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Latin America: Terrorism Issues

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Summary

Compared to other parts of the world, the potential threat emanating from terrorism is low in most countries in Latin America. Most terrorist acts occur in the Andean region of South America, committed by two Colombian guerrilla groups—the Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army (ELN)—and one Peruvian guerrilla group, the Shining Path (SL). All three of these groups have been designated by the U.S. State Department as Foreign Terrorist Organizations (FTOs). The FARC, however, has been engaged in peace negotiations with the Colombian government since 2012, culminating in a peace accord signed in September 2016. Although the accord was narrowly rejected by a national plebiscite in early October, both sides hammered out a new peace accord in November 2016, which was ratified by Colombia's Congress at the end of that month. Negotiations between the Colombian government and the smaller ELN had several false starts in 2016, although to date formal talks with the government have not started. The Shining Path has been significantly diminished because of Peruvian military operations.

For a number of years, there has also been U.S. concern about Iran's increasing activities in the region as well as those of Hezbollah, the radical Lebanon-based Islamic group with close ties to Iran. Both are reported to be linked to the 1994 bombing of the Argentine-Israeli Mutual Association (AMIA) that killed 85 people in Buenos Aires. More recently, U.S. concerns have included financial and ideological support in South America and the Caribbean for the Islamic State (also known as the Islamic State of Iraq and the Levant, ISIL/ISIS), including the issue of individuals from the region leaving to fight with the Islamic State.

The United States employs various policy tools to counter terrorism in the region, including sanctions, antiterrorism assistance and training, law enforcement cooperation, and multilateral cooperation through the Organization of American States (OAS). In addition to sanctions against U.S.-designated FTOs in the region, the United States has imposed an arms embargo on Venezuela since 2006 because the Department of State has determined that Venezuela is not fully cooperating with U.S. antiterrorism efforts. The United States has also imposed sanctions on several current and former Venezuelan officials for assisting the FARC and on numerous individuals and companies in Latin America for providing support to Hezbollah. Cuba had been on the State Department's so-called list of state sponsors of terrorism since 1982, but in May 2015, the Obama Administration rescinded Cuba's designation as part of its overall policy shift on Cuba.

Legislative Initiatives and Oversight

The 114th Congress continued oversight of terrorism concerns in the Western Hemisphere, with House hearings on the activities of Iran and Hezbollah, the peace agreement in Colombia, border security management and concerns, and terrorist financing in South America.

Several legislative initiatives were introduced in the 114th Congress but ultimately not approved. The House passed H.R. 4482 (McSally) in April 2016, which would have required the Secretary of Homeland Security to prepare a southwest border threat analysis and strategic plan, including efforts to detect and prevent terrorists and instruments of terrorism from entering the United States.

With regard to the AMIA bombing and Iran, two Senate resolutions were introduced: S.Res. 167 (Rubio) would have called for an internationally backed investigation into the January 2015 death of the AMIA special prosecutor in Argentina, Alberto Nisman, and urged the President to continue to monitor Iran's activities in Latin America and the Caribbean, and S.Res. 620 (Coons)

would have, among its provisions, encouraged Argentina to investigate and prosecute those responsible for the AMIA bombing and the death of Nisman.

Several initiatives dealt with Cuba's harboring of U.S.-wanted fugitives, an issue that had been noted for many years in the State Department's annual terrorism report. A provision in the House version of the FY2017 National Defense Authorization Act (NDAA), H.R. 4909, would have prohibited funding for any bilateral military-to-military contact or cooperation pending certification that Cuba had fulfilled numerous conditions, including Cuba's return of U.S. fugitives; ultimately, the language regarding fugitives was not included in the conference report to the FY2017 NDAA. (For more information on these and other bills, see "Legislative Initiatives and Oversight," below.)

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Terrorism in Latin America: An Overview

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

The State Department's annual *Country Reports on Terrorism* (hereinafter referred to as the terrorism report) highlights U.S. concerns about terrorist threats around the world, including in Latin America.[1] According to the 2015 terrorism report (issued in June 2016), transnational criminal organizations (such as drug trafficking organizations) continued to pose a more significant threat to the region than terrorism, and most countries made efforts to investigate possible connections with terrorist organizations. In terms of Latin American countries' abilities to combat terrorism, the State Department maintained in the 2015 report that in some countries a lack of significant progress on countering terrorism occurred because of "corruption, weak government institutions, insufficient interagency cooperation, weak or non-existent legislation, and a lack of resources."

