O’Connor and Mary Beth Sheridan, “Iran’s Invisible Nicaragua Embassy; Feared Stronghold Never Materialized,” *Washington Post*, July 13, 2009.

⁶¹ “Sen. Carl Levin Holds a Hearing on the F.Y. 1012 Authorization for the U.S. Northern Command and the U.S. Southern Command—Committee Hearing,” *Political Transcripts by CQ Transcriptions*, April 5, 2011.

⁶² Jim Wyss, “Iran’s HispanTV Aims to Woo Latino Viewers,” *Miami Herald*, January 31, 2012.

⁶³ Ibid; and Sylvie Lanteaume, “Iran’s Hand in Latin America Not as U.S. Feared,” *Agence France Presse*, July 14, 2009.

⁶⁴ “House Foreign Affairs, Subcommittee on Middle East and South Asia, and Subcommittee on Western Hemisphere, and House Oversight and Government Reform, Subcommittee on National Security, Homeland Defense and Foreign Operations Hold Joint Hearing on Venezuela’s Sanctionable Activity,” *CQ Congressional Transcripts*, June 24, 2011.

⁶⁵ General John F. Kelly, Commander, United States Southern Command, Posture Statement, Senate Armed Services Committee, March 19, 2013, available at <http://www.armed-services.senate.gov/statemnt/2013/03%20March/Kelly%2003-19-13.pdf>

⁶⁶ This paragraph was authored by Kenneth Katzman, CRS Specialist in Middle Eastern Affairs. For additional background on Iran and its foreign policy, see: CRS Report RL32048, *Iran: U.S. Concerns and Policy Responses*, by Kenneth Katzman.

Concerns about Iran's Military and Potential Terrorist Activities

An April 2010 unclassified Department of Defense report to Congress on Iran's military power (required by Section 1245 of the National Defense Authorization Act for FY2010, P.L. 111-84) maintained that Iran's Qods Force, which maintains operational capabilities around the world, had increased its presence in Latin America in recent years, particularly in Venezuela.⁶⁷ At the same time, however, then commander of the U.S. Southern Command, General Douglas Fraser, maintained that the focus of Iran in the region was diplomatic and commercial, and that he had not seen an increase in Iran's military presence in the region.⁶⁸ In July 2012, General Fraser maintained in a press interview that Iran's relationship with Venezuela was primarily diplomatic and economic and that Iran's ties with Venezuela did not amount to a military alliance.⁶⁹

In October 2011, the Department of Justice filed criminal charges against a dual Iranian-American citizen from Texas, Manssor Arbabsiar, and a member of Iran's Qods Force in Iran, Gholam Shakuri, for their alleged participation in a bizarre plot to kill the Saudi Ambassador in Washington, DC. The indictment alleged that Arbabsiar met several times in Mexico City with an informant of the U.S. Drug Enforcement Administration (DEA) posing as a member of Mexico's most violent drug trafficking organization, Los Zetas, and had arranged to hire the informant to murder the Ambassador with the financial support of Shakuri.⁷⁰ Other alleged plans reportedly included plots to pay Los Zetas to bomb the Israeli Embassy in Washington, DC, and the Saudi and Israeli Embassies in Buenos Aires.⁷¹

U.S. officials expressed concern about the implications of the failed Iranian plot on the nexus between terrorist and criminal groups as well as on Iran's intentions. The DEA testified in November 2011 that the alleged plot "illustrates the extent to which terrorist organizations will align themselves with other criminals to achieve their goals."⁷² Director of National Intelligence James Clapper stated before the Senate Select Committee on Intelligence in late January 2012 that the plot to kill the Saudi Ambassador shows that "some Iranian officials ... are now more willing to conduct an attack in the United States," and he expressed concern "about Iranian

⁶⁷ Department of Defense, "Unclassified Report on Military Power of Iran," April 2010. For the full text of the report, see http://www.politico.com/static/PPM145_link_042010.html. For background on the Qods Force, see CRS Report RL32048, *Iran: U.S. Concerns and Policy Responses*, by Kenneth Katzman.

⁶⁸ Anne Flaherty, "Pentagon Says Iran's Reach in Latin America Doesn't Pose Military Threat," AP Newswire, April 27, 2010. General Fraser reiterated that Iran's focus in Latin America has been "primarily diplomatic and commercial," in March 30, 2011, testimony before the House Armed Services Committee. See: "Hearing of the House Armed Services Committee; Subject FY2012 National Defense Authorization Budget Requests for the U.S. Southern Command, U.S. Northern Command, and U.S. European Command," *Federal News Service*, March 30, 2011.

