TRANSNATIONAL ORGANIZED CRIME, TERRORISM, AND CRIMINALIZED STATES IN LATIN AMERICA: AN EMERGING TIER-ONE NATIONAL SECURITY PRIORITY

Douglas Farah

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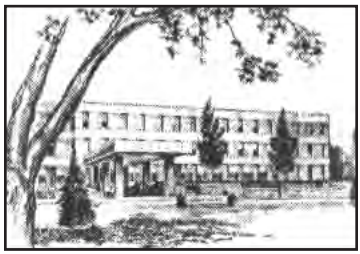

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Comments pertaining to this report are invited and should be forwarded to: Director, Strategic Studies Institute, U.S. Army War College, 47 Ashburn Drive, Carlisle, PA 17013-5010.

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FOREWORD

In July 2011, President Barack Obama unveiled his *Transnational Organized Crime Strategy,* the first comprehensive national policy effort to articulate and combat illicit economies that, cumulatively, have grown to more than $1 trillion. Although quite serious, this ever-increasing problem garnered relatively little attention. The primary reasons for the lack of attention are the terrorist attacks on September 11, 2001 (9/11), the two ensuing wars in Iraq and Afghanistan and the overall Global War on Terrorism, the changes wrought by globalization and access to resources and technology, and a general lack of understanding of the phenomenon by the law enforcement and intelligence communities in most countries. The security challenges and the geostrategic environment left few resources to monitor, much less combat, transnational organized crime (TOC) organizations.

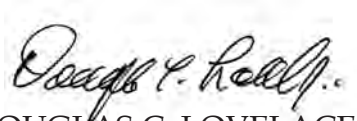
Across the globe, TOC groups continued to grow in power, influence, and resources, as President Obama's strategy indicates. The George W. Bush administration's initial focus on the problem during its last few years in office, ultimately led to the Obama strategy.

Over the past decade, the International Assessment and Strategy Center (IASC) has maintained a focus on TOC issues and the growing ties between traditional criminal structures and various terrorist organizations. Extensive IASC field research documented the following developments: (1) the changing nature of TOC organizations in Latin America and West Africa; (2) the growing hybrid nature of criminal and terrorist groups; (3) the alliances with regional and extra-regional state and nonstate actors; and, (4) the growing involvement of the self-proclaimed Bolivarian states of Latin America whose governments

sanctioned criminal activities as part of coherent, multistate instruments of statecraft.

This monograph synthesizes research on such criminalized states in Latin America. It documents how, through the growing alliance with Iran and other external actors, these governments have developed a clearly articulated view hostile to the United States. That view also adopts a military doctrine of asymmetric warfare that embraces the use of weapons of mass destruction. The associated doctrine is further underpinned by a small group of intellectuals who articulate a need for radical Shi'a Islam and the armed, revolutionary Left to unite in order to defeat the United States—a message that has been welcomed by Bolivarian states.

Taken together, the emergence of criminalized, strongly anti-American governments in the Western Hemisphere, in alliance with Iran and other states who sponsor terrorist organizations and consider the United States to be the Great Satan, now represent a tier-one threat to the security of the U.S. Homeland. This monograph offers a template for examining similar developments in other parts of the world, as well as recommendations on how to begin to confront the emerging threat. The first step in the long process of dealing with a multifaceted set of enemies with unlimited resources is to understand the nature of that threat.



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ABOUT THE AUTHOR

DOUGLAS FARAH is the International Assessment and Strategy Center's (IASC) Senior Fellow, Financial Investigations and Transparency. He specializes in research, writing, and training on transnational criminal organizations and armed groups, and their effects on states and corruption; terrorism, terror finance, and proliferation; and, illicit financial flows, with a particular focus on the Western Hemisphere, Africa, and globalized networks. A veteran investigator with more than 25 years experience, Mr. Farah is a consultant on these and related issues to numerous U.S. Government departments, agencies, combatant commands, as well as private groups. He also applies his expertise on subjects such as drug trafficking and investigative journalism with leading academic centers in the United States and abroad, including the World Bank, Woodrow Wilson International Center for Scholars, National Endowment for Democracy, Consortium for the Study of Intelligence, and the Center for Strategic and International Studies (CSIS), where he is an Adjunct Fellow. Mr. Farah has testified numerous times before Congress, including the House Committees on Foreign Affairs; Financial Services; Oversight and Government Reform; Homeland Security; and the Senate Foreign Relations Committee. He is a member of the Princeton Project for National Security. In 1992, Mr. Farah joined the *Washington Post* as a staff correspondent and was named bureau chief for Central America and the Caribbean where, until 1997, he covered the drug wars in Colombia, Haiti, and Cuba, among other issues. From 1997 to 2000, he took on broader responsibilities at the *Post* as an international investigative reporter covering drug traffick-

ing and organized crime, including the emergence of Russian organized crime groups in the western Hemisphere as well as the growth of Mexican drug cartels within the United States. In 2000, Farah again resumed the role of *Post* bureau chief, this time for West Africa, and was based in Abidjan, Ivory Coast. After breaking the story of al Qaeda's ties to "blood diamonds" and Liberia's Charles Taylor, death threats compelled him to leave Africa in 2003. He remained with the *Washington Post* until early 2004, investigating radical Islamic groups and terror finance. Mr. Farah is the author of *Blood from Stones: The Secret Financial Network of Terror* (2004) and *Merchant of Death: Money, Guns, Planes, and the Man Who Makes War Possible* (2007). His work has also been published by *The Financial Times*, *Foreign Policy*, *The New Republic*, *The Journal of International Security Affairs*, National Defense University-PRISM, and the Air Force Institute for National Security Studies, among others, and he is featured frequently in major U.S. and international media such as the *Economist*, CNN, Reuters, BBC, *The New York Times*, NPR, Univision, and *Newsweek*. In 1980 Farah enrolled at the University of Kansas, at which time he began working for United Press International (UPI). In 1985, he was named UPI bureau chief in El Salvador, covering the civil war there. In 1987 he left UPI to freelance for *The Washington Post*, the *Boston Globe*, and *US News & World Report*. Mr. Farah holds a B.A. in Latin American studies and a B.S. in journalism.

SUMMARY

The emergence of new hybrid (state and nonstate) transnational criminal and terrorist franchises in Latin America poses a tier-one security threat for the United States. These organizations operate under broad state protection and undermine democratic governance, sovereignty, growth, trade, and stability. Similar hybrid franchise models are developing in other parts of the world, which makes understanding their new dynamics essential, as they are an important element in the broader global security context.

This threat goes well beyond the traditional nonstate transnational organized crime (TOC) activity, which includes drug trafficking, money laundering, and human trafficking. It also encompasses trafficking in and the use of weapons of mass destruction (WMD) by designated terrorist organizations and their sponsors.

These activities are carried out with the support of regional and extra-regional state actors whose leadership is deeply enmeshed in criminal activity, yielding billions of dollars in illicit revenues every year in the region, and trillions globally. Leaders of these organizations share a publicly articulated doctrine to employ asymmetric warfare against the United States and its allies that explicitly endorses the use of WMD as a legitimate tactic.

The threat centers around an improbable alliance of groups that often seem to have irreconcilable world views and ideologies; e.g., Iran, a conservative Islamist theocracy and primary state sponsor of Hezbollah and the Bolivarian alliance espousing 21st-century socialism, led by Venezuela's Hugo Chávez. Such alliances, in turn, offer material and political support to

the Marxist Revolutionary Armed Forces of Colombia (Fuerzas Armadas Revolucionarias de Colombia [FARC]). This group, designated as a terrorist organization by the United States and the European Union, produces more than two-thirds of the world's cocaine and is rapidly strengthening its ties to Mexican cartels.

Such illicit forces in Latin America within criminalized states have begun using tactical operations centers as a means of pursuing their view of statecraft. That brings new elements to the "dangerous spaces" where nonstate actors intersect with regions characterized by weak sovereignty and alternative governance systems. This new dynamic fundamentally alters the structure underpinning global order.

Being capable of understanding and mitigating this threat requires a whole-of-government approach, including collection, analysis, law enforcement, policy, and programming. The traditional state/nonstate dichotomy is no longer useful for an adequate illumination of these problems. Similarly, the historical divide between transnational organized crime and terrorism is becoming increasingly irrelevant.

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INTRODUCTION AND GENERAL FRAMEWORK

The Changing Nature of the Threat.

The purpose of this monograph is to identify and discuss the role played by transnational organized crime groups (TOCs) in Latin America, and the interplay of these groups with criminalizing state structures, "stateless" regions, extra-regional actors, and the multiple networks that exploit them. It particularly focuses on those areas that pose, or potentially pose, a threat to U.S. interests at home and abroad; and, it can be used as a model for understanding similar threats in other parts of the world.

This threat includes not only traditional TOC activities such as drug trafficking and human trafficking, but others, including the potential for weapons of mass destruction (WMD)-related trafficking. These activities are carried out with the participation of regional and extra-regional state actors whose leaders are deeply enmeshed in criminal activities. These same leaders espouse a publicly articulated doctrine of asymmetrical warfare against the United States and its allies that explicitly endorses as legitimate the use of WMD.

This emerging combination of threats comprises a hybrid of criminal-terrorist, and state and nonstate franchises, combining multiple nations acting in con-

cert, and traditional TOCs and terrorist groups acting as proxies for the nation-states that sponsor them. These hybrid franchises should now be viewed as a tier-one security threat for the United States. Understanding and mitigating the threat requires a whole-of-government approach, including collection, analysis, law enforcement, policy, and programming. No longer is the state/nonstate dichotomy useful in illuminating these problems, just as the TOC/terrorism divide is increasingly disappearing.

These franchises operate in, and control, specific geographic territories which allow them to function in a relatively safe environment. These pipelines, or recombinant chains of networks, are highly adaptive and able to move a multiplicity of illicit products (cocaine, weapons, humans, and bulk cash) that ultimately cross U.S. borders undetected thousands of times each day. The actors along the pipeline form and dissolve alliances quickly, occupy both physical and cyber space, and use both highly developed and modern institutions, including the global financial system, as well as ancient smuggling routes and methods.

The profits of global TOC activities, even before factoring in the growing efficiencies derived from state sponsorship and protection, are enormous. The sheer scale of the enterprise, and the impact it has on legal economies, argues for sustained national and international attention and resources as a tier-one security threat. These new factors further increase the threat.

The most recent comprehensive studies of global criminal proceeds demonstrate the magnitude of the challenge. The White House estimates in its 2011 *Transnational Organized Crime Strategy* that money laundering accounts for $1.3 trillion to $3.3 trillion—or between 2 percent and 5 percent of the world's gross

domestic product (GDP). Bribery from TOCs adds close to $1 trillion to that amount, while drug trafficking generates an estimated $750 billion to $1 trillion, counterfeited and pirated goods add another $500 billion, and illicit firearms sales generate from $170 billion to $320 billion. This totals to some $6.2 trillion—fully 10 percent of the world's GDP, placing it behind only the United States and the European Union (EU), but well ahead of China, in terms of global GDP ranking.[1] Other estimates of global criminal proceeds range from a low of about 4 percent to a high of 15 percent of global GDP.[2]

Most of the goods and services that generate this wealth pass through geographic regions that are often described as "stateless" or "lawless." However, these regions are far from ungoverned. In fact, they represent a powerful component of the threat from TOCs and other nonstate actors which control them, either at the expense of weak host states and their neighbors, or in alliance with stronger ones which host them, tolerate them, or use them as instruments of statecraft.

While looking here specifically at Latin America, the same analytical framework can be used in other parts of the world in order to understand TOC structures and relationships to each other, and to the states in which they operate. Latin American networks now extend not only to the United States and Canada, but outward to Sub-Saharan Africa, Europe, and Asia, where they have begun to form alliances with other networks. A clear understanding of how these relationships evolve, and the relative benefits derived from the relationships among and between state and nonstate actors, will greatly enhance the understanding of this new hybrid threat.

Defining Terms.

There is no universally accepted definition of "transnational organized crime." Here it is defined as, at a minimum, serious crimes or offenses spanning at least one border, undertaken by self-perpetuating associations of individuals who cooperate transnationally, motivated primarily by the desire to obtain a financial or other material benefit and/or power and influence.[3] This definition can encompass a number of vitally important phenomena not usually addressed by studies of TOC:

- A spectrum or continuum of state participation in TOC, ranging from strong but "criminalized" states to weak and "captured" states, with various intermediate stages of state criminal behavior.
- A nexus between TOCs on the one hand, and terrorist and insurgent groups on the other, with a shifting balance between terrorist and criminal activity on both sides of the divide.
- Recombinant networks of criminal agents, potentially including not only multiple TOCs, but also terrorist groups as well as states and proxies.
- Enduring geographical "pipelines" for moving various kinds of commodities and illicit profits in multiple directions, to and from a major destination.

We have also crafted this definition to be broadly inclusive:

- It can potentially encompass the virtual world of TOC, e.g., cybercrime;

- It can be applied to other regions; the recombinant pipelines and networks model offers an analytical framework which can be applied to multiple regions and circumstances.

The term "criminalized state" used in this monograph refers to states where the senior leadership is aware of and involved—either actively or through passive acquiescence—on behalf of the state in transnational criminal enterprises, where TOC is used as an instrument of statecraft, and where levers of state power are incorporated into the operational structure of one or more TOC groups. The benefits may be for a particular political movement, theocratic goals, terrorist operations, or personal gain of those involved, or a combination of these factors.

Few states are wholly criminalized. Most in this category operate along a continuum. At one end are strong but criminal states, with the state acting as a TOC partner or an important component of a TOC network. On the other end, are weak and captured states, where certain nodes of governmental authority, whether local or central, have been seized by TOCs, who in turn are the primary beneficiaries of the proceeds from the criminal activity—but the state, as an entity, is not part of the enterprise.

As will be discussed below, this construct differs in important ways from the traditional look at "weak" or "failed" states, which assumes that a government that is not exercising a positive presence and fulfilling certain basic functions (public security, education, and infrastructure) is not a functioning state. In fact, such states can be highly efficient at the functions they choose to perform, particularly if they choose to participate in an ongoing criminal enterprise. By choice,

their weakness exists in the fields of positive state function, but not in other important areas.

New Actors in Latin American TOC-State Relations.

Significant TOC organizations, principally drug trafficking groups, have posed serious challenges for U.S. security since the rise of the Medellín cartel in the early 1980s, and the growth of the Mexican drug trafficking organizations in the 1990s. In addition, Latin America has a long history of revolutionary movements, from the earliest days of independence, to the Marxist movements that sprouted up across the region in the 1960s to 1980s. Within this context, these groups often served as elements of governance, primarily to advance or defeat the spread of Marxism in the region. These Marxist revolutions were victorious in Cuba and Nicaragua, which, in turn, became state sponsors of external revolutionary movements, themselves relying on significant economic and military support from the Soviet Union and its network of aligned states' intelligence and security services. The movements held a strong popular appeal across the continent, sparking numerous proxy wars during the Cold War in which the United States sponsored armed groups such as the Contra rebels in Nicaragua.