As in recent years, the State Department maintained in the 2015 terrorism report that the primary terrorist threats in Latin America stemmed from two Colombian guerrilla groups—the Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army (ELN)—responsible for the majority of terrorist attacks in the region. The Colombian government has been involved in peace talks with the FARC since 2012, and it concluded and signed a peace agreement with the FARC in September 2016. Colombian voters rejected the agreement in a national plebiscite in early October 2016, but the Colombian government and the FARC reached a new agreement on November 12, 2016, which was approved by Colombia's Congress at the end of that month. Although preliminary talks between the Colombian government and the ELN were initiated in 2014, the opening of official talks has stalled. (See "Colombia" section, below.)

For a number of years, U.S. policymakers have expressed concerns about Iran's deepening relations with several Latin American countries, especially Venezuela, and Iran's activities in the region. A June 2013 State Department report to Congress pursuant to the Countering Iran in the Western Hemisphere Act of 2012 (P.L. 112-220) described Iranian influence in Latin America and the Caribbean as "waning." Many analysts contend that Iranian relations with the region have diminished since current Iranian President Hassan Rouhani took office in 2013. In presenting the 2016 posture statement of the U.S. Southern Command (SOUTHCOM) to Congress in March 2016, Admiral Kurt W. Tidd stated that "as a state sponsor of terrorism, Iran's nefarious involvement in the Western Hemisphere is a matter for concern." He noted that although Iranian engagement has waned in recent years, President Rouhani has pledged several times his intent to increase economic, scientific, and cultural ties with Latin America.[2] (See "Iran's Activities in Latin America," below.)

One of the main concerns about Iran's increasing relations with the region has been Iran's ties to Hezbollah, the radical Lebanon-based Islamic group that the Department of State designated a Foreign Terrorist Organization (FTO) in 1997. The State Department asserted in its 2015

[1] U.S. Department of State, *Country Reports on Terrorism 2015*, June 2016, at http://www.state.gov/j/ct/rls/crt/2015/index.htm.

[2] Posture statement of Admiral Kurt W. Tidd, Commander, U.S. Southern Command, before the 114th Congress, Senate Armed Services Committee, March 10, 2016, at http://www.armed-services.senate.gov/download/tidd_03-10-16.

terrorism report that Hezbollah "continued to maintain a presence in the region, with members, facilitators, and supporters engaging in activity in support of the organization," including efforts to build the organization's "infrastructure in South America and fundraising, both through licit and illicit means." It noted Hezbollah fundraising activities in the tri-border area (TBA) of Argentina, Brazil, and Paraguay and the presence of Hezbollah supporters and sympathizers in Venezuela.

Beyond Hezbollah, the report noted that the TBA "remained an important regional nexus of arms, narcotics, pirated goods, human smuggling, counterfeiting, and money laundering—all potential funding sources for terrorist organizations."

The 2015 terrorism report also stated that South America and the Caribbean served as areas of financial and ideological support for the Islamic State of Iraq and the Levant (ISIL) and other terrorist groups in the Middle East and South Asia. It touched on the issue of individuals from South America and the Caribbean leaving the region to fight with the Islamic State. In March 2016, SOUTCHOM Commander Admiral Tidd estimated that some 100-150 foreign fighters had traveled from the region to Syria and Iraq.[3] By October 2016, however, Admiral Tidd noted in a press conference that the outflow of foreign fighters from the region had been "significantly curtailed" because of the significant success in Iraq and Syria by the U.S.-led coalition.[4]

From 1982 until May 2015, Cuba was on the State Department's so-called state sponsors of terrorism list pursuant to Section 6(j) of the Export Administration Act (EAA) of 1979 and other provisions of law. As part of President Obama's shift on Cuba policy announced in December 2014, the State Department conducted a review of Cuba's designation on the state sponsors list, and in April 2015, President Obama submitted a report to Congress justifying the rescission of Cuba's designation. The President certified that the Cuban government "has not provided any support for international terrorism during the preceding 6-month period" and "has provided assurances that it will not support acts of international terrorism in the future." This ultimately led to the Secretary of State rescinding Cuba's designation in May 2015. (See "Cuba" section, below.)