⁶⁹ Frank Bajak, "Top U.S. General: Venezuela Not a National Security Threat," *Associated Press*, July 31, 2012.

⁷⁰ U.S. Department of Justice, "Two Men Charged in Alleged Plot to Assassinate Saudi Arabian Ambassador to the United States," Press Release, October 11, 2011, available at <http://www.justice.gov/opa/pr/2011/October/11-ag-1339.html>.

⁷¹ Charles Savage and Scott Shane, "Iranians Accused of a Plot to Kill Saudis' U.S. Envoy," *New York Times*, October 12, 2011; and Siobhan Gorman, Devlin Barrett, and Stephanie Simon, "U.S. News: Accusations Against Iran Fleshed Out," *Wall Street Journal*, October 13, 2011.

⁷² U.S. Congress, House Committee on Foreign Affairs, Subcommittee on Terrorism, Nonproliferation, and Trade, *Narcoterrorism and the Long Reach of U.S. Law Enforcement, Part II*, 112th Cong., 1st sess., November 17, 2011, Serial No. 112-81 (Washington: GPO, 2011), written testimony of Derek S. Maltz, Special Agent in charge of the Special Operations Division, Drug Enforcement Administration, available at: <http://foreignaffairs.house.gov/112/mal111711.pdf>

plotting against U.S. or allied interests overseas.”⁷³ SOUTHCOM Commander General John Kelly testified before the House and Senate Armed Services Committees in March 2013 the Iranian plot to assassinate the Saudi Ambassador demonstrated Iran’s willingness to leverage criminal groups to carry out its objectives in the U.S. homeland.⁷⁴

In December 2011, a documentary featured on the Spanish-language network *Univisión* alleged that Iranian and Venezuelan diplomats in Mexico tried to recruit Mexican students for plotting possible cyberattacks against the United States. There is no indication that U.S. officials have been able to corroborate the allegations in the documentary. However, the State Department subsequently declared *persona non grata* the Venezuelan Consul General in Miami, Livia Acosta, who had been based in Mexico at the time of the documentary.

Concerns about Hezbollah

Another reason for U.S. concerns about Iran’s deepening relations with Latin America is its ties to the radical Lebanon-based Islamic Shiite group Hezbollah, a State Department-designated Foreign Terrorist Organization. Hezbollah, along with Iran, is reported to have been linked to two bombings against Jewish targets in Argentina in the early 1990s: the 1992 bombing of the Israeli Embassy in Buenos Aires that killed 30 people and the 1994 bombing of the Argentine-Israeli Mutual Association (AMIA) in Buenos Aires that killed 85 people (see **Table 1** on the AMIA investigation).

In recent years, U.S. concerns regarding Hezbollah in Latin America have focused on its fundraising activities among sympathizers in the region, particularly the tri-border area (TBA) of Argentina, Brazil, and Paraguay (see **Figure 2**), but also in other parts of the region.⁷⁵ (At the same time, U.S. officials point out that Hezbollah’s primary funding is from Iran, and not from fundraising activities in Latin America.) The Brazilian city of Foz do Iguaçu and the Paraguayan city of Ciudad del Este have large Muslim populations. The TBA has long been used for arms and drug trafficking, contraband smuggling, document and currency fraud, money laundering, and the manufacture and movement of pirated goods.

For several years, the State Department’s annual report on terrorism reiterated U.S. concerns regarding fundraising activities by sympathizers of Hezbollah (and the Sunni Muslim Palestinian group Hamas) in the TBA, but the report also consistently asserted that “that there was no corroborated information ... that these or other Islamic extremist groups had an operational presence in the region.”⁷⁶ In March 2011 congressional testimony, General Douglas Fraser, then commander of the U.S. Southern Command, maintained that he had not seen Hezbollah or Hamas growing in any capacity in the region, and reiterated that “primarily any support that they are giving is financial support, principally back to parent organizations in the Middle East.”⁷⁷ The

⁷³ Testimony of Director of National Intelligence James Clapper, January 31, 2012, *op. cit.*

⁷⁴ General John F. Kelly, Commander, United States Southern Command, Posture Statement, Senate Armed Services Committee, March 19, 2013, available at <http://www.armed-services.senate.gov/statemnt/2013/03%20March/Kelly%2003-19-13.pdf>

⁷⁵ For additional background, see *Threat Convergence in South America’s Tri-Border Area (TBA)*, The Fund for Peace, Center for the Study of Threat Convergence, Factsheet Series, January 11, 2010; and Rensselaer Lee, “Dispatches: The Tri-Border-Terrorism Nexus,” *Global Crime*, Vol. 9, No 4, November 2008.

⁷⁶ U.S. Department of State, “Country Reports on Terrorism 2009,” August 5, 2010.