With the end of the Cold War, the negotiated end to numerous armed conflicts (the Farabund Marti National Liberation Front [FMLN] in El Salvador; the Contra rebels in Nicaragua; the Popular Liberation Army [EPL], M-19, and other small groups in Colombia), and the collapse of Marxism, most of the armed groups moved into the democratic process. However, this was not true for all groups, and armed nonstate

groups are again being sponsored in Latin America under the banner of the "Bolivarian Revolution."[4]

There has also been, for the past 2 decades, an overlap and interaction of Latin American TOC groups across multiple continents, mostly on a relatively small scale and largely confined to the exchange of goods (cocaine for heroin) and services (money laundering, weapons, safe havens). In recent years, these many emergent relationships have grown to include the support of terrorist organizations as well. In the particular cases of Latin America and West Africa, there have been documented cases of illicit weapons purchases and transfers to nonstate armed actors.[5] Other cases, such as ties of the Colombian drug trafficking organizations to Australian weapons traffickers, have been identified but not fully examined, and presumably many others have yet to come to the attention of authorities at all.

More recently there has been increased awareness of the flow of South American cocaine through Venezuela to West Africa, particularly through Mali, Guinea Bissau, and other fragile states, possibly benefitting not only the traditional regional TOC structures and their Colombian and Mexican allies, but several terrorist entities including al-Qaeda in the Islamic Maghreb (AQIM), Hezbollah,[6] and the Revolutionary Armed Forces of Columbia (*Fuerzas Armadas Revolucionarias de Colombia* [FARC]).[7]

Other states that traditionally have had little interest or influence in Latin America have emerged over the past decade, primarily at the invitation of the self-described Bolivarian states seeking to establish 21st-century socialism. This bloc of nations—led by Hugo Chávez of Venezuela, also including Rafael Correa of Ecuador, Evo Morales of Bolivia, and Daniel Ortega of

Nicaragua—seeks to break the traditional ties of the region to the United States. To this end, the Bolivarian alliance has formed numerous organizations and military alliances—including a military academy in Bolivia to erase the vestiges of U.S. military training—which explicitly exclude the United States.[8]

As discussed at length below, Iran, identified by successive U.S. administrations as a state sponsor of terrorism, has expanded its political alliances, diplomatic presence, trade initiatives, and military and intelligence programs in the Bolivarian axis. The U.S. intelligence community has recently concluded that Iranian leadership is now more willing to launch a terrorist attack inside the U.S. homeland in response to perceived threats from the United States.[9]

This press for expanded ties comes despite the almost complete lack of cultural or religious ties to the region, linguistic affinity, or traditional economic logic and rationale in the relationships. This is one of the main focuses of this monograph, but multiple other actors are also becoming more involved.

Russia is a growing force, particularly in Mexico and the Bolivarian states, where it is building up a regional presence through rapidly rising weapons sales, naval and air force visits, increasing diplomatic presence, and nuclear cooperation agreements with Venezuela, Bolivia, and Ecuador. In addition to the growing presence of a state itself, which is increasingly viewed as criminalized, there has been a significant increase in the presence of Russian nonstate actors in the form of TOCs, which are widely involved in drug trafficking, weapons smuggling, and money laundering activities.[10]

China is aggressively and successfully acquiring access to many of the region's natural resources, and

trade between Latin America and China is growing exponentially. Over the past decade, China's trade with Latin America has jumped from $10 billion to $179 billion.[11] With the increased presence has come a significantly enhanced Chinese intelligence capacity and access across Latin America. At the same time, Chinese Triads—modern remnants of ancient Chinese secret societies that evolved into criminal organizations—are now operating extensive money laundering services for drug trafficking organizations via Chinese banks.

China also has shown a distinct willingness to bail out financially strapped authoritarian governments if the price is right. For example, China lent Venezuela $20 billion, in the form of a joint venture with a company to pump crude oil that China then locked up for a decade at an average price of about $18 a barrel. The money came as Chávez was facing a financial crisis, rolling blackouts, and a severe liquidity shortage across the economy.[12] Since then, China has extended several other significant loans to Venezuela, Ecuador, and Bolivia.

The dynamics of the relationship between China and the Bolivarian bloc and its nonstate proxies will be one of the key determinants of the future of Latin America and the survival of the Bolivarian project. Without significant material support from China, the economic model of the Bolivarian alliance will likely collapse under its own weight of statist inefficiency and massive corruption, despite being richly endowed with natural resources.

However, Chinese leaders likely understand that any real replacement of the Bolivarian structure leadership by truly democratic forces could result in a significant loss of access to the region, and a cancel-

lation of existing contracts. This, in turn, gives China an incentive to continue to support some form of the Bolivarian project going forward, even if ailing leaders such as Chávez and Fidel Castro are no longer on the scene.

Nigerian TOC groups have been particularly active in Ecuador, where they drew police attention because of the unusual violence of the group, including the beheading of competitors.[13]

These developments indicate that multiple groups, both terrorist and criminal, as well as some extra-regional states, are expanding their relationships both in breadth and scope, leading to the suspicion that the Latin America case is far from unique. While there have been criminalized states in the past (the García Meza regime of "cocaine colonels" in Bolivia in 1980, and Desi Bouterse in Suriname in the 1980s, for example), what is new with the Bolivarian structure is the simultaneous and mutually supporting merger of state with TOC activities across multiple state and nonstate platforms. While García Meza, Bouterse, and others were generally treated as international pariahs with little outside support, the new criminalized states offer each other economic, diplomatic, political, and military support that shields them from international isolation and allows for mutually reinforcing structures to be built.

One of the aims of this monograph is to show the connectivity among these disparate groups operating along different geographic parts of the overall criminal-terrorist pipeline. Rather than operating in isolation, these groups have complex but significant interaction with each other, based primarily on the ability of each actor or set of actors to provide a critical service while profiting mutually from the transactions.

This conceptualization builds on the hybrid model developed by Louise Shelley *et al*. to describe the relationship among terrorist groups and TOC,[14] adding the element of the criminalized state appropriating, and sometimes merging with, those hybrid groups such as the FARC in Colombia and ETA in Spain. There is a shared overarching political vision that justifies the state support of TOC as another device in the toolbox of 21st-century revolutionaries.

THE CURRENT U.S. GOVERNMENT RESPONSES TO TOC

This growing TOC threat in multiple theaters was recognized in President Barack Obama's recent *Strategy to Combat Transnational Organized Crime*, released in July 2011. It was the first such strategy released since the end of the Bill Clinton administration, an indication of how other priorities have eclipsed TOC in recent times.[15] The strategy states that TOC networks "are proliferating, striking new and powerful alliances, and engaging in a range of illicit activities as never before. The result is a convergence of threats that have evolved to become more complex, volatile, and destabilizing."[16] The TOC threat (Figure 1) is portrayed in President Obama's Transnational Organized Crime Strategy.

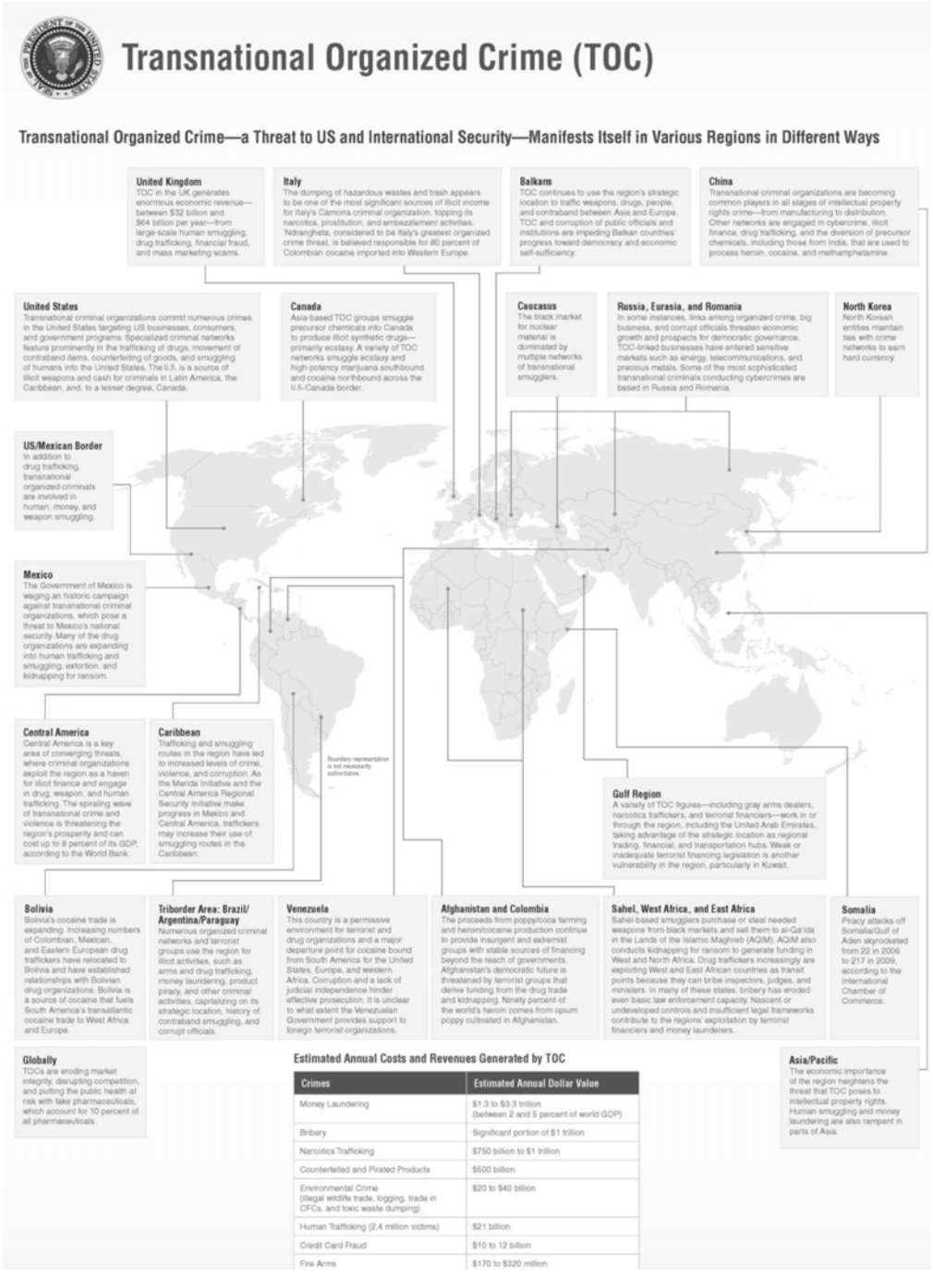

Figure 1. Transnational Organized Crime Threat.

While not directly addressing the threat from criminalized states, the Strategy notes that:

- TOC penetration of states is deepening and leading to co-option in some states and weakening of governance in many others. TOC networks insinuate themselves into the political process through bribery and in some cases have become alternate providers of governance, security, and livelihoods to win popular support. The nexus in some states among TOC groups and elements of government—including intelligence services and personnel—and big business figures, threatens the rule of law.
- TOC threatens U.S. economic interests and can cause significant damage to the world financial system by subverting legitimate markets. The World Bank estimates that about $1 trillion is spent each year to bribe public officials. TOC groups, through their state relationships, could gain influence over strategic markets.
- Terrorists and insurgents increasingly are turning to crime and criminal networks for funding and logistics. In fiscal year (FY) 2010, 29 of the 63 top drug trafficking organizations identified by the Department of Justice had links to terrorist organizations. While many terrorist links to TOC are opportunistic, this nexus is dangerous, especially if it leads a TOC network to facilitate the transfer of WMD material to terrorists.[17]

While such recognition of the enormous and rapidly evolving threat is helpful and significant, it falls short of recognizing the true dimensions of the TOC-state hybrid relationship in many regions, and the

emergence of criminalized states, particularly in Latin America. It therefore does not fully articulate the new level of threat beyond the economic sphere, the criminal-terrorist nexus, and the danger posed by "failed" states.

Stewart Patrick and others correctly argue that, contrary to the predominant thinking that emerged immediately after September 11, 2001 (9/11) (i.e., failed states are a magnet for terrorist organizations), failed or nonfunctional states are actually less attractive to terrorist organizations and TOC groups than "weak but functional" states.[18] But there is another category, perhaps the most attractive of all to TOC and terrorist groups they are allied with: strong and functional states that participate in TOC activities.

The Unrecognized Role of the Criminalized States.

While it is true that TOC penetration of the state threatens the rule of law, as the administration's strategy notes, it also poses significant new threats to the homeland. Criminalized states frequently use TOCs as a form of statecraft, bringing new elements to the dangerous spaces where nonstate actors intersect with regions of weak sovereignty and alternative governance systems.[19] This fundamentally alters the structure of global order.

The possibility of TOC networks facilitating the transfer of WMD for terrorists, as described in the National Security Council (NSC) strategy, is very troubling, but assumes that the TOC groups and terrorists are in confrontation with states and their multiple law enforcement and intelligence entities. With the emergence of criminalized states, we face the prospect of TOC networks facilitating such transfers under the

explicit or implicit protection of one or more states, thus greatly increasing the chances of success. Parts of this pipeline are already being developed in Latin America.

As the state relationships consolidate, the recombinant criminal-terrorist pipelines become more rooted and thus more dangerous. Rather than being pursued by state law enforcement and intelligence services in an effort to impede their activities, TOC groups (and perhaps terrorist groups) are able to operate in a more stable, secure environment, something that most businesses, both licit and illicit, crave.

Rather than operating on the margins of the state or seeking to co-opt small pieces of the state machinery, the TOC groups in this construct operate in concert with the state on multiple levels. Within that stable environment, a host of new options open, from the sale of weapons, to the use of national aircraft and shipping registries, to easy use of banking structures, to the use of national airlines and shipping lines to move large quantities of unregistered goods, and the acquisition of diplomatic passports and other identification means.

Examples of the benefits of a criminal state can be seen across the globe. For example, the breakaway republic of Transnistria, near Moldova, known as "Europe's Black Hole," is a notorious weapons trafficking center from which dozens of surface-to-air missiles have disappeared; it is run by former Russian secret police (KGB) officials. Under state auspices, the republic—unrecognized by any outside country but on friendly terms with Russia—runs one of the largest human trafficking networks in world, among other criminal enterprises. U.S. and European intelligence reports have repeatedly linked Transnistria with at-

tempts to sell black market nuclear weapons to a variety of potential buyers.[20]

Charles Taylor in Liberia is another example. At his peak (1998-2003), he had Russian, Israeli, and South African TOCs operating in a country the size of Maryland. The state, while failing to meet the basic needs of its people and fulfilling virtually none of the traditional roles of states (defending national borders, providing basic education and health services, sanitation, garbage collection, and mail delivery), had a virtual monopoly on power as well as control of the honey pots of natural resources.

Under Taylor's direction, the extraction of timber, diamonds, and gold was carried out with relative efficiency, but the benefits went to Taylor, his inner circle, and those outsiders doing business with him. Hezbollah and al-Qaeda operated without threat of interference in the blood diamond trade, greatly enhancing their financial structures. The Liberian aircraft registry was used by the Russian weapons merchant Viktor Bout, whose sales fanned numerous wars in the region to unprecedented heights of brutality. Liberian diplomatic passports were issued to notorious international criminals.[21]

While not yet as vertically integrated as Taylor's Liberia or other criminalized states, the nations under the rule of autocratic Bolivarian leaders (Venezuela, Bolivia, Ecuador, and Nicaragua) are rapidly moving in that direction, with the state itself playing an ever-larger role in TOC/terrorist activities.