Venezuela currently is on the State Department's annual list of countries determined to be not cooperating fully with U.S. antiterrorism efforts pursuant to Section 40A of the Arms Export Control Act. The most recent annual determination was made by the Secretary of State on May 11, 2016.[5] Venezuela has been on the list since 2006 and, as a result, has been subject to a U.S. arms embargo. (Cuba had been on the Section 40A list since 1997, when the annual determination was first established, but was taken off the list in 2015.) U.S. officials have expressed concerns over the past decade about Venezuela's lack of cooperation on antiterrorism efforts, its relations with Iran, and the involvement of senior Venezuelan officials in supporting the drug and weapons trafficking activities of the FARC. (See "Venezuela" section, below.)

[3] "Department of Defense Press Briefing by Adm. Tidd in the Pentagon Briefing Room," Federal Information & News Dispatch Inc., March 10, 2016.

[4] "Department of Defense Press Briefing by Adm. Tidd on Joint Task Force-Matthew Relief Efforts in Haiti," Federal Information & News Dispatch Inc., October 18, 2016; and Carla Babb, "U.S. Admiral: Fewer Latin Americans Joining IS Fight in Mideast," Voice of America Press Releases and Documents, Federal Information & News Dispatch Inc., October 18, 2016.

[5] U.S. Department of State, "Determination and Certification Under Section 40A of the Arms Export Control Act," 81 *Federal Register* 35436, June 2, 2016.

Colombia[6]

Three violent Colombian groups have been designated by the Secretary of State as FTOs. Two of these, the leftist Revolutionary Armed Forces of Colombia (FARC) and the leftist National Liberation Army (ELN), were designated in 1997 and are active guerrilla groups. A third group, the rightist paramilitary United Self-Defense Forces of Colombia (AUC), was designated an FTO in 2001, but the group has been demobilized for nine years. In July 2014, the AUC was de-listed as an FTO by the U.S. Secretary of State.

The FARC, a leftist guerrilla group heavily involved in drug production and trafficking, was established in the mid-1960s. Over the past several years, the FARC has been weakened significantly by the government's military campaign against it. Yet, the FARC is estimated to have about 7,000-8,000 fighters remaining who have operated in various locations throughout Colombia. The group has been responsible for terrorist attacks, including the destruction of infrastructure, kidnapping, and extortion, and, in recent years, it has diversified into illegal mining.[7] In the aftermath of the killing of FARC leader Alfonso Cano by Colombian security forces in November 2011, the FARC chose Rodrigo Londoño, also known as Timoleón Jiménez or Timochenko, as its new leader.

Colombia's President Juan Manuel Santos initiated formal peace talks with the FARC in 2012 concentrating on a six-part agenda, including land and rural development; political participation; illicit drugs; victims' reparations and transitional justice; and the demobilization, disarmament, and reintegration of the FARC. In September 2016, the government and the FARC signed a peace accord that ultimately was rejected by a slim majority in a plebiscite in October. Peace accord critics, led by popular former president and now Senator Álvaro Uribe, had mobilized a campaign to reject the accord. They highlighted many perceived weaknesses of the accord, such as inadequate punishment for FARC violations, lack of an appropriate appeal for forgiveness from FARC fighters, and overly generous guarantees for the FARC's future political role.

A second peace accord, which the government maintained responded to criticisms of the No campaign, was signed and then ratified by Colombia's Congress on November 30, 2016. The U.N. Security Council, which had sent a mission to help with the anticipated FARC demobilization, was redirected to serve as a guarantor of the bilateral cease-fire through the end of 2016. An immediate concern is whether the cease-fire will hold. Some observers maintain that a swiftly enacted peace accord leading to FARC disarmament and reintegration into rural communities will reduce violence and have many benefits, including enhanced economic growth. Critics of the second accord, however, contend that the Santos Administration still gave too many concessions to the FARC, especially in allowing the FARC's top leadership to enter politics and avoid prison.

The State Department's 2015 terrorism report maintained that terrorist incidents in the country—perpetrated largely by the FARC (Colombia's largest active terrorist group) and the ELN—decreased considerably during the year compared to 2014 and that government statistics showed that infrastructure sabotage was down. According to the report, the FARC reportedly focused on low-cost, high-impact attacks, such as launching mortars at police stations or the military, placing explosive devices near roads or paths, and conducting ambushes. The report notes that the Colombian government gradually reduced military operations against the FARC during the year, including suspension of aerial bombardments as a de-escalation measure in response to unilateral

[6] For additional information, see CRS Report R43813, *Colombia: Background and U.S. Relations*, by June S. Beittel.