⁷⁷ House Armed Services Committee Holds Hearing on the Defense Authorization Proposed Budget Requests for (continued...)

State Department's 2011 terrorism report asserted more broadly that there were no known operational cells of either Al Qaeda or Hezbollah in the hemisphere, but noted that "ideological sympathizers in South America and the Caribbean continued to provide financial and moral support to these and other terrorist groups in the Middle East and South Asia."

Table 1. AMIA Bombing Investigation

Argentine Special Prosecutor Alberto Nisman was appointed to lead the AMIA investigation in 2004. Until then, progress on the investigation and prosecution of those responsible for the 1994 bombing had been stymied because of the government's mishandling of the case. In September 2004, a three-judge panel acquitted all 22 Argentine defendants in the case and faulted the shortcomings of the original investigation. With Nisman's appointment in 2004, however, the government moved forward with a new investigation. As a result, an Argentine judge issued arrest warrants in November 2006 for nine foreign individuals: an internationally wanted Hezbollah militant from Lebanon, Imad Mughniyah (subsequently killed by a car bomb in Damascus Syria in 2008), and eight Iranian government officials. Interpol subsequently posted Red Notices (international wanted persons notices) in 2007 for Mughniyah and five of the Iranian officials: Ali Fallahijan, Mohsen Rabbani, Ahmad Reza Asghari, Ahmad Vahidi (Iran's current defense minister), and Mohsen Rezai.^a

The State Department's 2011 terrorism report maintained that Argentina continued its efforts to bring to justice those suspected in the AMIA bombing, but noted that the government had shifted its stance with respect to engagement with Iran over the issue. In 2011, President Cristina Fernández de Kirchner indicated Argentina's willingness to enter into a dialogue with the Iranian government despite its refusal to turn over suspects in the case. Several rounds of talks with Iran were held in 2012, with Argentine Foreign Minister Hector Timerman leading the effort.

In late January 2013, Argentina announced that it had reached an agreement with Iran to establish a joint Truth Commission made up of impartial jurists from third countries to review the bombing case. After extensive debate, Argentina's Congress completed its approval of the agreement on February 28, 2013. Argentina's two main Jewish groups, AMIA and the Delegation of Israeli Associations (DAIA), strongly opposed the agreement because they believe that it could guarantee impunity for the Iranian suspects.^b Several U.S. Members of Congress also have expressed their strong concerns about the Truth Commission because they believe it could jeopardize Argentina's AMIA investigation and charges against the Iranians.

- a. INTERPOL, Media Release, "INTERPOL General Assembly Upholds Executive Committee Decision on AMIA Red Notice Dispute," November 7, 2007.
- b. "A Perverse Manoeuvre in Argentina," *Latin News Daily*, February 28, 2013.

(...continued)

Fiscal 2012 and Future Years on the U.S. Southern Command, U.S. Northern Command, and U.S. European Command," *CQ Congressional Transcripts*, March 30, 2011.

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

Source: CRS.

Hezbollah-Related Sanctions

The United States has imposed sanctions on individuals and companies in the region for providing support to Hezbollah. Since 2006, the Treasury Department has sanctioned over a dozen individuals and several entities in the TBA for providing financial support to Hezbollah leadership in Lebanon.⁷⁸ In December 2010, the Treasury Department sanctioned Hezbollah’s chief representative in South America, Bilal Mohsen Wehbe, for transferring funds collected in Brazil to Lebanon. He also reportedly has been responsible for overseeing Hezbollah’s counterintelligence activities in the TBA.⁷⁹

Beyond the TBA, U.S. officials have expressed concern that Hezbollah is able to tap into the large Lebanese diaspora in Venezuela and elsewhere in Latin America.⁸⁰ As noted above in the section on “Venezuela,” the Treasury Department imposed sanctions (pursuant to Executive Order 13224 as Specially Designated Global Terrorists) on two Venezuelans in June 2008—Ghazi Nasr al Din (a Venezuelan diplomat serving in Lebanon) and Fawzi Kan’an—for providing financial

⁷⁸ U.S. Congress, House Committee on Foreign Affairs, *Emerging Threats and Security in the Western Hemisphere: Next Steps for U.S. Policy*, 112th Cong., 1st sess., October 13, 2011, Serial No. 112-75 (Washington: GPO, 2011), written testimony of U.S. Department of the Treasury’s Assistant Secretary for Terrorist Financing Daniel L. Glaser available at: <http://foreignaffairs.house.gov/112/gla101311.pdf>

⁷⁹ “Treasury Targets Hizballah Financial Network,” *Department of the Treasury Documents*, Press Release, December 9, 2010.