Each leader in this bloc of nations has publicly and privately supported the FARC rebels in Colombia—a prototypical hybrid organization that is both a designated terrorist organization and TOC group that produces some 90 percent of the cocaine consumed in

the United States. This support, in the form of money, weapons, sanctuary, and joint business enterprises, helps enable FARC-produced cocaine to flow to the outside world, and survive the military battering the group has undergone at the hands of the Colombian military and police.[22]

Chávez and his allies have allowed Iran, a state sponsor of terror, to open financial facilities, front companies, and dedicated shipping lines to evade sanctions on its nuclear program. At the same time, Iran is carrying out multiple mining activities in Latin America that directly benefit its missile and nuclear programs, all without normal transparency and with no public scrutiny, while moving aggressively to expand intelligence-gathering capacities and military access.[23]

In order for the different components of this complex equation to function as a whole, each side must get what it wants in order to make it profitable enough to continue. The FARC needs to move cocaine to U.S. and European markets in order to obtain the money necessary to maintain its army of some 9,000 troops. In order to do that, the FARC, with the help of traditional drug trafficking organizations, must move its product through Central America and Mexico to the United States—the same route used by those who want to move illegal aliens to the United States, and those who want to move bulk cash shipments, stolen cars, and weapons from the United States southward. All of these goods traverse the same territory, pass through the same gatekeepers, and are often interchangeable along the way. A kilo of cocaine can be traded for roughly one ton of AK-47 assault rifles before either of the goods reaches what would normally be its final destination.

A report by the Centre for Strategic Studies noted that terrorists (and TOC groups) often operate in "soft spots" that generally overlap more than one state. They:

> seek out the soft spots, the weak seams of the Westphalian nation-state and the international order that it has created. Sometimes the territory's boundaries coincide with the entire territory of a state, as with Somalia, but mostly this is not the case. Traditional weak spots, like border areas are more likely. Terrorist organizations operate on the fringes of this Westphalian system, in the grey areas of territoriality.[24]

Though the presence of a state government (as opposed to its absence) is ordinarily considered to be a positive situation, the presence of the state is beneficial or positive only if it meets the needs of its people. If the state, as it is in many parts of Latin America and many other parts of the world, is present but is viewed, with good reason, as corrupt, incompetent, and/or predatory, then its presence is not beneficial in terms of creating state strength or state capacity. In fact, where the state is strongest but least accountable for abuses, people often prefer nonstate actors to exercise authority.[25]

This has led to an underlying conceptual problem in much of the current literature describing regions or territories as "governed" or "ungoverned," a framework that presents a false dichotomy suggesting that the lack of state presence means a lack of a governing authority. "Ungoverned spaces" connotes a lawless region with no controlling authority. In reality, the stateless regions in question almost always fall under the control of nonstate actors who have sufficient force or popular support (or a mixture of both), to impose

their decisions and norms, thus creating alternate power structures that directly challenge the state, or that take the role of the state in its absence.

As Anne Clunan and Harold Trinkunas rightly note, the essential issue:

> is not lack of governance per se, but rather who governs the spaces. Governance de facto exists in areas frequently claimed as ungoverned spaces, such as feral cities, failed states, offshore financial markets, marginally regulated reaches of the internet, and tribal areas such as those found on the Afghanistan-Pakistan border, yet it is mostly exercised by non-state actors ranging from insurgents to warlords to clans to private corporations. The notion of ungoverned spaces can be more broadly applied to legal, functional, virtual, and social arenas that either are not regulated by states or are contested by non-state actors and spoilers.[26]

THE NATURE OF THE THREAT IN THE AMERICAS

Old Paradigms Are Not Enough.

Control of broad swaths of land by these nonstate groups in Latin America not only facilitates the movement of illegal products, both northward and southward, through transcontinental pipelines, but also undermines the stability of an entire region of great strategic interest to the United States. The traditional threat is broadly understood to be posed by the illicit movement of goods (drugs, money, weapons, and stolen cars), people (human traffic, gang members, and drug cartel enforcers), and the billions of dollars these illicit activities generate in an area where states have few resources and little legal or law enforcement capacity.

As Moisés Naim wrote:

> Ultimately, it is the fabric of society which is at stake. Global illicit trade is sinking entire industries while boosting others, ravaging countries and sparking booms, making and breaking political careers, destabilizing some governments and propping up others.[27]

The threat increases dramatically with the nesting of criminal/terrorist groups within governments that are closely aligned ideologically, such as Iran and the Bolivarian states in Latin America, and that are identified sponsors of designated terrorist groups, including those that actively participate in the cocaine trafficking trade. These states have publicly declared nuclear aspirations and the ability to move large quantities of virtually anything—including WMD and WMD components through their network.

These hybrid groups control significant portions of transnational illicit pipelines along with other TOC groups (particularly Mexican, but also Colombian and Central American) that regularly cross the U.S.-Mexico border with impunity thousands of times each day with billions of dollars in clandestine, illegal products. Many of these pipelines brush up against vital shipping lanes and areas of vital commercial importance for the United States.

While Robert Killebrew[28] and Max Manwaring[29] make compelling cases that specific parts of this dangerous cocktail could be defined as insurgencies (narco-insurgency in Mexico and gangs in Central America, respectively), the new combination of TOC, criminalized states, and terrorist organizations presents a new reality that breaks the traditional paradigms. The state support for TOC, and the multifaceted avenues of cooperation, competition, and common and competing

interests among the actors, has significantly reshaped the state-TOC/terrorism landscape. While Mexico is not the focus of this monograph, the regional convulsions from Mexico through Central America are not viewed as a narco-insurgency. Instead, this hybrid mixture of groups with a variety of motives, including those engaged in TOC, insurgencies, and criminalized states with a declared hatred for the United States, is something new and in many ways more dangerous than a traditional insurgency.[30]

The New Geopolitical Alignment.

The visible TOC threats are only a part of the geostrategic threats to the United States emerging from Latin America's current geopolitical alignment. The criminalized states are already extending their grip on power through strengthened alliances with hostile outside state and quasi-state actors such as Iran and Hezbollah. The primary unifying theme among these groups is a deep hatred for the United States.

Hezbollah's doctrine of "asymmetrical" warfare, including suicide bombing as the "poor man's atomic bomb" and adapted to justify the use of WMD in any form, has gained tremendous influence over the military thinking of Venezuela and its fellow "Bolivarian" states espousing 21st-century socialism. They collectively rose to electoral victories following the deep social, political, and economic turmoil that shook the region in the wake of the free market reforms of the 1990s.

Since then, they have carried out a similar pattern of rewriting the constitution to concentrate powers in the executive and to allow for unlimited reelection; a systematic takeover of the judiciary by the execu-

tive and the subsequent criminalizing of the opposition through vaguely worded laws and constitutional amendments that make it illegal to oppose the revolution; systematic attacks on independent news media, and the use of criminal libel prosecutions to silence media critics; and, overall, the increasing criminalization of the state. These measures are officially justified as necessary to ensure the revolution can be carried out without U.S. "lackeys" sabotaging it.[31]

Part of the vision of the Bolivarians includes recreating the original "Gran Colombia," the country founded by Bolivar which includes present day Colombia, Venezuela, Ecuador, and Panama—as well as the other countries he liberated, Peru and Bolivia. This vision is used to support Chávez's open intervention and funding of political allies in other countries, and their justification for accepting his funds.

As will be discussed, the alliance of Iran and the Bolivarian states and their nonstate proxies marks a significant shift in Latin America, given the assumption that Iran seeks nuclear weapons and safe haven from international sanctions, in large part to allow the nuclear program to move forward. While presently WMD production in Latin America may seem a remote possibility, the agreement of Iran and Russia to help Venezuela, Ecuador, and Bolivia obtain nuclear capacity offers ill omens for the future.[32]

Many of the statements of intent for these joint ventures come from official government sources. While such statements do not necessarily reflect the capacity to undertake the stated actions, they appear to be statements of intention to be taken seriously as the joint Iran-Bolivarian project consolidates.

International Assessment and Strategy Center (IASC) field research over the past 2 years has found that the actions and lines of effort of Iran and the gov-

ernments of the Bolivarian states, in conjunction with nonstate armed actors in the region designated as terrorist entities, comprise a pattern of activity designed to aid Iran's nuclear ambitions and facilitate the potential movement of WMD components. (Contrary to some other reporting, IASC investigations found no evidence that uranium was being mined, a view shared in reporting by the International Atomic Energy Agency [IAEA].[33])

These activities include:

- The clandestine or disguised extraction of minerals useful for nuclear and missile programs, largely of the coltan family, useful for missile production and other military applications;
- Access to a series of safe havens currently controlled by nonstate actors for illicit trafficking activities, particularly in border regions, that would allow for the free movement of virtually any product across the northern tier of South America through Central America and across the Homeland's southern border;
- The creation of numerous financial institutions and monetary mechanisms designed to aid Iran in avoiding the impact of multilateral sanctions;
- The expansion of diplomatic ties across the region with credible reports that these facilities are being used as sanctuary for accredited diplomats who belong to the Quds Force and other Iranian intelligence services;
- The establishment of multiple agreements to permit economically unwarranted Iranian shipping activities in the region, primarily run by sanctioned shipping lines controlled by the Islamic Revolutionary Guard Corps (IRGC) and known to be used to further Iran's illicit nuclear ambitions;

- The potential use of semi-submersible and fully submersible craft with multi-ton carrying capacities, now being used by nonstate actors to move drugs (or WMD or WMD components) in a way that is almost impossible to detect.

There have been clear statements of intent by the Bolivarian states to aid Iran in avoiding the internationally mandated sanctions regime. In a joint statement, the foreign ministers of Venezuela, Bolivia, Ecuador, Nicaragua, and other members of the Chávez-led Bolivarian Alliance for the Peoples of Our America (*Alianza Bolivariana para los Pueblos de Nuestra América* [ALBA]) vowed to "continue and expand their economic ties with Iran." "We are confident that Iran can give a crushing response to the threats and sanctions imposed by the West and imperialism," Venezuelan foreign minister David Velásquez said at a joint press conference in Tehran.[34]

In addition, each of the Bolivarian states has lifted visa requirements for Iranian citizens, thereby erasing any public record of the Iranian citizens that come and go to these countries. Given the extremely small number of tourists that ply the routes from Iran to Latin America, and the relatively small number of businessmen who are not tied to the Iranian state, we assume most of the travel is related to Iranian officials.

The Model: Recombinant Networks and Geographical Pipelines.

To understand the full significance of the new geopolitical reality in Latin America, it is necessary to think in terms of the geopolitics of TOC. Because of the clandestine nature of the criminal and terror-

ist activities, designed to be as opaque as possible, one must start from the assumption that, whatever is known of specific operations along the criminal-terrorist pipeline, or whatever combinations of links are seen, represents merely a snapshot in time, not a video of continuing events. Moreover, it is often out of date by the time it is assessed.

Nonstate armed actors as treated in this monograph are defined as:

- Terrorist groups, motivated by religion, politics, ethnic forces, or at times, even by financial considerations;
- Transnational criminal organizations, both structured and disaggregated, including third generation gangs as defined by Manwaring;[35]
- Militias that control "black hole" or "stateless" sectors of one or more national territories;
- Insurgencies, which have more well-defined and specific political aims within a particular national territory, but may operate from outside of that national territory.

Each of these groups has different operational characteristics that must be understood in order to appreciate the challenges they pose.[36] It is also important to note that these lines are blurry in reality, with few groups falling neatly into one category or even two. For example, insurgencies in Colombia and Peru are also designated terrorist groups by the United States and other governments, and engage in parts of the transnational criminal structure. These emerging hybrid structures change quickly, and the pace of change has accelerated in the era of instantaneous communication, the Internet, and the criminalization of religious and/or ideological groups.

These nexuses are well explored in the groundbreaking work of Louise Shelley *et al.,* in *Methods and Motives* (2005), developing a five-step evolutionary process to show that "terrorists and criminals often use the same method, most often for divergent motives—but not always."[37] This useful model challenges the conventional view that criminal groups seek personal profit and terrorist groups seek political upheaval. As they noted, "In some cases, the terrorists simply imitate the criminal behavior they see around them, borrowing techniques such as credit card fraud and extortion in a phenomenon we refer to as activity appropriation. This is a shared approach rather than true interaction, but it often leads to more intimate connections within a short time." This can evolve into a more symbiotic relationship, which in turn can (but many do not) turn into hybrid groups.[38]

While the groups that overlap in different networks are not necessarily allies, and in fact occasionally are enemies, they often can and do make alliances of convenience that are short-lived and shifting. Even violent drug cartels, which regularly engage in bloody turf battles, also frequently engage in truces and alliances, although most end when they are no longer mutually beneficial or the balance of power shifts among them.

A clear example of the breadth of the emerging alliances among criminal and terrorist groups emerged from Operation TITAN, executed by Colombian and U.S. officials in 2008. After a 2-year investigation, they dismantled a drug trafficking organization that stretched from Colombia to Panama, Mexico, West Africa, the United States, Europe, and the Middle East.

Colombian and U.S. officials say that one of the key money launderers in the structure, Chekry Harb,

aka "Taliban," acted as the central go-between among Latin American division transportation offices (DTOs) and Middle Eastern radical groups, primarily Hezbollah. Among the groups participating in Harb's operation in Colombia were members of the Northern Valley Cartel, right-wing paramilitary groups, and the FARC. This mixture of enemies and competitors working through a common facilitator or in loose alliance for mutual benefit is a pattern that is becoming more common, and one that significantly complicates the ability of law enforcement and intelligence operatives to combat these groups.[39]

Another indication of the scope of the emerging alliances is the dramatic rise of Latin American drug trafficking organizations operating in West Africa, for onward shipment to Western Europe. Among the drug trafficking organizations found to be working on the ground in West Africa are the FARC, Mexican drug cartels, Colombian organizations, and Italian organized crime. It is worth bearing in mind that almost every major load of cocaine seized in West Africa in recent years has been traced to Venezuela as the point of origin.[40] This overlapping web of networks was described in a July 2010 federal indictment from the Southern District of New York, which showed that drug trafficking organizations in Colombia and Venezuela, including the FARC, had agreed to move several multi-ton loads of cocaine through Liberia en route to Europe.

The head of Liberian security forces, who is also the son of the president, negotiated the transshipment deals with a Colombian, a Russian, and three West Africans. According to the indictment, two of the loads, one of 4,000 kilos and one of 1,500, were to be flown to Monrovia from Venezuela and Panama, respectively. A third load of 500 kilos was to arrive aboard a Ven-

ezuelan ship. In exchange for transshipment rights the drug traffickers agreed to pay in both cash and product.