[7] Historically the FTO has been responsible for numerous kidnappings, but it claimed to end the practice in early 2012 in an overture to open peace talks with the Colombian government.

cease-fires declared by the FARC. This resulted in less violence, except for an interlude in April and May 2015 after a FARC attack on Colombian soldiers in Cauca. The 2015 report maintained that the number of FARC and ELN guerrilla fighters who were captured, killed, or demobilized decreased slightly during 2015 in comparison to 2014 and that civilian deaths caused by the guerrilla organizations also decreased.

The FARC has continued to use the territory of several of Colombia's neighbors—Ecuador, Panama, and Venezuela—according to the State Department's 2015 terrorism report, although all the governments worked with Colombia and in some cases independently to reduce the presence of Colombian insurgents and drug trafficking groups. Border areas with Venezuela, Panama, and Ecuador reportedly are used for incursions into Colombia, and Venezuelan and Ecuadorian territory reportedly is used for safe haven, according to the report. (See **Figure 1**.)

The ELN, a Marxist-Leninist group formed in 1965, reportedly has a membership of around 2,000 fighters but has continued to undertake attacks and inflict casualties despite diminished resources and reduced offensive capability. In recent years, the ELN has been involved in joint attacks with the FARC. Like the FARC, the group derives its funding from drug trafficking as well as from kidnapping and extorting oil and gas companies. In 2015, the ELN increased its attacks on oil pipelines and equipment and continued to kidnap for ransom, a factor that continues to be at issue with opening a formal peace process with the current Colombian government. The ELN has been located largely in the rural and mountainous areas of northern, northeastern, and southwestern Colombia and in the eastern border region with Venezuela, where the group reportedly has its base. In June 2014, the ELN and the Colombian government confirmed that they were engaged in exploratory peace talks, but official talks slated to begin in Ecuador at the end of March 2016 were delayed. Formal peace talks slated to open in late October 2016 had to be deferred as well because the ELN would not release all kidnap victims that it held, which was a Santos government precondition to start official talks.

The AUC was formed in 1997 as a loose affiliation of right-wing paramilitary groups targeting leftist guerrillas. It carried out numerous political killings and kidnappings and was heavily involved in the drug trade. Although more than 32,000 AUC members demobilized between 2003 and 2006 and the group's paramilitary chiefs stepped down, the organization remained on the FTO list until 2014. Consequently, many former paramilitaries joined criminal groups, called criminal bands or Bacrim by the Colombian government. The Bacrim are primarily involved in drug trafficking but also participate in extortion and other violent crimes. In 2013, Los Urabeños emerged as the dominant Bacrim (sometimes referred to as the Clan Úsuga), gaining nearly 3,000 members by 2015.[8] A Colombian NGO, Indepaz, has anticipated that there could be a territorial reorganization of the "narco-paramilitary groups" in the aftermath of a peace accord with the FARC, with the Bacrim groups vying to take over FARC drug and illegal mining businesses.[9]

[8] The group members sometimes refer to themselves by an old name, Autodefensas Gaitanistas de Colombia (AGC), or their name as part of the umbrella organization of paramilitaries, the AUC, that demobilized formally between 2003 and 2006.

[9] Indepaz, *XI Informe de Presencia de Grupos Narcoparamilitares en 2014*," December 8, 2015.

Figure 1. Colombia and Neighboring Countries

Source: CRS.

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

Cuba[10]

Cuba had a history of supporting revolutionary movements and governments in Latin America and Africa, but, in 1992, then Cuban leader Fidel Castro said that his country's support for insurgents abroad was a thing of the past. Most analysts accept that Cuba's policy generally did change, largely because the breakup of the Soviet Union resulted in the loss of billions in subsidies.

From March 1982 until May 2015, the Department of State, pursuant to Section 6(j) of the Export Administration Act (EAA) of 1979 and other laws,[11] had included Cuba among its list of states sponsoring terrorism. For a number of years, Cuba's retention on the terrorism list had been questioned by some observers. In general, those who supported keeping Cuba on the list pointed to the government's history of supporting terrorist acts and armed insurgencies and continued hosting of members of foreign terrorist organizations and U.S. fugitives from justice. Critics of retaining Cuba on the terrorism list maintained that it was a holdover of the Cold War. They argued that domestic political considerations kept Cuba on the terrorism list and maintained that Cuba's presence on the list diverted U.S. attention from struggles against serious terrorist threats.