⁸⁰ House Committee on Foreign Affairs, *Emerging Threats and Security in the Western Hemisphere: Next Steps for U.S. Policy*, op. cit., written testimony of Philip S. Goldberg, Assistant Secretary, Bureau of Intelligence and Research, Department of State, available at: <http://foreignaffairs.house.gov/112/gol101311.pdf>

and other support to Hezbollah. U.S. citizens are prohibited from engaging in any transactions with the two Venezuelans, including any business with two travel agencies in Caracas owned by Kan'an.⁸¹

In February 2011, the Treasury Department identified the Lebanon-based Lebanese Canadian Bank (LCB) for its role in facilitating the money laundering activities of an international narcotics trafficking and money laundering network with ties to Hezbollah, and imposed sanctions that effectively prohibited the bank from operating in the United States. The Treasury Department maintained that the network was involved in moving illegal drugs from South America to Europe and the Middle East via West Africa.⁸²

Following on from the U.S. investigation of the LCB, in November 2011, the Department of Justice announced the federal criminal indictment of Lebanese citizen Ayman Joumaa (who had been designated by the Treasury Department as a narcotics trafficker and money launderer in January 2011) for conspiring to coordinate shipments of cocaine from Colombia through Central America for sale to Los Zetas, one of Mexico's most violent drug trafficking organizations. The indictment alleged that Joumaa laundered hundreds of millions of dollars in drug trafficking proceeds from Europe, Mexico, the United States, and West Africa for cocaine suppliers in Colombia and Venezuela.⁸³ A civil indictment filed by the Department of Justice in December 2011 alleged that Joumaa's drug trafficking organization operates in Lebanon, West Africa, Panama, and Colombia, and launders proceeds from illicit activities through various channels, including bulk cash smuggling operations and Lebanese exchange houses, and pays fees to Hezbollah to facilitate the transportation and laundering of the proceeds.⁸⁴

In June 2012, the Treasury Department designated four additional individuals (including three dual Lebanese-Venezuelan citizens) and three companies (two in Colombia and one in Venezuela) involved in Ayman Joumaa's drug money laundering network. At the same time, a Lebanese Colombian national, Ali Mohamad Saleh, was also designated as a Specially Designated Global Terrorist pursuant to Executive Order 13224 for directing and coordinating Hezbollah activity in Colombia.⁸⁵

U.S. Policy

As in other parts of the world, the United States has assisted Latin American and Caribbean nations over the years in their struggle against terrorist or insurgent groups indigenous to the region. For example, in the 1980s, the United States supported the government of El Salvador with significant economic and military assistance in its struggle against a leftist guerrilla

⁸¹ "Treasury Targets Hizballah in Venezuela," *States News Service*, June 18, 2008.

⁸² U.S. Department of the Treasury, "Treasury Identifies Lebanese Canadian Bank as a Primary Money Laundering Concern," Press Release, February 10, 2011.

⁸³ U.S. Department of Justice, U.S. Attorney's Office—Eastern District of Virginia, "U.S. Charges Alleged Lebanese Drug Kingpin with Laundering Drug Proceeds for Mexican and Colombian Drug Cartels," Press Release, December 13, 2011; Jo Becker, "Beirut Bank Seen as a Hub of Hezbollah's Financing," *New York Times*, December 14, 2011.

⁸⁴ U.S. Drug Enforcement Administration, "DEA News: Civil Suit Exposes Lebanese Money Laundering Scheme for Hizballah," News Release, December 15, 2011, available at: <http://www.justice.gov/dea/pubs/pressrel/pr121511.html>

⁸⁵ U.S. Department of the Treasury, "Treasury Targets Major Money Laundering Network Linked to Drug Trafficker Ayman Joumaa and a Key Hizballah Supporter in South America," Press Release, June 27, 2012, available at: <http://www.treasury.gov/press-center/press-releases/Pages/tg1624.aspx>

insurgency. In recent years, the United States has employed various policy tools to combat terrorism in the Latin America and Caribbean region, including sanctions, anti-terrorism assistance and training, law enforcement cooperation, and multilateral cooperation through the OAS. Moreover, given the nexus between terrorism and drug trafficking, one can argue that assistance and sanctions aimed at combating drug trafficking organizations in the Andean region have also been a means of combating terrorism by cutting off a source of revenue for terrorist organizations. The same argument can be made regarding efforts to combat money laundering in the region.⁸⁶

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

U.S. Sanctions

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

As described above, the United States has also imposed financial sanctions on several Venezuelan government and military officials for supporting the FARC's weapons and drug trafficking, and has imposed sanctions on three Venezuelan companies for their support of Iran. With regard to Hezbollah, the United States has imposed sanctions on individuals and companies in the region—including in Colombia and Venezuela and in the TBA of South America—for providing financial support to the organization. The Department of Justice is also pursuing cases against entities and individuals involving a drug money laundering network in the region with ties to Hezbollah.