What the drug traffickers did not know was that the head of the security forces they were dealing with was acting as an informant for the U.S. Drug Enforcement Administration (DEA), and had secretly recorded all the conversations, leaving the clearest body of evidence to date of the growing ties between known Latin American terrorist organizations/drug cartels and emerging West African criminal syndicates that move the cocaine northward to lucrative and growing markets in Europe and the former Soviet Union.[41] The West African criminal syndicates, in turn, are often allied and cooperate in illicit smuggling operations with operatives of AQIM, a radical Islamist group that has declared its allegiance to Osama bin Ladenism and its alliance with al-Qaeda.[42]

A more recent example was the alleged October 2011 plot by elements of the Quds Force, the elite arm of the Iranian Revolutionary Guard Corps, to hire a hit man from a Mexican cartel to assassinate the Saudi ambassador in the United States. The plot could be the first instance that members of an official Iranian institution, albeit a secretive one long known to support terrorist activities, dealt directly with a Mexican cartel to carry out an attack in the United States.[43]

Some context for the dealings of the Iranian government with Mexicans was provided in a recent investigative report by *Univision*, the Spanish-language TV network. On December 8, 2011, it aired footage of the Iranian ambassador in Mexico urging a group of Mexican university students who were hackers to launch broad cyber attacks against U.S. defense and intelligence facilities, claiming such an attack would be "bigger than 9/11."[44]

While there has been little public acknowledgement of the Hezbollah ties to Latin American TOC groups, recent indictments based on DEA cases point to the growing overlap of the groups. In December 2011, U.S. officials charged Ayman Joumaa, an accused Lebanese drug kingpin and Hezbollah financier, of smuggling tons of U.S.-bound cocaine and laundering hundreds of millions of dollars with the Zetas cartel of Mexico while operating in Panama, Colombia, the Democratic Republic of the Congo (DRC), and elsewhere. "Ayman Joumaa is one of top guys in the world at what he does: international drug trafficking and money laundering," a U.S. anti-drug official said. "He has interaction with Hezbollah. There's no indication that it's ideological. It's business."[45]

Geographical "Pipelines."

The central feature binding together these disparate organizations and networks which, in aggregate, make up the bulk of nonstate armed actors, is the informal (meaning outside legitimate state control and competence) "pipeline" or series of overlapping pipelines that these operations need to move products, money, weapons, personnel, and goods. The pipelines often form well-worn, customary, geographical routes and conduits developed during past conflicts, or traditionally used to smuggle goods without paying taxes to the state. Their exploitation by various communities, organizations, and networks yields recognizable patterns of activity.

The geography of the pipelines may be seen as both physical (i.e., terrain and topography), and human (i.e., historical and sociological patterns of local criminal activity). An area for further exploration is the degree to which pipelines are characterized by

traditional smuggling routes in rugged border regions governed in the absence or defiance of the state. These regions may develop their own cultures that accept what the state considers to be illicit activities as normal and desirable. This is especially true in areas where the state has been considered an enemy for generations.[46]

The geopolitical dimensions to the problem of pipelines and alternatively governed spaces extend to the value of the geographical spaces, which become, as in interstate geopolitics, the object of competition and war. So, in turn, do the commodities moving through the pipelines on their way into the supply chain of the illicit economy.

Many of the Mexican cartel wars are, in essence, resource wars, with the resources in dispute being not only the illicit merchandise being transported north and south, but the physical drug trafficking hubs or plazas through which the illicit goods must pass. The criminal pipeline itself is often a resource in dispute, and one of the primary sources of violence. Control of the pipeline can dramatically alter the relative power among different trafficking groups, as has been seen in the ongoing war between the Juarez and Sinaloa cartels in Mexico.[47] Because of the lucrative nature of control of the actual physical space of the pipeline, these types of conflicts are increasingly carried out in gruesome fashion in Guatemala, Honduras, and El Salvador.

The impact of TOC control of pipeline territory, and capture of state functions, has been especially visible in states that are already close to collapse, including many outside of Latin America, making them apt candidates for future study. Among the most notable are countries in West Africa such as Guinea Bissau,

Guinea (Conakry), Liberia, and Sierra Leone—all integral parts of the traditional diamond and contraband routes, and now part of the new cocaine highway.[48] A United Nations (UN) Threat Assessment for West Africa found that the rapidly escalating amount of South American cocaine transiting through West Africa has produced the following results:

> Poor countries like Guinea Bissau—that are at the bottom of the human development index—are unable to control their coasts or airspace. Police are almost helpless against well-equipped and well-connected traffickers. Drug seizures are growing dramatically—at least 46 tons of cocaine have been seized en route to Europe via West Africa since 2005. Prior to that time, the entire continent combined rarely seized a ton. But most of these seizures occurred by chance. Prosecutors and judges lack the evidence or the will to bring to justice powerful criminals with powerful friends.
>
> These states are not collapsing. They risk becoming shell-states: sovereign in name, but hollowed out from the inside by criminals in collusion with corrupt officials in the government and the security services. This not only jeopardizes their survival, it poses a serious threat to regional security because of the trans-national nature of the crimes.[49]

As the TOC groups continue to grow in financial strength, territorial control, and political alliances, the same dark scenario is already well underway in much of Central America. While not yet as visible, the same forces, in some regions backed by surrounding states, largely spread outward from the borderlands.

In the cases of the West African nations, there are largely traditional "weak state" scenarios playing out, where different groups attack different vulner-

abilities in the state structure for specific needs, rather than taking over the state and attempting to use the state as a partner in the enterprise. In fact, in many of the states there remain pockets of political will, including at the very top, to avoid collapse and reassert state sovereignty (the Liberian government, as noted, helped thwart major shipments). The exception has been Guinea Bissau, where the rapid-fire assassinations in 2009 of the army chief of staff and the president may have been the result of a drug trafficking dispute within the state.[50]

Both the actors and the territory, or portion of the pipelines they control, are constantly in flux, meaning that tracking them in a meaningful way is difficult at best and seldom done well. As shown by the inter- and intra-cartel warfare in Mexico, smaller sub-groups can either overthrow the existing order inside their own structures or break off and form entirely new structures. They can break existing alliances and enter into new ones, depending on the advantages of a specific time, place, and operation.

An example of the changing balance of power is that of *Los Zetas*—a group of special operations soldiers who became hit men for the Gulf Cartel before branching out and becoming a separate organization—often now in direct conflict with their former bosses of the Gulf organization.

CRIMINALIZING STATES AS NEW REGIONAL ACTORS

While nonstate actors make up the bulk of criminal agents engaged in illicit activities, state actors play an increasingly important yet under-reported role. That role pertains in part to the availability of pipeline terri-

tory, and in part to the sponsorship and even direction of criminal activity. TOC groups can certainly exploit the geographical vulnerabilities of weak or failing states, but they also thrive on the services provided by stronger states.[51]

There are traditional categories for describing state performance as developed by Robert Rotberg and others in the wake of state failures at the end of the Cold War. The premise is that that "nation-states fail because they are convulsed by internal violence and can no longer deliver positive political goods to their inhabitants."[52] These categories are:

- Strong, i.e., able to control its territory and offer quality political goods to its people;
- Weak, i.e., filled with social tensions, the state has only a limited monopoly on the use of force;
- Failed, i.e., in a state of conflict with a predatory ruler, with no state monopoly on the use of force;
- Collapsed, i.e., no functioning state institutions and a vacuum of authority.[53]

This conceptualization, while useful, is extremely limited, as is the underlying premise. It fails to make a critical distinction between countries where the state has little or no power in certain areas and may be fighting to assert that control, and countries where the government, in fact, has a virtual monopoly on power and the use of force, but turns the state into a functioning criminal enterprise for the benefit of a small elite.

The 4-tier categorization also suffers from a significant omission with regard to geographical areas of operation rather than criminal actors. The model presupposes that stateless regions are largely confined within the borders of a single state. As noted above,

this is hardly ever the case: border areas form vital territory in the geographical pipelines controlled by networks of TOCs.

The definition of a geographic black hole as provided by Rem Korteweg and David Ehrhardt is useful in conceptualizing the use of border regions:

> A black hole is a geographic entity where, due to the absence or ineffective exercise of state governance, criminal and terrorist elements can deploy activities in support of, or otherwise directly relating to, criminal or terrorist acts, including the act itself.[54]

State absence can be the product of a successful bid for local dominance by TOC groups, but it can also result from a perception on the part of the local population that the state poses a threat to their communities, livelihoods, or interests. Such perceptions may result not so much from weak or failing states as from strong or recovering states that are trying to root out corruption.

Latin America is almost absent from leading indexes of failed states, with the exception of Haiti. This is in large part because the indexes are state-centric and not designed to look at regions that spill over several borders but do not cause any one state to collapse. For example, only Colombia (ranked 41) and Bolivia (ranked 51) are among the top 60 countries in the Foreign Policy Magazine and Fund For Peace 2009 Failed State Index,[55] although the governability of certain areas inside of Mexico, Guatemala, and several border regions has deteriorated markedly, and drug trafficking organizations have taken over significant portions of the national territory of several states.

This development can be explained in terms of the advantages offered by border regions. A 2001 Naval War College report insightfully described some of the reasons in terms of "commercial" and "political" insurgencies. These are applicable to organized criminal groups as well and have grown in importance since then:

> The border zones offer obvious advantages for political and economic insurgencies. Political insurgents prefer to set up in adjacent territories that are poorly integrated, while the commercial insurgents favor active border areas, preferring to blend in amid business and government activity and corruption. The border offers a safe place to the political insurgent and easier access to communications, weapons, provisions, transport, and banks.
>
> For the commercial insurgency, the frontier creates a fluid, trade-friendly environment. Border controls are perfunctory in 'free trade' areas, and there is a great demand for goods that are linked to smuggling, document fraud, illegal immigration, and money laundering.
>
> For the political insurgency, terrain and topography often favor the narco-guerilla. Jungles permit him to hide massive bases and training camps, and also laboratories, plantations, and clandestine runways. The Amazon region, huge and impenetrable, is a clear example of the shelter that the jungle areas give. On all of Colombia's borders—with Panama, Ecuador, Brazil, and Venezuela—jungles cloak illegal activity.[56]

This is a particularly useful description of the advantages enjoyed by the FARC, operating as both a political and commercial insurgency, in the Colombian border areas with Ecuador and Venezuela.

The Weak State-Criminal State Continuum.

One may array the degree of state control of, or participation in, criminal activity along a spectrum (see Figure 2). At one end are strong but criminal states, with the state acting as a TOC element or an important component of a TOC group. The regime is strongly functional but, in a limited sense, caters primarily to the needs and interests of the leadership or a political cause, and is the primary beneficiary of proceeds from the criminal activity. Such activity is directed from the top down. A criminal state relies on the integration of the state's leadership into the criminal enterprise.

Figure 2. Continuum from Weak States to Criminal States.

There have been notable examples of criminal states in the recent past. As discussed, the case of Charles Taylor's Liberia is an example of the criminal state.[57] In Latin America, the government of Suriname (formerly Dutch Guiana) in the 1980s and early 1990s under Desi Bouterse, a convicted drug trafficker with strong ties to the FARC, was (and perhaps still is) an

operational player in an ongoing criminal enterprise and benefited from it.[58] Bouterse, convicted *in absentia* in Holland for masterminding the shipment of hundreds of kilograms of cocaine to Europe and facing murder charges in his own country, nonetheless was reelected to the presidency of Suriname in 2010. In addition to aiding and abetting drug traffickers in his own country, there are credible reports that he aided the FARC in the acquisition of weapons, and gave safe haven to senior FARC commanders. The president's son, Dino, was also convicted of drug trafficking and weapons sales, as head of the elite Counterterrorism Unit.[59] Bouterse's only public defender in the region is Hugo Chávez of Venezuela.

Again, the elements of TOC as statecraft can be seen. Chávez reportedly funded Bouterse's improbable electoral comeback in Suriname, funneling money to his campaign and hosting him in Venezuela on several visits.[60] While no other heads of state accepted Bouterse's invitation to attend his inauguration, Chávez did, although he had to cancel at the last minute. In recompense, he promised to host Bouterse on a state visit to Venezuela.[61]

Bolivarian states, particularly Venezuela and Bolivia, meet the criteria of highly criminalized states due to the significant involvement of high-level officials in the cocaine trade, including senior military and police officials, senior government officials, and elements of the state apparatus itself. While they have not reached the same level of vertical integration in the criminal enterprise as Taylor's in Liberia, or Bouterse's first regime in Suriname, the TOC function is at the service of both a broader Bolivarian political project and for personal enrichment of Bolivarian elites.

One of the key differences between the Bolivarian alliance and earlier criminalized states in the region is the mutually reinforcing structure of the alliance. While other criminalized states have been widely viewed as international pariahs and broadly shunned, thus hastening their demise, the new Bolivarian structures unite several states in a joint, if loosely-knit, criminal enterprise. This ensures these mutually supporting regimes can endure for much longer.

At the other end are weak and captured states, where certain nodes of governmental authority, whether local or central, have been seized by TOCs, who in turn are the primary beneficiaries of the proceeds from the criminal activity. Penetration of the state usually centers on one or more of three functions: judiciary (to ensure impunity), border control and customs (to ensure the safe passage of persons and goods), and legislature (to codify the structures necessary to TOC organizations, such as a ban on extradition, weak asset forfeiture laws, etc.). It also is more local in its focus, rather than national.

A good example of this is the operations of the Zetas and more local drug trafficking organizations in Guatemala, where the interest is not in taking control of the central government, but in territorial control of specific trafficking routes or plazas. El Salvador and *Los Perrones* offer another example of this model.[62]

Typically, TOC elements aim at dislodging the state from local territory, rather than assuming the role of the state in overall political authority across the country. As Shelley noted, "Older crime groups, often in long-established states, have developed along with their states and are dependent on existing institutional and financial structures to move their products and invest their profits."[63]

This point is of critical importance in differentiating the role of TOC groups (possibly numerous TOCs in haphazard fashion) that seek the piecemeal control of territory from the aims of insurgent groups. By definition, insurgents aim to wrest political control from the state and transfer it to their own leadership.

The criminal state is similar in concept to a captured state, as described by Phil Williams,[64] but differs in an important way. "Captured states" are taken hostage by criminal organizations, often through intimidation and threats, giving the criminal enterprise access to some parts of the state apparatus. Guatemala would be an example: the government lacks control of roughly 60 percent of the national territory, with the cartels enjoying local power and free access to the border; but the central government itself is not under siege.

To a certain extent, traditional TOC groups need to displace or discredit the state locally, often by means of extreme violence, so as to establish and perpetuate their own territorial control. This is especially true in stateless border areas. When the state apparatus begins to function in the interest of the TOC groups, however, "capture" has occurred.

Currently, local and state governments in parts of Mexico have been captured by cocaine-driven DTOs that are diversifying their criminal portfolios, and parts of Mexico's central government appear to have been targeted as well. If unchecked, this could lead, over time, to a significant piecemeal hollowing out of the state from within, as described above.

In the middle range between the extremes, more criminalized cases include participation in criminal activity by state leaders, some acting out of personal interest, others in the interest of financing the services

or the ideology of the state. A variant of this category occurs when a functioning state essentially turns over, or "franchises out" part of its territory to nonstate groups to carry out their own agenda with the blessing and protection of the central government or a regional power. Both state and nonstate actors share in the profits and proceeds from criminal activity thus generated. Venezuela under Hugo Chávez is perhaps the clearest example of this model in the region, given his relationship with the FARC.

Hugo Chávez and the FARC:
The Franchising Model.