In December 2014, President Obama unveiled a new policy approach toward Cuba that would move U.S. policy away from sanctions and toward a policy of engagement. One element of the changed policy was ordering a review of Cuba's designation by the State Department as a state sponsor of international terrorism. President Obama directed Secretary of State Kerry to review Cuba's designation "guided by the facts and the law." The President stated that "at a time when we are focused on threats from al Qaeda to ISIL, a nation that meets our conditions and renounces the use of terrorism should not face this sanction."[12] The State Department review was completed in April 2015, and the President transmitted to Congress a report justifying the rescission of Cuba's designation as a state sponsor of terrorism. No resolutions of disapproval were introduced in Congress to block the rescission, which took place on May 29, 2015, 45 days after the submission of the report to Congress.

In the Administration's report, President Obama, following the process set forth by terrorist-list provisions of law cited above, certified that the Cuban government "has not provided any support for international terrorism during the preceding 6-month period" and "has provided assurances that it will not support acts of international terrorism in the future." The memorandum of justification accompanying the report maintained that Cuba had taken steps in recent years to fully distance itself from international terrorism and to strengthen its counterterrorism laws. The justification stated there was no credible evidence that Cuba had, within the preceding six months, provided specific material support, services, or resources to members of the FARC or ELN, two Colombian guerrilla groups, outside of facilitating the peace process between those organizations and the government of Colombia. It also stated that the Cuban government continued to allow approximately two dozen members of Basque Fatherland and Liberty (ETA), a Spanish terrorist group, to remain in the country, with most of those entering Cuba following an agreement with the government of Spain. The justification also noted the problem of Cuba's harboring of fugitives wanted in the United States and stated that the "strong U.S. interest in the return of these fugitives" would be served by entering into a bilateral law enforcement dialogue

[10] For additional information, see CRS Report R43926, *Cuba: Issues and Actions in the 114th Congress*, by Mark P. Sullivan.

[11] Section 620A of the Foreign Assistance Act of 1961 and Section 40 of the Arms Export Control Act. See CRS Report R43835, *State Sponsors of Acts of International Terrorism—Legislative Parameters: In Brief*, by Dianne E. Rennack.

[12] White House, "Statement by the President on Cuba Policy Changes," December 17, 2014.

with Cuba to resolve these cases. (For additional information, see CRS Report R43926, *Cuba: Issues and Actions in the 114th Congress*.)

In addition to Cuba's removal from the state sponsors of terrorism list, in May 2015, Secretary of State Kerry dropped Cuba from the annual determination (pursuant to Section 40A of the Arms Export Control Act and due by May 15 of each year) identifying countries that are not fully cooperating with United States antiterrorism efforts.[13] Cuba had been designated annually since that annual determination was established in 1997.

Peru

The brutal Shining Path (Sendero Luminoso, or SL) Maoist insurgency has operated as a terrorist group in Peru since 1980 and was designated by the Department of State as a foreign terrorist organization in 1997. The group was significantly weakened in the 1990s with the capture of its leader, Abimael Guzman, who, after a new trial in 2006, was sentenced to life in prison.

According to the 2015 State Department terrorism report, although SL remained active, its strength was reduced and its "ability to conduct coordinated attacks and its membership both continued to decline with successful Peruvian military operations." The group reportedly had just one active faction, with its area of operation limited to the Apurimac, Ene, and Mantaro River Valley (VRAEM) in south-central Peru. SL is reported to sustain itself through its involvement in drug production and trafficking and extortion of taxes from others involved in the drug trade. Its strength was reported to number 250-300 combatants, including some 60-100 hardcore fighters, according to the terrorism report. It reportedly committed 13 terrorist acts in 2015 compared to 20 in 2014.

In addition to the SL's designation as an FTO, in June 2015, the Treasury Department's Office of Foreign Assets Control identified SL as a significant foreign narcotics trafficker pursuant to the Foreign Narcotics Kingpin Designation Act, and sanctioned three SL leaders—Victor Quispe Palomino (Comrade José), Jorge Quispe Palomino (Comrade Raúl), and Florindo Eleuterio Flores Hala (Comrade Artemio, who has been imprisoned in Peru since 2012).[14] All three SL leaders had been indicted by a U.S. federal court in New York in July 2014 on charges including conspiring to provide material support to the SL and conspiracy to commit narco-terrorism.[15]

In November 2016, the State Department designated Victor and Jorge Quispe Palomino and Tarcela Loya Vilchez as Specially Designated Global Terrorists under Executive Order 13224, which authorizes sanctions on foreign persons and groups who commit, threaten to commit, or support terrorism. The sanctions block all property of the individuals subject to U.S. jurisdiction and prohibit U.S. persons from engaging in any transactions with them.[16]

[13] U.S. Department of State, "Determination and Certification Under Section 40A of the Arms Export Control Act," 80 *Federal Register* 30319, May 27, 2015.