⁸⁶ For background on interaction between criminal organizations and terrorist groups, see CRS Report R41004, *Terrorism and Transnational Crime: Foreign Policy Issues for Congress*, by John Rollins and Liana Sun Wyler.

U.S. Assistance and Other Support

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

The largest of these is the ATA program, which over the years has provided training and equipment to Latin American countries to help improve their capabilities in such areas as airport security management, hostage negotiations, bomb detection and deactivation, and countering terrorism financing. Such training was expanded to Argentina in the aftermath of the two bombings in 1992 and 1994. Assistance was also stepped up in 1997 to Argentina, Brazil, and Paraguay in light of increased U.S. concern over illicit activities in the tri-border area of those countries. In recent years, ATA for Western Hemisphere countries amounted to \$12.75 million in FY2011, and an estimated \$12.28 million in FY2012. For FY2013, the Administration requested \$7.685 million for Western Hemisphere countries, with \$2.75 million for Mexico, \$1 million for Colombia, and \$3.935 million for other Latin American countries through a regional program.

The EXBS program helps countries develop export and border control systems in order to prevent states and terrorist organizations from acquiring weapons of mass destruction, their delivery systems, and destabilizing conventional weapons. Latin American countries received \$7.95 million in FY2011 and an estimated \$3.25 million in FY2012. The FY2013 request was for \$2.895 million, with assistance slated for Argentina, Brazil, Chile, Mexico, Panama, and a regional program.

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

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

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

Increased Regional Cooperation Since 9/11

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

In the aftermath of 9/11, OAS members reinvigorated efforts of the of the Inter-American Committee on Terrorism (CICTE) to combat terrorism in the hemisphere. CICTE has cooperated on border security mechanisms, controls to prevent terrorist funding, and law enforcement and counterterrorism intelligence and information.⁸⁷ It has worked on a wide range of capacity building and training programs including border controls (covering maritime and aviation security, customs, and immigration), critical infrastructure protection (covering cybersecurity, major events security, and tourism security), counter-terrorism legislative assistance and combating terrorism financing, and strengthening strategies on emerging terrorist threats. At CICTE's 11th regular session held in March 2011, member states issued a declaration of renewed hemispheric commitment to enhance cooperation to prevent, combat, and eliminate terrorism.⁸⁸ At CICTE's 12th regular session held in March 2012, member states focused on efforts to strengthen cybersecurity in the Americas.⁸⁹ In March 2013, CICTE held its 13th regular session, which focused on hemispheric cooperation in combating terrorism and its financing; member states adopted a resolution on strengthening cooperation to address terrorist financing and money laundering.⁹⁰

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

⁸⁷ See the website of the CICTE available at <http://www.cicte.oas.org/Rev/en/>.

⁸⁸ See the documents of the eleventh regular session of the CICTE, including the declaration, available at <http://www.cicte.oas.org/Rev/EN/Meetings/Sessions/11/Default.asp>.

⁸⁹ CICTE, "Declaration Strengthening Cyber-Security in the Americas," March 7, 2012, available at <http://www.cicte.oas.org/Rev/En/Documents/Declarations/DEC%201%20rev%201%20DECLARATION%20CICTE00749E04.pdf>.

⁹⁰ CICTE, "Thirteenth Regular Session of CICTE," available at http://www.oas.org/en/sms/cicte/session_2013.asp

Legislative Initiatives and Oversight

111th Congress

In the 111th Congress, President Obama signed into law the Comprehensive Iran Sanctions, Accountability, and Disinvestment Act of 2010 (P.L. 111-195) on July 1, 2010, which included a provision making gasoline sales to Iran subject to U.S. sanctions. (Subsequently, the State Department imposed sanctions on Venezuela's state oil company, PdVSA, in May 2011 for providing cargoes of reformate, an additive used in gasoline, to Iran between December 2010 and March 2011 valued at around \$50 million. See "Venezuela Sanctions" above.)

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

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

Over the years, the U.S. Congress expressed concern about progress in Argentina's investigation of the 1994 AMIA bombing, with the House often passing resolutions on the issue around the time of the anniversary of the bombing on July 18. In the 111th Congress, H.Con.Res. 156 (Ros-Lehtinen), approved July 17, 2009, again condemned the AMIA bombing and urged Western Hemisphere governments to take actions to curb the activities that support Hezbollah and other such extremist groups.