Following the model pioneered by Iran and Hezbollah, senior Venezuelan military and political leaders have allowed the FARC to traffic cocaine through Venezuela to West Africa, sharing in the profits. Almost every major shipment of cocaine to West Africa that U.S. law enforcement officials have been able to trace back has originated from or passed through Venezuelan territory.[65]

It is important to note that Chávez's most active support for the FARC came after the FARC had already become primarily a drug trafficking organization vice political insurgency. The FARC has also traditionally earned considerable income (and wide international condemnation) from the kidnapping for ransom of hundreds of individuals, in violation of the Geneva Convention and other international conventions governing armed conflicts. It was impossible, by the early part of the 21st century, to separate support for the FARC from support for TOC, as these two activities were the insurgent group's primary source of income. In addition, the FARC had been designated

a terrorist organization by the United States in 1997, and by the EU in 2001, for its indiscriminate attacks on civilians, ties to international drug trafficking, and massive documented human rights abuses.[66]

Despite this, Chávez had cultivated a relationship with the FARC long before becoming president. As one recent study of internal FARC documents noted:

> When Chávez became president of Venezuela in February 1999, FARC had not only enjoyed a relationship with him for at least some of the previous seven years but had also penetrated and learned how to best use Venezuelan territory and politics, manipulating and building alliances with new and traditional Venezuelan political sectors, traversing the Colombia-Venezuela border in areas ranging from coastal desert to Amazonian jungle and building cooperative relationships with the Venezuelan armed forces. Once Chávez was inaugurated, Venezuelan border security and foreign policies shifted in the FARC's favor.[67]

In this context, there is also growing evidence that the Venezuela government under Chávez is actively promoting drug trafficking and TOC/terrorist groups, particularly the FARC and Hezbollah.[68] Perhaps the strongest public evidence of the importance of Venezuela to the FARC is the public fingering of three of Chávez's closest advisers and senior government officials by the U.S Treasury Department's Office of Foreign Assets Control (OFAC).

OFAC said the three—Hugo Armando Carvajál, director of Venezuelan Military Intelligence; Henry de Jesus Rangél, director of the Venezuelan Directorate of Intelligence and Prevention Services; and Ramón Emilio Rodriguez Chacín, former minister of justice and former minister of interior—were responsible for

"materially supporting the FARC, a narco-terrorist organization." It specifically accused Carvajál and Rangél of protecting FARC cocaine shipments moving through Venezuela, and said Rodriguez Chacín, who resigned his government position just a few days before the designations, was the "Venezuelan government's main weapons contact for the FARC."[69] In November 2010, Rangél was promoted to the overall commander of the Venezuelan armed forces[70] and in January 2012 was named defense minister as part of of Chávez's promotion of close associates tied to drug trafficking and the FARC.[71]

As the respected Manhattan district attorney Robert M. Morgenthau warned as he left office in 2009 after decades of public service, including pursuit of numerous (and ongoing) criminal investigations into the Chávez government's role in TOC:

> . . . [L]et there be no doubt that Hugo Chávez leads not only a corrupt government but one staffed by terrorist sympathizers. The government has strong ties to narco-trafficking and money laundering, and reportedly plays an active role in the transshipment of narcotics and the laundering of narcotics proceeds in exchange for payments to corrupt government officials.[72]

OFAC charges were buttressed by three other developments: A public presentation of Colombian intelligence on FARC camps in Venezuela and the meeting of high-level FARC commanders with senior Venezuelan officials, delivered at a session of the Organization of American States in July 2010;[73] the public release of an analysis of all the FARC documents—captured by the Colombian military, from the March 1, 2008, killing of senior FARC commander Raúl Reyes—by a respected British security think that outlined some

of the same ties;[74] and the public statements of Walid Makled, a Venezuelan who was formally designated a drug kingpin by the U.S. Government.

Arrested by Colombian police after he fled Venezuela, Makled was eventually extradited back to Venezuela. Preet Bharara, U.S. Attorney for the Southern District of New York, dubbed Makled, also known as "The Turk," a "king among kingpins." While in Colombian custody, Makled gave multiple interviews and displayed documents that he claimed showed that he acquired control of one of Venezuela's main ports, as well as an airline used for cocaine trafficking, by paying millions of dollars in bribes to senior Venezuelan official.

According to the U.S. indictment against him, Makled exported at least 10 tons of cocaine a month to the United States by keeping more than 40 Venezuelan generals and senior government officials on his payroll. "All my business associates are generals. The highest," Makled said. "I am telling you, we dispatched 300,000 kilos of coke. I couldn't have done it without the top of the government."[75] What added credibility to Makled's claims were the documents he presented showing what appear to be the signatures of several generals and senior Ministry of Interior officials accepting payment from Makled. "I have enough evidence to justify the invasion of Venezuela" as a criminal state, he said.[76]

The FARC and Bolivia, Ecuador, and Nicaragua.

Since the electoral victories of Correa in Ecuador and Morales in Bolivia, and the re-election of Daniel Ortega in Nicaragua, their governments have actively supported FARC rebels in their war of more than

4 decades against the Colombian state, as well as significant drug trafficking activities.[77] While Ecuador and Venezuela have allowed their territory to be used for years as rear guard and transshipment stations for the FARC and other drug trafficking organizations, Bolivia has become a recruitment hub and safe haven; and Nicaragua, a key safe haven and weapons procurement center. In addition, several senior members of both the Correa and Morales administrations have been directly implicated in drug trafficking incidents, showing the complicity of the state in the criminal enterprises.

In Bolivia, the Morales government, which has maintained cordial ties with the FARC at senior levels,[78] has, as noted, faced an escalating series of drug trafficking scandals at the highest levels.[79] It is worth noting that Alvaro García Linera, the nation's vice president and a major power center in the Morales administration, was a member of the armed Tupac Katari Revolutionary Movement (*Movimiento Revolucionario Tupak Katari* [MRTK]), an ally of the FARC, and served several years in prison.[80]

In Ecuador, the minister for internal and external security, as well as his deputy, have a documented relationship not only with the FARC but with a major drug trafficking organization that was directly helping the FARC move its product to Mexican buyers. Among the many scandals to shake the Ecuadoran government is the fact that several of Correa's senior advisers, including Gustavo Larrea, the super-minister for internal and external security, and his deputy, José Ignacio Chauvín, met with the FARC on numerous occasions and may well have served as the conduits for some $400,000 in FARC money to enter the Correa presidential campaign.[81] Other senior government

officials were part of the small "Alfaro Vive, Carajo" armed movement in the 1980s.

Chauvín, in turn, was closely tied to the Ostaiza brothers, leaders of a major drug trafficking organization in Ecuador as well as the FARC and Mexican cartels.[82] The president's sister was also photographed meeting with the jailed Ostaiza brothers, and later claimed she was asking them to stop making public declarations incriminating government officials in exchange for arranging their release from custody.[83]

An analysis of the Reyes computer documents concluded that the FARC donated several hundred thousand dollars to Correa's campaign,[84] a conclusion drawn by other national and international investigations.[85] The Reyes documents show senior Ecuadoran officials meeting with FARC commanders and offering to remove certain commanders in the border region so the FARC would not be under so much pressure on the Ecuadoran side.[86]

In Bolivia, numerous senior officials have been linked to the drug trade. Internal intelligence documents obtained by the author show that senior cabinet officials, members of the vice president's family, and senior military and police officials all hide behind immunity accorded by the state for criminal activities. Among the cases that have become public is that of Margarita Terán, the staunch party leader who was in charge of the committee dealing with drug trafficking in the Constituent Assembly, who was caught with more than 100 kilos of cocaine in her home, and freed 3 weeks later.[87]

Morales's chief spiritual adviser and close friend, who handed him the ceremonial baton when he took office, was caught with more than 350 kilos of liquid cocaine.[88] And most damaging of all, Morales' police

chief in charge of the anti-narcotics forces, was arrested in Panama in February 2011 and extradited to the United States for drug trafficking.[89] General René Sanabria, who was heading an elite intelligence unit for the Interior Ministry at the time of his arrest, has since reached a plea bargain agreement in a U.S. court.

Morales has also maintained ties to the FARC. In one 2007 missive, Reyes asks a member of the FARC's International Commission to "take good care of our relations with Evo and the rest of our friends in that government."[90] One of those friends appears to be Antonio Peredo, a senator for the Movement for Socialism (*Movimiento al Socialismo* [MAS]).[91] who, the FARC notes, signed a letter at their request, supporting the FARC's demand to be granted status as a legitimate belligerent force rather than a terrorist group.[92]

A closer friend, at least for a time, was Hugo Moldis, who helped found the MAS and has been one of the movement's intellectual guides, and was seriously considered for senior cabinet positions. Instead, he was given the job as leader of the government-backed confederation of unions and social groups called the "People's High Command" (*Estado Mayor del Pueblo* [EMP]*),*[93] and he maintains a fairly high profile as journalist and writer for several Marxist publications.

The EMP was one of the principal vehicles of the MAS and its supporters in forcing the 2003 resignation of the government of Gonzalo Sánchez de Lozada, and Morales, as president, named it the organization responsible for giving social movements a voice in the government. "If I am wrong, correct me," Morales said in a speech to the organization after his election. "If I am tired, revive me; if I am demoralized, encourage me."[94] Moldiz told the group that "our purpose is to defend the government, defend the political process of change, which we have conquered with blood,

strikes, marches, sacrifice, and pain. Our main enemy is called United States imperialism and the Bolivian oligarchy."[95]

These relationships and others, including those with the Basque Homeland and Freedom (*Euskadi Ta Askatasuna* [ETA]) separatist movement which is also designated a terrorist entity (hosted officially by both Chávez and Correa), have been publicly documented, but the extent of the relationships is seldom noticed in policymaking circles.

The Regional Infrastructure.

Brazil and Peru, while not actively supporting the FARC, have serious drug trafficking issues to contend with on their own and exercise little real control over their border regions. Despite this geographic and geopolitical reality, Colombia has undertaken a costly and somewhat successful effort to reestablish state control in many long-abandoned regions of its own national territory. Yet the Colombian experience offers an object lesson in the limits of what can be done even if the political will exists and if significant national treasure is invested in reestablishing a positive state presence. Once nonstate actors have established uncontested authority over significant parts of the national territory, the cost of recouping control and establishing a functional state presence is enormous.

It becomes even more costly when criminal/terrorist groups such as the FARC become instruments of regional statecraft. The FARC has been using its ideological affinity with Correa, Morales, Chávez, and Nicaragua's Ortega to press for a change in status to "belligerent group" in lieu of terrorist entity or simple insurgency. "Belligerent" status is a less pejorative term and brings certain international protections.

In turn, the Bolivarian leaders have encouraged and supported the FARC in order to weaken the Colombian government (which has waged an enormously successful military campaign against the FARC) and consistently portrayed Colombia in international forums, and domestically as a U.S. puppet and servant of the "empire"—as they routinely call the United States.[96] In addition, the FARC and its political arm, the Continental Bolivarian Movement (*Movimiento Continental Bolivariano* [MCB] discussed below), has become a vehicle for a broader-based alliance of nonstate armed groups seeking to end the traditional democratic representative government model and replace it with an ideology centered on Marxism, anti-globalization, and anti-United States.

As criminal agents, states are obviously only part of the picture. They collude with both TOCs and terrorist groups and insurgents, two sets of actors who in turn collude between themselves. As Figure 3 indicates, not all states are criminal, not all TOCs are engaged in terrorism or collude with terrorist groups, and not all terrorist groups conduct criminal activities. The overlap between all three groups constitutes a small but highly dangerous subset of cases, and applies most particularly to the Bolivarian states.

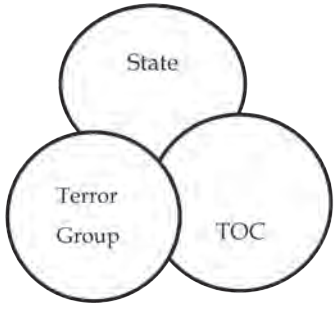

Figure 3. Overlap of the State, Terror Groups, and TOC groups in the Bolivarian States.

Many criminal organizations today employ violence on a terroristic level to discredit the state and destroy its authority over strategically vital territory, while many terrorist organizations and insurgencies today engage in criminal activity to finance operations, whether local or worldwide. Some criminal enterprises likewise are headed by leaders who eventually seek political influence and prestige, while some terrorist organizations morph over time into criminal enterprises. The distinction between terrorist organization and TOC thus involves another spectrum of activity, with a shifting balance between primarily profit-driven and primarily ideology-driven motivations and behavior.

The TOC-Terrorist State Alliance.

At the center of the nexus of the Bolivarian movement with TOC, terrorism, and armed revolution is the FARC, and its political wing, the Continental Bolivarian Coordinator (*Coordinadora Continental Bolivariana* [CCB]), a continental political movement founded in 2003, funded and directed by the FARC. In 2009, the CCB officially changed its name to the MCB to reflect its growth across Latin America. For purposes of consistency, we refer to the organization as the CCB throughout this monograph.

In a November 24, 2004, letter from Raúl Reyes, the FARC's second-in-command, to another member of the FARC General Secretariat, he laid out the FARC's role in the CCB, as well as the Chávez government's role, in the following unambiguous terms:

> The CCB has the following structure: an executive, some chapters by region . . . and a "foreign legion."

> Headquarters: Caracas. It has a newspaper called "Correo Bolivariano," [Bolivarian Mail] and Internet site and an FM radio station heard throughout Caracas. . . . This is an example of coordinated struggle for the creation of the Bolivarian project. We do not exclude any forms of struggle. It was founded in Fuerte Tiuna in Caracas. [**Author's Note**: Fuerte Tiuna is the main government military and intelligence center in Venezuela, and this is a clear indication that the Venezuelan government fully supported the founding of the organization.] The political ammunition and the leadership is provided by the FARC. [97]

According to an internal FARC report dated March 11, 2005, on the CCB's activities in 2004, there were already active groups in Mexico, Dominican Republic, Ecuador, Venezuela, and Chile. International brigades from the Basque region of Spain, Italy, France, and Denmark were operational. Work was underway in Argentina, Guatemala, and Brazil. The number of organizations that were being actively coordinated by the CCB was listed at 63, and there were "political relations" with 45 groups and 25 institutions. The CCB database contained 500 e-mails.[98]

In an April 1, 2006, letter from Reyes to "Aleyda," identified by Colombian authorities as Mariana López de la Vega of the Leftist Revolutionary Movement (*Movimiento Izquierdista Revolucionaria* [MIR]) of Chile, the FARC leader states,

> the CCB is part of movement of masses of the FARC, and as such receives all of our support. However, we are not deluded or confused, and understand that the CCB is broader than just our cells, as the CCB has a broad roof , which allows us, if we are politically agile, to reach other sectors of society and create more Communist militants.[99]

Numerous other documents show that different Bolivarian governments directly supported the CCB, whose president is always the FARC leader. In 1998 Daniel Ortega, then the leader of the opposition in Nicaragua, traveled to FARC territory in Colombia to award the Augusto Sandino medal, his party's highest honor, to Manuel Marulanda (aka Tirofijo, or Sure Shot), the FARC's supreme commander at the time.[100]

The government of Rafael Correa in Ecuador officially hosted the second congress of the organization in Quito in late February 2008. The meeting was attended by members of Peru's Tupac Amaru Revolutionary Movement (*Movimiento Revolucionario Tupac Amaru* [MRTA]); the Mapuches and MIR of Chile; Spain's ETA, and other terrorist and insurgent groups. The videotaped keynote address to the assembly was given by Raúl Reyes, deputy commander of the FARC, who was killed a few days later, and his computers and hard drives captured, giving a window into many of the FARC's internal workings and its international ties.

The 2009 meeting at which the CCB became the MCB was held in Caracas and the keynote address was given Alfonso Cano, the current FARC leader. Past FARC leaders are honorary presidents of the organization.[101] This places the FARC—a well-identified drug trafficking organization with significant ties to the major Mexican drug cartels[102] and a designated terrorist entity with a broad-based alliance that spans the globe—directly in the center of a state-sponsored project to fundamentally reshape Latin America and its political structure and culture.

The FARC-CCB alliance serves key functions of statecraft for Chávez and his allies beyond simply providing a common political space and a charter for

revolutionary change in the region. The Venezuelan government is able to profit from the transit of cocaine and weapons through the national territory at a time when oil revenues are low and the budget is under significant stress.

The importance of the cocaine transit increase through Venezuela was documented by the U.S. Government Accountability Office, which estimates that the product transit rose fourfold from 2004 to 2007, from 60 metric tons to 240 metric tons.[103] At the same time, the report noted the symbiotic relationship with the FARC, where "Venezuelan government officials have provided material support, primarily to the FARC, which has helped to sustain the Colombian insurgency and threaten security gains achieved in Colombia."[104] This was further substantiated, as noted earlier, by the Makled testimony, and the OFAC actions against senior Venezuelan officials.

Finally, the CCB, as a revolutionary meeting house for "anti-imperialist" forces around the world, provides the political and ideological underpinning and justification for the growing alliance among the Bolivarian states, again led by Chávez, and Iran, led by Mahmoud Ahmadinejad. The nature of the threat to the United States is not merely the drugs in the pipeline, or even the deals with Russia and China, but also the establishment of political influence and military presence by Hezbollah, a radical Shiite Muslim terrorist organization that enjoys the state sponsorship of Iran and, to a lesser degree, Syria. Hezbollah's influence extends to the nature of the war and diplomacy pursued by Chávez and his Bolivarian comrades. The franchising model strongly resembles the template pioneered by Hezbollah.

THE BOLIVARIAN AND IRANIAN REVOLUTIONS: THE TIES THAT BIND

The most common assumption among those who view the Iran-Bolivarian alliance as troublesome, and many do not view it as a significant threat at all, is that there are two points of convergence between the radical and reactionary theocratic Iranian government and the self-proclaimed socialist and progressive Bolivarian revolution. These assumed points of convergence are: 1) an overt and often stated hatred for the United States and a shared belief in how to destroy a common enemy; and 2) a shared acceptance of authoritarian state structures that tolerate little dissent and encroach on all aspects of a citizen's life.[105]

These assumptions are valid but do not acknowledge the broader underpinnings of the relationship. While Iran's revolutionary rulers view the 1979 revolution in theological terms as a miracle of divine intervention in which the United States, the Great Satan, was defeated, the Bolivarians view it from a secular point of view as a roadmap to defeat the United States as the Evil Empire. To both, it has strong political connotations and serves as a model for how asymmetrical leverage, whether applied by Allah or humans, can conjure the equivalent of a David defeating a Goliath on the world stage.

Ortega has declared the Iranian and Nicaraguan revolutions to be "twin revolutions, with the same objectives of justice, liberty, sovereignty and peace . . . despite the aggressions of the imperialist policies." Ahmadinejad couched the alliances as part of "a large anti-imperialist movement that has emerged in the region."

Among the first to articulate the possible merging of radical Shite Islamic thought with Marxist aspirations of destroying capitalism and U.S. hegemony was Illich Sánchez Ramirez, better known as the terrorist leader, "Carlos the Jackal," a Venezuelan citizen who was, until his arrest in 1994, one of the world's most wanted terrorists. In his writings, Sánchez Ramirez espouses Marxism tied to revolutionary, violent Palestinian uprisings, and, in the early 2000s after becoming a Muslim, to militant Islamism. Yet he did not abandon his Marxist roots, believing that Islamism and Marxism combined would form a global anti-imperialist front that would definitively destroy the United States, globalization, and imperialism.

In his 2003 book *Revolutionary Islam*, written from prison where he is serving a life sentence for killing two French policemen, Sánchez Ramirez praises Osama bin Laden and the 9/11 attacks on the United States as a "lofty feat of arms" and part of a justified armed struggle of Islam against the West. "From now on terrorism is going to be more or less a daily part of the landscape of your rotting democracies," he writes.[106]

In this context, the repeated public praise of Sánchez Ramirez by Chávez can be seen as a crucial element of the Bolivarian ideology and an acceptance of Ramirez's underlying premise as important to Chávez's ideological framework. Chávez ordered his ambassador to France to seek the release of Sánchez Ramirez and on multiple occasions referred to the convicted terrorist as a "friend" and "true revolutionary."[107] In a 1999 letter to Sánchez Ramirez, Chávez greeted the terrorist as a "Distinguished Compatriot," writing that:

> Swimming in the depths of your letter of solidarity I could hear the pulse of our shared insight that everything has its due time: time to pile up stones or hurl them, to ignite revolution or to ignore it; to pursue dialectically a unity between our warring classes or to stir the conflict between them—a time when you can fight outright for principles and a time when you must choose the proper fight, lying in wait with a keen sense for the moment of truth, in the same way that Ariadne, invested with these same principles, lays the thread that leads her out of the labyrinth. . . .
>
> I feel that my spirit's own strength will always rise to the magnitude of the dangers that threaten it. My doctor has told me that my spirit must nourish itself on danger to preserve my sanity, in the manner that God intended, with this stormy revolution to guide me in my great destiny.
>
> With profound faith in our cause and our mission, now and forever! [108]

In fact, the Bolivarian fascination with militant Islamist thought and Marxism did not end with the friendship between Chávez and the jailed terrorist. Acolytes of Sánchez Ramirez continued to develop his ideology of Marxism and radical Islamism rooted in the Iranian revolution.

The emerging military doctrine of the "Bolivarian Revolution," officially adopted in Venezuela and rapidly spreading to Bolivia, Nicaragua, and Ecuador, explicitly embraces the radical Islamist model of asymmetrical or "fourth generation warfare," and its heavy reliance on suicide bombings and different types of terrorism, including the use of nuclear weapons and other WMD. This is occurring at a time when Hezbollah's presence in Latin America is growing and

becoming more identifiable.[109] Chávez has adopted as his military doctrine the concepts and strategies articulated in *Peripheral Warfare and Revolutionary Islam: Origins, Rules and Ethics of Asymmetrical Warfare* (*Guerra Periférica y el Islam Revolucionario: Orígenes, Reglas y Ética de la Guerra Asimétrica*) by the Spanish politician and ideologue, Jorge Verstrynge (see Figure 4).[110] The tract is a continuation of and exploration of Sánchez Ramirez's thoughts, incorporating an explicit endorsement of the use of WMD to destroy the United States. Verstrynge argues for the destruction of the United States through a series of asymmetrical attacks like those of 9/11, in the belief that the United States will simply crumble when its vast military strength cannot be used to combat its enemies.

Figure 4. Cover of Jorge Verstrynge's Revolution Handbook.

Although he is not a Muslim, and the book was not written directly in relation to the Venezuelan experience, Verstrynge moves beyond Sánchez Ramirez to embrace all strands of radical Islam for helping to expand the parameters of what irregular warfare should encompass, including the use of biological and nuclear weapons, along with the collateral civilian casualties among the enemy. Central to Verstrynge's idealized view of terrorists is the belief in the sacredness of fighters sacrificing their lives in pursuit of their goals. Before writing extensively on how to make chemical weapons and listing helpful places to find information on the manufacture of rudimentary nuclear bombs that "someone with a high school education could make," Verstrynge writes:

> We already know it is incorrect to limit asymmetrical warfare to guerrilla warfare, although it is important. However, it is not a mistake to also use things that are classified as terrorism and use them in asymmetrical warfare. And we have super terrorism, divided into chemical terrorism, bioterrorism (which uses biological and bacteriological methods), and nuclear terrorism, which means "the type of terrorism uses the threat of nuclear attack to achieve its goals."[111]

In a December 12, 2008, interview with Venezuelan state television, Verstrynge lauded Osama bin Laden and al-Qaeda for creating a new type of warfare that is "de-territorialized, de-stateized and de-nationalized," a war where suicide bombers act as "atomic bombs for the poor."[112] Chávez liked the Verstrynge book so well he had a special pocket-sized edition printed and distributed to the officer corps with express orders that it be read from cover to cover.

An Alliance of Mutual Benefit.

This ideological framework of a combined Marxism and radical Islamic methodology for successfully attacking the United States is an important, though little examined, underpinning for the greatly enhanced relationships among the Bolivarian states and Iran. These relationships are being expanded, absorbing significant resources despite the fact that there is little economic rationale to the ties and little in terms of legitimate commerce. For Iran, however, the benefits are numerous, particularly in building alliances with nations to break its international isolation. It also affords Iran the opportunity to mine strategic minerals for its missile and nuclear programs, position Quds Force and Revolutionary Guard operatives under diplomatic cover, greatly expand and enhance its intelligence gathering, and operate state-to-state enterprises that allow for the movement of just about any type of goods and material. One glimpse at the type of shipments such a relationship can be used for came to light in 2009, when Turkish authorities randomly inspected some crates being shipped from Iran to Venezuela at the port of Mersin. The 22 crates were labeled "tractor parts" but in fact carried equipment for manufacturing explosives.[113]

One need only look at how rapidly Iran has increased its diplomatic, economic, and intelligence presence in Latin America to see the priority it places on this emerging axis, given that it is an area where it has virtually no trade, no historic or cultural ties, and no obvious strategic interests. The gains, in financial institutions, bilateral trade agreements, and state visits (eight state visits between Chávez and Ahmadinejad alone since 2006), are almost entirely within the

Bolivarian orbit; and, as noted, the Bolivarian states have jointly declared their intention to help Iran break international sanctions.

Iran is also spending scarce resources on expanding its cultural influence, partly through a strong Spanish-language, Latin American-based Internet presence, with websites in most countries. The sites generally laud Hezbollah, extol the teachings of Iran's revolutionary leaders, stress the peaceful nature of its nuclear program, and include Spanish-language literature on Shi'ia Islam.[114] The most recent salvo by Iran is the launching of a Spanish language satellite TV station, Hispan TV, aimed at Latin America. Bolivia and Venezuela are collaborating in producing documentaries for the station. Mohammed Sarafraz, deputy director of international affairs, said Iran was "launching a channel to act as a bridge between Iran and the countries of Latin America [there being] a need to help familiarize Spanish-speaking citizens with the Iranian nation." He said that Hispan TV was launched with the aim of reinforcing cultural ties with the Spanish-speaking nations and helping to introduce the traditions, customs, and beliefs of the Iranian people. Attempting to show the similarities between Islam and Christianity, the first program broadcast was "Saint Mary," depicting "the life of Saint Mary and the birth of Jesus Christ from an Islamic point of view."[115] What is of particular concern is that many of the bilateral and multilateral agreements signed between Iran and Bolivarian nations, such as the creation of a dedicated shipping line between Iran and Ecuador, or the deposit of $120 million by an internationally sanctioned Iranian bank into the Central Bank of Ecuador, are based on no economic rationale.[116]

There is growing evidence of the merging of the Bolivarian Revolution's criminal-terrorist pipeline activities and those of the criminal-terrorist pipeline of radical Islamist groups (Hezbollah, in particular) supported by the Iranian regime. The possibility opens a series of new security challenges for the United States and its allies in Latin America. The 1994 Hezbollah and Iranian bombing of the AMIA building in Buenos Aires, Argentina, is a useful reminder that these groups can and do operate in Latin America.

As noted earlier, Operation TITAN provides clear evidence of the merging of drug trafficking organizations with strong ties to the FARC on one hand, and purchasers and money launderers with close ties to Hezbollah on the other. Additional cases include:

- In 2008, OFAC cited senior Venezuelan diplomats for facilitating the funding of Hezbollah. One of those cited, Ghazi Nasr al Din, served as the *charge d'affaires* of the Venezuelan embassy in Damascus, and then served in the Venezuelan embassy in London. According to the OFAC statement in late January 2008, al Din facilitated the travel of two Hezbollah representatives of the Lebanese parliament to solicit donations and announce the opening of a Hezbollah-sponsored community center and office in Venezuela. The second individual, Fawzi Kan'an, is described as a Venezuela-based Hezbollah supporter and a "significant provider of financial support to Hizbollah." He met with senior Hezbollah officials in Lebanon to discuss operational issues, including possible kidnappings and terrorist attacks.[117]

- In April 2009, police in the island country of Curacao arrested 17 people for alleged involvement in cocaine trafficking with some of the proceeds being funneled through Middle Eastern banks to Hezbollah.[118]
- A July 6, 2009, indictment of Jamal Yousef in the U.S. Southern District of New York alleges that the defendant, a former Syrian military officer arrested in Honduras, sought to sell weapons to the FARC—weapons he claimed came from Hezbollah and were to be provided by a relative in Mexico.[119]

Such a relationship between nonstate and state actors provides numerous benefits to both. In Latin America, for example, the FARC gains access to Venezuelan territory without fear of reprisals; it gains access to Venezuelan identification documents; and, perhaps most importantly, it acquires access to routes for exporting cocaine to Europe and the United States—while using the same routes to import quantities of sophisticated weapons and communications equipment. In return, the Chávez government offers state protection, while reaping rewards in the form of financial benefits for individuals as well as institutions, derived from the cocaine trade.

Iran, whose banks, including its central bank, are largely barred from the Western financial systems, benefits from access to the international financial market through Venezuelan, Ecuadoran, and Bolivian financial institutions, which act as proxies by moving Iranian money as if it originated in their own legal financial systems.[120] Venezuela also agreed to provide Iran with 20,000 barrels of gasoline per day, leading to U.S. sanctions against the state petroleum company.[121]

In addition, Chávez maintains his revolutionary credentials in the radical axis comprised of leftist populists and Islamic fundamentalists, primarily Iran. As a head of state, he is able to introduce external (non-regional) actors into the region for a variety of purposes, some of which directly benefit nonstate actors.

Iran is not the only extra-territorial actor that Chávez has courted and whose interests diverge notably from U.S. interests. Of primary concern are Russia and China, with Russia acting in a dual capacity as weapons facilitator and the provider of choice for nuclear development in conjunction with Iran. China has served as both a market for goods from all of Latin America, as well as provider of billions of dollars in investments, loans, military sales, and advanced satellite services.

In late September 2008, Prime Minister Vladimir Putin of Russia and Chávez announced joint plans to build nuclear plants in Venezuela. Atomstroyexport, the same company building the Bushehr nuclear power plant in Iran, will be the project operator.[122] In September 2009, Chávez announced that Venezuela and Iran would jointly build a nuclear village in Venezuela and pursue nuclear technology together.[123] Ecuador and Russia also inked an agreement on civilian nuclear power cooperation and uranium exploration,[124] and Russia has offered similar assistance to Bolivia. In 2009, Ecuador and Iran signed a Memorandum of Understanding to carry out joint mining activities and geological mapping.[125]

None of these agreements violate international sanctions, but the constellation of actors and the fervor with which the agreements have been embraced raise many questions. Given the opaque nature of the agreements, and the history of some of the principals

involved in supporting the use of WMD to annihilate states viewed as the enemy (Israel and the United States), and flouting international regulatory regimes, it is both reasonable and prudent to approach these developments warily.