On October 27, 2009, the House Committee on Foreign Affairs, Subcommittees on the Western Hemisphere, the Middle East and South Asia, and Terrorism, Nonproliferation and Trade held a joint hearing on "Iran in the Western Hemisphere" featuring private witnesses.⁹¹

⁹¹ A transcript and webcast of the hearing is available at http://foreignaffairs.house.gov/hearing_notice.asp?id=1127.

112th Congress

The 112th Congress enacted one measure into law late in the second session, the Countering Iran in the Western Hemisphere Act of 2012 (H.R. 3783, P.L. 112-220), which requires the Administration to conduct an assessment and present “a strategy to address Iran’s growing hostile presence and activity in the Western Hemisphere.” Several other initiatives were introduced in the related to Mexico and Venezuela as well the activities of Iran and Hezbollah in the Western Hemisphere, but were not considered. Several oversight hearings were also held on these topics.

Mexico

Among legislative initiatives introduced, two bills: H.R. 1270 (McCaul) and H.R. 4303 (McCaul) would have directed the Secretary of State to designate as foreign terrorist organizations several Mexican drug cartels; and H.R. 3401 (Mack), the Enhanced Border Security Act, ordered reported by the House Subcommittee on the Western Hemisphere, Committee on Foreign Affairs, on December 15, 2011, would have required the Secretary of State within 90 days to submit a detailed counterinsurgency strategy “to combat the terrorist insurgency in Mexico waged by transnational criminal organizations.”

Several hearings in the 112th Congress focused on the drug trafficking situation in Mexico and allegations that the drug trafficking organizations constituted a criminal insurgency or had links to terrorism. The House Committee on Foreign Affairs, Subcommittee on the Western Hemisphere, held a September 13, 2011, hearing entitled “Has Mérida Evolved? Part One: The Evolution of Drug Cartels and the Threat to Mexico’s Governance” featuring private witnesses.⁹² The Western Hemisphere Subcommittee followed up on October 4, 2011, with a joint hearing with the House Committee on Homeland Security, Subcommittee on Oversight, Investigations, and Management, entitled “Mérida Part Two: Insurgency and Terrorism in Mexico,” with testimony from the State Department, the Drug Enforcement Administration, and the Department of Homeland Security.⁹³

Looking more broadly at drug trafficking, the House Committee on Foreign Affairs, Subcommittee on Oversight and Investigations, held an October 12, 2011, hearing entitled “The International Exploitation of Drug Wars and What We Can Do About It” featuring private witnesses.⁹⁴ The House Committee on Foreign Affairs, Subcommittee on Terrorism, Nonproliferation and Trade also held two hearings on “Narcoterrorism and the Long Reach of U.S. Law Enforcement,” on October 12 and November 17, 2011, that examined the links between drug trafficking and terrorism worldwide and featured private witnesses and an official from the Drug Enforcement Administration.⁹⁵

⁹² A transcript and webcast of the hearing is available at http://foreignaffairs.house.gov/hearing_notice.asp?id=1348.

⁹³ Testimony and a webcast of the joint hearing is available at <http://homeland.house.gov/hearing/joint-subcommittee-hearing-m%C3%A9rida-part-two-insurgency-and-terrorism-mexico>.

⁹⁴ A transcript and webcast of the hearing is available at http://foreignaffairs.house.gov/hearing_notice.asp?id=1365.

⁹⁵ A transcript and webcast of the October 12, 2011, hearing is available at http://foreignaffairs.house.gov/hearing_notice.asp?id=1362; a webcast of the November 17, 2011, hearing is available at http://foreignaffairs.house.gov/hearing_notice.asp?id=1379.

Venezuela

H.Res. 247 (Mack) would have condemned Venezuela “for its state-sponsored support of international terrorist groups” and called “on the Secretary of State to designate Venezuela as a state sponsor of terrorism” for “its support of Iran, Hezbollah, and the Revolutionary Armed Forces of Colombia (FARC).”

On June 24, 2011, a joint hearing on “Venezuela’s Sanctionable Activities” by subcommittees of the House Committee on Foreign Affairs and the House Committee on Oversight and Government Reform featured testimony by State Department and Treasury Department officials. State Department officials expressed concern about “Venezuela’s relations with Iran, its support for the FARC, [and] its lackluster cooperation on counterterrorism.”⁹⁶ Administration officials testified that Hezbollah’s activity in Venezuela was confined to fundraising.

Iran and Hezbollah in the Western Hemisphere

As noted above, Congress completed action on H.R. 3783 (Duncan), the Countering Iran in the Western Hemisphere Act of 2012, in December 2012 and the measure was signed into law on December 28, 2012 (P.L. 112-220). As enacted, the measure requires the Secretary of State to conduct an assessment within 180 days of the “threats posed to the United States by Iran’s growing presence and activity in the Western Hemisphere” and a strategy to address these threats. The required strategy may be submitted in classified form, but shall include an unclassified summary of policy recommendations to address the growing Iranian threat in the Western Hemisphere. The bill also states that “it shall be the policy of the United States to use a comprehensive government-wide strategy to counter Iran’s growing hostile presence and activity in the Western Hemisphere by working together with United States allies and partners in the region to mutually deter threats to United States interests by the Government of Iran, the Iranian Islamic Revolutionary Guards Corps (IRGC), the IRGC’s Qods Force, and Hezbollah.”

Several other legislative initiatives were introduced, but not considered, in the 112th Congress. H.Res. 429 (Duncan), introduced in the first session, would have called for the Administration to include the Western Hemisphere in its 2012 National Strategy for Counterterrorism’s Area of Focus, with specific attention on the “counterterrorism threat to the homeland emanating from Iran’s growing presence and activity in the Western Hemisphere.” A much broader bill, H.R. 6067 (Ros-Lehtinen), the Western Hemisphere Security Cooperation Act of 2012, introduced in the second session, included a number of provisions designed to counter Iranian and Hezbollah activities in the Western Hemisphere and several other broader provisions promoting Western Hemisphere cooperation on terrorism.

Several hearings were held in the 112th Congress dealing with concerns about Iran and Hezbollah in Latin America. In the first session, the House Committee on Homeland Security, Subcommittee on Counterterrorism and Intelligence held a July 7, 2011, hearing on “Hezbollah in Latin

⁹⁶ Joint Hearing on “Venezuela’s Sanctionable Activities,” House Committee on Foreign Affairs, Subcommittee on the Western Hemisphere and Subcommittee on the Middle East and South Asia, and House Committee on Oversight and Government Reform, Subcommittee on National Security, Homeland Defense and Foreign Operations. June 24, 2011. Testimony and webcast of the joint hearing is available at http://oversight.house.gov/index.php?option=com_content&view=article&id=1349%3A6-24-11-qvenezuelas-sanctionable-activityq&catid=17&Itemid=25.

America—Implications for U.S. Policy,” featuring private witnesses.⁹⁷ The joint June 24, 2011, hearing by the House Committees on Foreign Affairs and on Oversight and Government Reform on “Venezuela’s Sanctionable Activities” cited above also touched on concerns about Iran and Hezbollah in the Western Hemisphere. The House Foreign Affairs Committee held a broader hearing on October 13, 2011, entitled “Emerging Threats and Security in the Western Hemisphere: Next Steps for U.S. Policy,” with witnesses from the Departments of State, Treasury, and Defense that touched on concerns about Iran and Hezbollah in the Western Hemisphere.⁹⁸

In the second session, hearings were held in both houses. The House Foreign Affairs Committee held a February 2, 2012 hearing focused on Iranian President Ahmadinejad’s January 2012 trip to Latin America.⁹⁹ The Senate Foreign Relations Committee’s Subcommittee on Western Hemisphere, Peace Corps, and Global Narcotics Affairs held a February 16, 2012, hearing on Iran’s influence and activity in Latin America.¹⁰⁰ The House Committee on Homeland Security, Subcommittee on Oversight, Investigations, and Management held a hearing on November 16, 2012 assessing threats to U.S. borders. The Subcommittee updated a majority staff report that it had issued in 2006 examining violence at the Southwest border, which included a section looking at the activities of Iran and Hezbollah in Latin America. Private witnesses at the hearing alleged extensive activities of both Iran and Hezbollah in the region.¹⁰¹

113th Congress

To date in the first session, the House Committee on Foreign Affairs, Subcommittee on Terrorism, Nonproliferation and Trade held a March 20, 2013, hearing on Hezbollah as a global terrorist threat with private witnesses. The hearing included testimony by former State Department Assistant Secretary for Western Hemisphere Affairs Roger Noriega alleging extensive Hezbollah activities in at least a dozen countries in Latin America, especially Venezuela, and involvement in criminal and terrorist activity in the region.¹⁰²

On March 12, 2013, the Senate Select Committee on Intelligence held an open hearing on security threats to the United States. Director of National Intelligence James Clapper testified that Iran has cultivated ties with the leaders of Bolivia, Cuba, Ecuador, Nicaragua, and Venezuela, and that Iran’s relations with the governments of these countries offers a way for them “to stake out

⁹⁷ U.S. Congress, House Committee on Homeland Security, Subcommittee on Counterterrorism and Intelligence, “Hezbollah in Latin America—Implications for U.S. Homeland Security,” July 7, 2011. Testimony and webcast available at <http://homeland.house.gov/hearing/subcommittee-hearing-hezbollah-latin-america-implications-us-homeland-security>.