CONCLUSIONS

Latin America, while not generally viewed as part of the stateless regions phenomenon, or part of the failed state discussion, presents multiple threats that center on criminalized states, their hybrid alliance with extra-regional sponsors of terrorism, and nonstate TOC actors. The groups within this hybrid threat—often rivals, but willing to work in temporary alliances—are part of the recombinant criminal/terrorist pipeline, and their violence is often aimed at gaining control of specific territory or parts of that pipeline, either from state forces or other nonstate groups.

In areas outside effective government control, the state is either absent or ineffective, contributing to the governance problem through corruption and negligence. Only Colombia has made significant progress in recouping internal space for the government, and that progress is fragile and in danger of being reversed.[126] While the basic model of the pipeline holds up well, the emerging situation can be likened to new branches of the pipeline being built in regions where it previously had no access.

The combination of ungoverned spaces, criminalized states, and TOC groups poses a growing, dangerous, and immediate threat to the security of the United States. The traffic in drugs, weapons, and humans from Latin American northward relies on the same ba-

sic pipeline structures to move. The same recombinant chains also move bulk cash, stolen cars, and weapons from the United States southward. This demonstrates that these groups can successfully cross our border, and do, multiple times each day, in both directions. The pipelines are seldom disrupted for more than a minimal amount of time, in part because the critical human nodes in the chain, and key chokepoints in the pipelines, are not identified, and the relationships among the different actors and groups are not understood adequately. As noted, pipelines are adaptable and versatile as to product—the epitome of modern management systems—often intersecting with formal commercial institutions (banks, commodity exchanges, legitimate companies, etc.), both in a physical and virtual/cyber manner, in ways difficult to determine, collect intelligence on, or disaggregate from protected commercial activities which may be both domestic and international in nature, with built-in legal and secrecy protections.

While the situation is already critical, it is likely to get worse quickly. There is growing evidence of Russian and Chinese organized crime penetration of the region, particularly in Mexico and Central America, greatly strengthening the criminal organizations and allowing them to diversify their portfolios and supply routes—a particular example being precursor chemicals for the manufacture of methamphetamines and cocaine. The Chinese efforts to acquire ports, resources, and intelligence-gathering capacity in the region demonstrate just how quickly the situation can develop, given that China was not a major player in the region 5 years ago. Iranian, Russian, and Chinese banks operating in the region all offer new ways to move money into unregulated channels that benefit

both terrorist and criminal organizations, along with corrupt officials.

At the same time, there is strong evidence that states of the Bolivarian Axis, led by Venezuela and including Ecuador, Nicaragua, and Bolivia, not only tolerate increased criminal activities in their territories, but also sponsor nonstate armed groups designated as terrorist entities by the United States, including the FARC in Colombia, and Hezbollah. These states appear to allow their stateless areas to be franchised out to these groups in order for the nonstate actors to both fund their activities and spread unrest throughout the region.

Of particular concern is the relationship of these Bolivarian states, which support nonstate actors in the hemisphere, with Iran, a state that has for many years funded, trained, and protected Hezbollah, one of the most effective and efficient nonstate (or quasi-state) terrorist actors in the world. The growing presence of Hezbollah in the Latin American drug trade—both directly and through its proxies in West Africa and Southern Eurasia—presents a new and important threat to U.S. security.

The only thing the Bolivarian nations proclaiming "21st-century socialism" and the reactionary theocratic regime in Iran, have in common is a stated hatred for the United States and the desire to inflict damage on the nation they view as the "Evil Empire" or the "Great Satan." This is a new type of alliance of secular (self-proclaimed socialist and Marxist) and radical Islamist organizations with a common goal directly aimed at challenging and undermining the security of the United States and its primary allies in the region (Colombia, Chile, Peru, Panama, and Guatemala). This represents a fundamental change because both

primary state allies in the alliance (the governments of Venezuela and Iran) host and support nonstate actors, allowing the nonstate actors to thrive in ways that would be impossible without state protection.

Given this reality, it is imperative that U.S. intelligence community, military, and law enforcement agencies develop a much deeper and more nuanced understanding of how the criminalized state/TOC/terrorist groups and foreign hostile state and nonstate foreign actors exploit the ungoverned or stateless spaces in areas of close proximity to U.S. borders—and the dangers they represent both in their current configuration, and their future iterations. Understanding how these groups develop, and how they relate to each other and to groups from outside the region, is vital—particularly given the rapid pace with which they are expanding their control across the continent, across the hemisphere, and beyond. Developing a predictive capacity can be done based only on a more realistic understanding of the shifting networks of actors exploiting the pipelines; the nature and location of the geographic space in which they operate; the critical nodes where these groups are most vulnerable; and their behaviors in adapting to new political and economic developments, market opportunities and setbacks, internal competition, and the countering actions of governments.

In turn, an effective strategy for combating TOC must rest on a solid foundation of regional intelligence which, while cognizant of the overarching transnational connections, remains sensitive to unique local realities behind seemingly ubiquitous behaviors. A one-size-fits-all policy will not suffice. It is not a problem that is only, or primarily, a matter of state or regional security, narcotics, money laundering, ter-

rorism, human smuggling, weakening governance, democracy reversal, trade and energy, counterfeiting and contraband, immigration and refugees, hostile states seeking advantage, or alterations in the military balance and alliances. It is increasingly a combination of all of these. It is a comprehensive threat that requires analysis and management within a comprehensive, integrated whole-of-government approach. At the same time, however expansive in global terms, a strategy based on geopolitics—the fundamental understanding of how human behavior relates to geographic space—must always be rooted in the local.

ENDNOTES

1. "Fact Sheet: Strategy to Combat Transnational Organized Crime," Washington, DC: Office of the Press Secretary, the White House, July 25, 2011.

2. On the lower end, the United Nations (UN) Office of Drugs and Crime estimate transnational organized crime (TOC) earnings for 2009 at $2.1 trillion, or 3.6 percent of global gross domestic product (GDP). Of that, typical TOC activities such as drug trafficking, counterfeiting, human trafficking, weapons trafficking, and oil smuggling, account for about $1 trillion or 1.5 percent of global GDP. For details, see "Estimating Illicit Financial Flows Resulting from Drug Trafficking and other Transnational Organized Crimes," Washington, DC: UN Office of Drugs and Crime, September 2011. On the higher end, in a speech to Interpol in Singapore in 2009, U.S. Deputy Attorney General Ogden cited 15 percent of world GDP as total annual turnover of TOC. See Josh Meyer, "U.S. attorney general calls for global effort to fight organized crime," *Los Angeles Times*, October 13, 2009, available from *articles.latimes.com/print/2009/oct/13/nation/na-crime13*.

3. This definition is adapted from the 1998 UN Convention on Transnational Organized Crime and Protocols Thereto, UNODC, Vienna, Austria; and the *2011 Strategy to Combat Transnational Organized Crime,* available from *www.whitehouse.gov/administration/eop/nsc/transnational-crime/definition*.

4. The self-proclaimed "Bolivarian" states (Venezuela, Ecuador, Bolivia, and Nicaragua) take their name from Simón Bolivar, the revered 19th-century leader of South American independence from Spain. They espouse 21st-century socialism, a vague notion that is deeply hostile to free market reforms, to the United States as an imperial power, and toward traditional liberal democratic concepts, as will be described in detail.

5. One of the most detailed cases involved the 2001 weapons transfers among Hezbollah operatives in Liberia, a retired Israeli officer in Panama, and a Russian weapons merchant in Guatemala. A portion of the weapons, mostly AK-47 assault rifles, ended up with the United Self Defense Forces of Colombia (*Autodefensas Unidads de Colombia* [AUC]), a designated terrorist organization heavily involved in cocaine trafficking. The rest of the weapons, including anti-tank systems and anti-aircraft weapons, likely ended up with Hezbollah. For details, see Douglas Farah, *Blood From Stones: The Secret Financial Network of Terror*, New York: Broadway Books, 2004.

6. For a detailed look at this development, see Antonio L. Mazzitelli, "The New Transatlantic Bonanza: Cocaine on Highway 10," North Miami, FL: Western Hemisphere Security Analysis Center, Florida International University, March 2011.

7. The FARC is the oldest insurgency in the Western hemisphere, launched in 1964 by Colombia's Liberal Party militias, and enduring to the present as a self-described Marxist revolutionary movement. For a more detailed look at the history of the FARC, see Douglas Farah, "The FARC in Transition: The Fatal Weakening of the Western Hemisphere's Oldest Guerrilla Movement," NEFA Foundation, July 2, 2008, available from *www.nefafoundation.org/miscellaneous/nefafarc0708.pdf*.

8. These include recently founded Community of Latin American and Caribbean States (*Comunidad de Estados Latinoamericanos y Caribeños* [CELAC]), and the Bolivarian Alliance for the Peoples of Our America (*Alianza Bolivariana para los Pueblos de Nuestra América* [ALBA]).

9. James R. Clapper, Director of National Intelligence, "Unclassified Statement for the Record: Worldwide Threat Assess-

ment of the US Intelligence Community for the Senate Select Committee on Intelligence," January 31, 2012, p. 6.

10. For the most comprehensive look at Russian Organized Crime in Latin America, see Bruce Bagley, "Globalization, Ungoverned Spaces and Transnational Organized Crime in the Western Hemisphere: The Russian Mafia," paper prepared for International Studies Association, Honolulu, HI, March 2, 2005.

11. Ruth Morris, "China: Latin America Trade Jumps," *Latin American Business Chronicle*, May 9, 2011, available from *www.latinbusinesschronicle.com/app/article.aspx?id=4893*.

12. Daniel Cancel, "China Lends Venezuela $20 Billion, Secures Oil Supply," Bloomberg News Service, April 18, 2010. By the end of August 2011, Venezuela's publicly acknowledged debt to China stood at some $36 billion, equal to the rest of its outstanding international debt. See Benedict Mander, "More Chinese Loans for Venezuela," FT Blog, September 16, 2011, available from *blogs.ft.com/beyond-brics/2011/09/16/more-chinese-loans-4bn-worth-for-venezuela/#axzz1Z3km4bdg*.

13. "Quito y Buenos Aires, Ciudades preferidas para narcos nigerianos" ("Quito and Buenos Aires, Favorite Cities of Narco Nigerians"), *El Universo Guayaquil*, Ecuador, January 3, 2011.

14. Louise Shelley, "The Unholy Trinity: Transnational Crime, Corruption and Terrorism," *Brown Journal of World Affairs*, Vol. XI, Issue 2, Winter/Spring 2005.

15. National Security Council, "Strategy to Combat Transnational Organized Crime: Addressing Converging Threats to National Security," Washington, DC: Office of the President, July 2011. The Strategy grew out of a National Intelligence Estimate inititated by the Bush administration and completed in December 2008, and is a comprehensive government review of transnational organized crime, the first since 1995.

16. "Fact Sheet: Strategy to Combat Transnational Organized Crime," Washington, DC: Office of the Press Secretary, the White House, July 25, 2011.

17. *Ibid*.

18. Stewart Patrick, *Weak Links: Fragile States, Global Threats and International Security*, Oxford, UK: Oxford University Press, 2011.

19. The phrase "dangerous spaces" was used by Phil Williams to describe 21st-century security challenges in terms of spaces and gaps, including geographical, functional, social, economic, legal, and regulatory holes. See Phil Williams, "Here Be Dragons: Dangerous Spaces and International Security," Anne L. Clunan and Harold A. Trinkunas eds., *Ungoverned Spaces: Alternatives to State Authority in an Era of Softened Sovereignty*, Stanford, CA: Stanford University Press, 2010, pp. 34-37.

20. For a more complete look at Transnistria and an excellent overview of the global illicit trade, see Misha Glenny, *McMafia: A Journey Through the Global Criminal Underworld*, New York: Alfred A. Knopf, 2008.

21. For a complete look at the operations of Taylor, recently convicted in the Special Court for Sierra Leone in the Hague for crimes against humanity, see Douglas Farah, *Blood From Stones: The Secret Financial Network of Terror*, New York: Broadway Books, 2004.

22. For a look at the weapons transfers, see "Los 'rockets' Venezolanos" Semana, Colombia, July 28, 2009. For a look at documented financial and logistical support of Chávez and Correa for the FARC, see "The FARC Files: Venezuela, Ecuador, and the Secret Archives of 'Raúl Reyes,'" An IISS Strategic Dossier, Washington, DC: International Institute for Strategic Studies, May 2011. To see FARC connections to Evo Morales, see Douglas Farah, "Into the Abyss: Bolivia Under Evo Morales and the MAS," Alexandria, VA: International Assessment and Strategy Center, 2009.

23. Douglas Farah, "Iran in Latin America: Strategic Security Issues," Alexandria, VA: International Assessment and Strategy Center, Defense Threat Reduction Agency Advanced Systems and Concept Office, May 2011.

24. Rem Korteweg and David Ehrhardt, "Terrorist Black Holes: A Study into Terrorist Sanctuaries and Governmental Weakness," The Hague, The Netherlands: Clingendael Centre for Strategic Studies, November 2005, p. 22.

25. Robert H. Jackson, *Quasi-states: Sovereignty, International Relations and the Third World*, Cambridge, UK: Cambridge University Press, 1990. Jackson defines negative sovereignty as freedom from outside interference, the ability of a sovereign state to act independently, both in its external relations and internally, towards its people. Positive sovereignty is the acquisition and enjoyment of capacities, not merely immunities. In Jackson's definition, it presupposes "capabilities which enable governments to be their own masters" (p. 29). The absence of either type of sovereignty can lead to the collapse of or absence of state control.

26. Anne L. Clunan and Harold A. Trinkunas eds., *Ungoverned Spaces: Alternatives to State Authority in an Era of Softened Sovereignty*, Stanford, CA: Stanford University Press, 2010, p. 19.

27. Moises Naim, *Illicit: How Smugglers, Traffickers, and Copycats are Hijacking the Global Economy*, New York: Anchor Books, 2006, p. 33.

28. Robert Killebrew and Jennifer Bernal, "Crime Wars: Gangs, Cartels and U.S. National Security," Washington, DC: Center for New American Security, September 2010, available from *www.cnas.org/files/documents/publications/CNAS_CrimeWars_KillebrewBernal_3.pdf*.

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31. For a look at the factors that led to the rise of the Bolivarian leaders, see Eduardo Gamarra, "Bolivia on the Brink: Center for Preventative Action, Council on Foreign Relations, February 2007; Cynthia J. Arnson *et al*., *La Nueva Izquierda en América Latina: Derechos Humanos, Participación Política y Sociedad Civil* (*The New Left in Latin America: Human Rights, Political Participation and Civil Society*), Washington, DC: The Woodrow Wilson International Center for Scholars, January 2009; Farah, "Into the Abyss: Bolivia Under Evo Morales and the MAS"; Farah and Simpson.

32. See "Iran to Help Bolivia Build Peaceful Nuclear Power Plant," *Xinhua*, October 31, 2010; Russia Izvestia Information, September 30, 2008; and *Agence France Presse*, "Venezuela Wants to Work With Russia on Nuclear Energy: Chávez," September 29, 2008.

33. Author interview with IAEA member in November, 2011. The official said the agency had found that Iran possessed enough uranium stockpiled to last a decade. Moreover, he said the evidence pointed to acquisition of minerals useful in missile production. He also stressed that dual-use technologies or items specifically used in the nuclear program had often been shipped to Iran as automotive or tractor parts. Some of the principal investments Iran has made in the Bolivarian states have been in a tractor factory that is barely operational, a bicycle factory that does not seem to produce bicycles, and automotive factories that have yet to be built.

34. "Venezuela/Iran ALBA Resolved to Continue Economic Ties with Iran," *Financial Times Information Service*, July 15, 2010.

35. Manwaring.

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37. Louise I. Shelley, John T. Picarelli *et al*., *Methods and Motives: Exploring Links between Transnational Organized Crime and International Terrorism*, Washington, DC: Department of Justice, September 2005.

38. *Ibid*., p. 5.

39. While much of Operation TITAN remains classified, there has been significant open source reporting, in part because the Colombian government announced the most important arrests. For the most complete look at the case, see Jo Becker, "Investigation into bank reveals links to major South American cartels," *International Herald Tribune*, December 15, 2011. See also Chris Kraul and Sebastian Rotella, "Colombian Cocaine Ring Linked to Hezbollah," *Los Angeles Times*, October 22, 2008; and "Por Lavar Activos de Narcos y Paramilitares, Capturados Integrantes de Organización Internatcional" ("Members of an International Organization Captured for Laundering Money for Narcos and Paramilitaries"), Fiscalía General de la Republica (Colombia) (Attorney General's Office of Colombia), October 21, 2008.

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41. Benjamin Weiser and William K. Rashbaum, "Liberian Officials Worked with U.S. Agency to Block Drug Traffic," *New York Times*, June 2, 2010.

42. For a history of AQIM, see "Algerian Group Backs al Qaeda," BBC News, October 23, 2003, available from *news.bbc.co.uk/2/hi/africa/3207363.stm*. For an understanding of the relationship among the different ethnic groups, particularly the Tuareg, and AQIM, see *Terrorism Monitor*, "Tuareg Rebels Joining Fight Against AQIM?" Jamestown Foundation, Vol. 8, Issue 40, November 4, 2010.

43. Evan Perez, "U.S. Accuses Iran in Plot: Two Charged in Alleged Conspiracy to Enlist Drug Cartel to Kill Saudi Ambassador," *The Wall Street Journal*, October 12, 2011.

44. "La Amenaza Iraní" ("The Iranian Threat"), Univision Documentales, aired December 8, 2011.

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48. Mazzitelli.

49. "Drug Trafficking as a Security Threat in West Africa," New York: UN Office on Drugs and Crime, October 2008.

50. For a look at the chaos in Guinea Bissau, see "Guinea-Bissau president shot dead," BBC News, March 2, 2009, available from *news.bbc.co.uk/2/hi/7918061.stm*.

51. Patrick.

52. See, for example, Robert I. Rotberg, "Failed States, Collapsed States, Weak States: Causes and Indicators," *Failure and*

State Weakness in a Time of Terror, Washington, DC: Brookings Institution, January 2003.

53. Rotberg.

54. Rem Korteweg and David Ehrhardt, "Terrorist Black Holes: A Study into Terrorist Sanctuaries and Governmental Weakness," The Hague, The Netherlands: Clingendael Centre for Strategic Studies, November 2005, p. 26.

55. "The Failed States Index 2009," *Foreign Policy Magazine*, July/August 2009, pp. 80-93, available from *www.foreignpolicy.com/articles/2009/06/22/2009_failed_states_index_interactive_map_and_rankings*.

56. Julio A. Cirino *et al*., "Latin America's Lawless Areas and Failed States," in Paul D. Taylor, ed., *Latin American Security Challenges: A Collaborative Inquiry from North and South,* Newport, RI: Naval War College, Newport Papers 21, 2004. Commercial insurgencies are defined as engaging in "for-profit organized crime without a predominate political agenda," leaving unclear how that differs from groups defined as organized criminal organizations.

57. For details of Taylor's activities, see Douglas Farah, *Blood From Stones: The Secret Financial Network of Terror*, New York: Broadway Books, 2004.

58. Hannah Stone, "The Comeback of Suriname's 'Narco-President'," *Insightcrime.org*, Mar 4, 2011, available from *insightcrime.org/insight-latest-news/item/865-the-comeback-of-surinames-narco-president*.

59. Simon Romero, "Returned to Power, a Leader Celebrates a Checkered Past," *The New York Times*, May 2, 2011.

60. "Wikileaks: Chávez funded Bouterse," *The Nation* (Barbados), February 2, 2011.

61. Harmen Boerboom, "Absence of Chávez a blessing for Suriname," Radio Netherlands Worldwide, August 12, 2010.

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66. "FARC Terrorist Indicted for 2003 Grenade Attack on Americans in Colombia," Department of Justice Press Release, September 7, 2004. available from *www.usdoj.gov/opa/pr/2004/September/04_crm_599.htm*; and *Official Journal of the European Union*, Council Decision of December 21, 2005, available from *eur-lex.europa.eu/LexUriServ/site/en/oj/2005/l_340/l_34020051223en00640066.pdf*.

67. "The FARC Files: Venezuela, Ecuador and the Secret Archives of 'Raúl Reyes'," Washington, DC: International Institute for Strategic Studies," May 2011.

68. The strongest documentary evidence of Chávez's support for the FARC comes from the Reyes documents, which contained the internal communications of senior FARC commanders with senior Venezuelan officials. These documents discuss everything

from security arrangements in hostage exchanges to the possibility of joint training exercises and the purchasing of weapons. For full details of these documents and their interpretation, see *Ibid*.

69. "Treasury Targets Venezuelan Government Officials Support of the FARC," Washington, DC: U.S. Treasury Department, Office of Public Affairs, September 12, 2008. The designations came on the heels of the decision of the Bolivian government of Evo Morales to expel the U.S. ambassador, allegedly for supporting armed movements against the Morales government. In solidarity, Chávez then expelled the U.S. ambassador to Venezuela. In addition to the citations of the Venezuelan officials, the United States also expelled the Venezuelan and Bolivian ambassadors to Washington.

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71. "Venezuela: Asume Nuevo Ministro De Defensa Acusado de Narco por EEUU" ("Venezuela: New Minister Accused by the United States of Drug Trafficking Takes Office"), Agence France Presse, January 17, 2012.

72. Robert M. Morgenthau, "The Link Between Iran and Venezuela: A Crisis in the Making," speech at the Brookings Institution, Washington, DC, September 8, 2009.

73. Colombia, Venezuela: Another Round of Diplomatic Furor," *Strafor*, July 29, 2010.

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75. The Colombian decision to extradite Makled to Venezuela rather than the United States caused significant tension between the two countries and probably means that the bulk of the evidence he claims to possess will never see the light of day. Among the documents he presented in prison were his checks cashed by senior generals and government officials and videos of what appear to be senior government officials in his home discussing cash transactions. For details of the case, see José de Córdoba and Darcy Crowe, "U.S. Losing Big Drug Catch," *The Wall*

Street Journal, April 1, 2011; "Manhattan U.S. Attorney Announces Indictment of one of World's Most Significant Narcotics Kingpins," United States Attorney, Southern District of New York, November 4, 2010.

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82. Farah and Simpson.

83. For details of the relationships among these officials the president's sister, and the Ostaiza brothers, see Farah and Simpson.

84. "The FARC Files: Venezuela, Ecuador and the Secret Archives of 'Raúl Reyes'."

85. See, for example, Farah and Simpson; Huerta Montalvo; Arturo Torres, *Juego del Camaleón: Los secretos de Angostura* (*The Chameleon's Game: The Secrets of Angostura*), 2009.

86. "The FARC Files: Venezuela, Ecuador and the Secret Archives of 'Raúl Reyes'."

87. Farah, "Into the Abyss."

88. Eugene Roxas, "Spiritual Guide who gave Evo Baton caught with 350 kilos of liquid cocaine," *The Achacachi Post* (Bolivia), July 28, 2010.

89. "Panama arrests Bolivia ex-drugs police chief Sanabria," BBC News, February 26, 2011.

90. "Las FARC Buscaron el Respaldo de Boliva Para Lograr Su Expansión" ("The FARC Looked for Bolivian Support in Order to Expand").

91. The MAS is the coalition of indigenous and coca growing organizations that propelled Morales to his electoral victory. The movement, closely aligned with Chávez and funded by the Venezuelan government, has defined itself as Marxist, socialist, and anti-imperilist.

92. It is interesting to note that Peredo's brothers Roberto (aka Coco) and Guido (aka Inti) were the Bolivian contacts of Che Guevara, and died in combat with him. The two are buried with Guevara in Santa Clara, Cuba.

93. A copy of the founding manifesto of the EMP and its adherents is available from *bibliotecavirtual.clacso.org.ar/ar/libros/osal/osal10/documentos.pdf*.

94. Prensa Latina, "President Boliviano Anunica Creación de Estado Mayor Popular" ("Bolivian President Announces the Formation of a People's High Command"), February 2, 2006.

95. "Estado Mayor del Pueblo Convoca a Defender Al Gobierno de Evo" ("People's High Command Calls for the Defense of Evo's Government"), Agencia Boliviana de Informacion, April 17, 2006, available from *www.bolpress.com/art.php?Cod=2006041721*.

96. The situation has changed dramatically with the election of Juan Manuel Santos as President of Colombia in 2010. Despite serving as Uribe's defense minister during the most successful operations against the FARC and developing a deeply antagonistic relationship with Chávez in that capacity, relations between Santos and the Bolivarian heads of state have been surprisingly cordial since he took office. This is due in part to Santos' agreeing to turn over copies of the Reyes hard drives to Correa, and his expressed desire to normalize relations with Chávez. A particularly sensitive concession was allowing the extradition of Walid Makled, a designated drug kingpin by the United States, to be extradited to Venezuela rather than to stand trial in the United States.

97. "The FARC Files: Venezuela, Ecuador and the Secret Archives of 'Raúl Reyes'."

98. March 11, 2005, e-mail from Iván Ríos to Raúl Reyes, provided by Colombia officials, in possession of the author.

99. April 1, 2006, e-mail from Raúl Reyes to Aleyda, provided by Colombia officials, in possession of the author.

100. Following Ortega's disputed electoral triumph in November 2011, the FARC published a congratulatory communiqué lauding Ortega and recalling their historically close relationship. "In this moment of triumph how can we fail to recall that memorable scene in Caguán when you gave the Augusto Cesar Sandino medal to our unforgettable leader Manuel Marulanda. We have always carried pride in our chests for that deep honor which speaks to us of the broad vision of a man who considers himself to be a spiritual son of Bolivar." Available from *anncol.info/index.php?option=com_content&view=article&id=695:saludo-a-daniel-ortega&catid=71:movies&Itemid=589*.

101. Reyes was killed a few days after the CCB assembly when the Colombian military bombed his camp, which was in Ecuadoran territory. The bombing of La Angostura caused a severe

diplomatic rift between Colombia and Ecuador, but the raid also yielded several hundred gigabytes of data from the computers Reyes kept in the camp, where he lived in a hardened structure and had been stationary for several months.

102. Farah and Simpson.

103. "U.S. Counternarcotics Cooperation with Venezuela Has Declined," Washington, DC: Government Accountability Office, July 2009, GAO-09-806.

104. *Ibid*., p. 12.

105. For a more detailed look at this debate, see *Iran in Latin America: Threat or Axis of Annoyance?* in which the author has a chapter arguing for the view that Iran is a significant threat.

106. "'Jackal' book praises bin Laden," BBC News, June 26, 2003.

107. See, for example, Associated Press, "Chávez: 'Carlos the Jackal' a 'Good Friend'," June 3, 2006.

108. Raúl Reyes (trans.) and Hugo Chávez, "My Struggle," from a March 23, 1999, letter to Illich Ramirez Sánchez, the Venezuelan terrorist known as "Carlos the Jackal," from Venezuelan president Hugo Chávez, in response to a previous letter from Ramirez, who is serving a life sentence in France for murder. *Harper's*, October 1999, available from *harpers.org/archive/1999/10/0060674*.

109. In addition to Operation TITAN, there have been numerous incidents in the past 18 months in which operatives being directly linked to Hezbollah have been identified or arrested in Venezuela, Colombia, Guatemala, Aruba, and elsewhere in Latin America.

110. Verstrynge, born in Morocco to Belgian and Spanish parents, began his political career on the far right of the Spanish political spectrum as a disciple of Manuel Fraga, and served in a national and several senior party posts with the Alianza Popular. By his own admission he then migrated to the Socialist Party, but

never rose through the ranks. He is widely associated with radical anti-globalization views and anti-U.S. rhetoric, repeatedly stating that the United States is creating a new global empire and must be defeated. Although he has no military training or experience, he has written extensively on asymmetrical warfare.

111. Verstrynge., pp. 56-57.

112. Bartolomé. See also John Sweeny, "Jorge Verstrynge: The Guru of Bolivarian Asymmetric Warfare," September 9, 2005 available from *www.vcrisis.com*; and "Troops Get Provocative Book," *Miami Herald*, November 11, 2005.

113. "Turkey holds suspicious Iran-Venezuela shipment," Associated Press, June 1, 2009, available from *www.ynetnews.com/articles/0,7340,L-3651706,00.html*.

114. For a fuller examination of the use of websites, see Douglas Farah, "Islamist Cyber Networks in Spanish-Speaking Latin America," North Miami, FL: Western Hemisphere Security Analysis Center, Florida International University, September 2011.

115. "Hispan TV begins with 'Saint Mary'," *Tehran Times*, December 23, 2011, available from *www.tehrantimes.com/arts-and-culture/93793-hispan-tv-begins-with-saint-mary*.

116. For a more complete look at Iran's presence in Latin America, see Douglas Farah, "Iran in Latin America: An Overview," Washington, DC: Woodrow Wilson International Center for Scholars, Summer 2009 (to be published as a chapter in *Iran in Latin America: Threat or Axis of Annoyance?* Cynthia J. Arnson *et al*., eds., 2010. For a look at the anomalies in the economic relations, see also Farah and Simpson.

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123. Simon Romero, "Venezuela Says Iran is Helping it Look for Uranium," *New York Times*, September 25, 2009.

124. Nikolai Spassky, "Russia, Ecuador strike deal on nuclear power cooperation," *RIA Novosti*, August 21, 2009.

125. José R. Cárdenas, "Iran's Man in Ecuador," *Foreign Policy*, February 15, 2011, available from *shadow.foreignpolicy.com/posts/2011/02/15/irans_man_in_ecuador*.

126. The primary problem has been the inability of the Colombian government to deliver promised services and infrastructure after the military has cleared the area. See John Otis, "Decades of Work but No Land Titles to Show for It," *GlobalPost*, November 30, 2009. For a more complete look at the challenges posed by the reemergence and adaptability of armed groups, see *Fundación Arco Iris, Informe 2009: El Declive de la Seguridad Democratica?* (*Report 2009: The Decline of Democratic Security?*), available from *www.nuevoarcoiris.org.co/sac/?q=node/605*.

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