⁹⁸ A transcript and webcast of the hearing is available at: http://foreignaffairs.house.gov/hearing_notice.asp?id=1361

⁹⁹ A webcast of the hearing is available at: http://foreignaffairs.house.gov/hearing_notice.asp?id=1396

¹⁰⁰ Testimony and a webcast of the hearing is available at: <http://www.foreign.senate.gov/hearings/irans-influence-and-activity-in-latin-america>

¹⁰¹ U.S. Congress, House Committee on Homeland Security, Subcommittee on Oversight, Investigations, and Management, Hearing, “A Line in the Sand: Assessing Dangerous Threats to Our Nation’s Borders,” November 16, 2013, available at: <http://homeland.house.gov/hearing/subcommittee-hearing-line-sand-assessing-dangerous-threats-our-nation%E2%80%99s-borders>

¹⁰² U.S. Congress, House Committee on Foreign Affairs, Subcommittee on Terrorism, Nonproliferation and Trade, Hearing on “Hezbollah’s Strategic Shift: A Global Terrorist Threat,” March 19, 2012, available at <http://foreignaffairs.house.gov/hearing/subcommittee-hearing-hezbollah%E2%80%99s-strategic-shift-global-terrorist-threat>

independent positions on the international issue of Iran, while extracting financial aid and investment for economic and social projects.”¹⁰³

On March 19 and 20, 2013, the Senate and House Armed Services Committees, respectively, held oversight hearings on SOUTHCOM, in which Commander General John F. Kelly presented the command’s posture 2013 posture statement. With regard to Iran’s activities in the Western Hemisphere, General Kelly stated: “The reality of the ground is that Iran is struggling to maintain influence in the region, and that its efforts to cooperate with a small set of countries with interests that are inimical to the United States are waning.” General Kelly further stated that “the Iranian regime has increased its diplomatic and economic outreach across the region with nations like Venezuela, Bolivia, Ecuador, and Argentina,” but that the “outreach has only been marginally successful... and the region as a whole has not been receptive to Iranian efforts.” With regard to Hezbollah, General Kelly reported in the posture statement that members and supporters of Hezbollah have an established presence in several countries in the region, and that the Lebanese Shi’a diaspora in the region may generate as much as tens of millions of dollars for Hezbollah through licit and illicit means. More broadly, General Kelly raised the question of the possible nexus between international terrorist organizations and criminal networks. He noted the 2011 Iranian plot to assassinate the Saudi Ambassador to the United States as a demonstration of Iran’s willingness to leverage criminal groups to carry out its objectives in the U.S. homeland.¹⁰⁴

Conclusion

For most countries in Latin America and the Caribbean, threats emanating from terrorism are low. Terrorism in the region is largely perpetrated by groups in Colombia and by the remnants of radical leftist Andean groups. According to the Department of State, most governments in the region have good records of cooperation with the United States on anti-terrorism issues, although progress in the region on improving counterterrorism capabilities is limited by several factors, including corruption, weak governmental institutions, weak or non-existent legislation, and reluctance to allocate sufficient resources. Both Cuba and Venezuela are on the State Department’s list of countries determined to be not cooperating fully with U.S. antiterrorism efforts, and Cuba has remained on the State Department’s list of state sponsors of terrorism since 1982. U.S. officials and some Members of Congress have expressed concern over the past several years about Venezuela’s relations with Iran, with concerns centered on efforts by Iran to circumvent U.N. and U.S. sanctions and on Iran’s ties to Hezbollah, alleged to be linked to two bombings in Argentina in the 1990s. There is disagreement, however, over the extent and significance of Iran’s activities in Latin America. The State Department maintains that there are no known operational cells of either Al Qaeda or Hezbollah-related groups in the hemisphere, although it notes that ideological sympathizers continue to provide financial and moral support to these and other terrorist groups in the Middle East and South Asia.

¹⁰³ James R. Clapper, Director of National Intelligence, “Worldwide Threat Assessment of the US Intelligence Community,” Statement for the Record, Senate Select Committee on Intelligence, March 12, 2013, available at <http://intelligence.senate.gov/130312/clapper.pdf>

¹⁰⁴ General John F. Kelly, Commander, United States Southern Command, Posture Statement, Senate Armed Services Committee, March 19, 2013, available at <http://www.armed-services.senate.gov/statemnt/2013/03%20March/Kelly%2003-19-13.pdf>

Author Contact Information

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

June S. Beittel
Analyst in Latin American Affairs
jbeittel@crs.loc.gov, 7-7613