[14] U.S. Department of the Treasury, "Treasury Sanctions Peruvian Narco-Terrorist Group and Three Key Leaders," June 1, 2015.

[15] U.S. Department of Justice, Offices of the United States Attorneys, Southern District of New York, "Manhattan U.S. Attorney Announces Charges Against Three Leaders of Peruvian Terrorist Organizations Shining Path," July 2, 2014.

[16] U.S. Department of States, "State Department Terrorist Designations of Victor Quispe Palomino, Jorge Quispe Palomino, and Tarcela Loya Vilchez," November 22, 2016.

Venezuela[17]

U.S. officials have expressed concerns over the past several years about Venezuela's lack of cooperation on antiterrorism efforts, the involvement of senior Venezuelan government officials in supporting the drug and arms trafficking activities of the FARC, and Venezuela's relations with Iran. Since May 2006, the Secretary of State has made an annual determination that Venezuela has not been "cooperating fully with United States antiterrorism efforts" pursuant to Section 40A of the Arms Export Control Act (AECA). The most recent determination was made in May 2016.[18] As a result, the United States has imposed an arms embargo on Venezuela since 2006, which ended all U.S. commercial arms sales and retransfers to Venezuela. (Other countries currently on the Section 40A list include Eritrea, Iran, North Korea, and Syria, not to be confused with the "state sponsors of terrorism" list under Section 6(j) of the Export Administration Act of 1979 and other provisions of law.) The United States has also imposed various sanctions on Venezuelan individuals and companies for supporting the FARC, Iran, and Hezbollah.

As it has for several years, the State Department maintained in its 2015 terrorism report that, although Venezuela is not classified as a state sponsor of terrorism, "there were credible reports that Venezuela maintained a permissive environment that allowed for support of activities that benefited known terrorist groups." It further stated that individuals linked to such terrorist groups as the FARC, ELN, and ETA, as well as Hezbollah sympathizers and supporters, were present in Venezuela.

According to the 2015 terrorism report, the FARC often uses Colombia's border areas with Venezuela for incursions into Colombia and also used Venezuelan territory for safe haven. The State Department also stated, however, that the foreign ministers of Venezuela and Colombia met several times to address such issues as the activity of illegally armed groups, the smuggling of illegal goods, and narcotics trafficking. It further noted Venezuela's participation in support of ongoing negotiations between the FARC and the Colombian government.

As in previous reports, the State Department maintained in the 2015 terrorism report that Venezuela's border security at ports of entry is vulnerable and susceptible to corruption. It noted that the Venezuelan government did not perform biographic and biometric screening at ports of entry or exit and that there was no automated system to collect advance passenger name records on commercial flights.

With regard to Venezuela's relations with Iran, there was significant concern among policymakers about the growing relationship between the two countries during the rule of Venezuelan President Hugo Chávez (1999-2013) and Iranian President Mahmoud Ahmadinejad (2005-2013), during which Venezuela arguably served as Iran's entry to the region. In the aftermath of the departure of Ahmadinejad from office and the death of Chávez in 2013, many analysts contend that Iranian relations with the region have diminished since current Iranian President Hassan Rouhani took office in 2013. Nevertheless, Iranian activities in the region remain a concern for U.S. officials. (For more see "Iran's Activities in Latin America," below.)

[17] For additional background on Venezuela, see CRS Report R43239, *Venezuela: Issues for Congress, 2013-2016*, by Mark P. Sullivan.

[18] *Federal Register*, "Determination and Certification Under Section 40A of the Arms Export Control Act," June 2, 2016, p. 35436.

Iran's Activities in Latin America

For a number of years, there has been concern among policymakers about Iran's activities in Latin America. During the presidency of Mahmoud Ahmadinejad (2005-2013), Iran worked to increase its ties with Latin American countries, centered on Iran's attempts to work with regional governments to circumvent international sanctions. During this period, Venezuela under President Hugo Chávez (1999-2013) arguably served as Iran's gateway to the region. (See "Iran's Latin America Overtures Under Ahmadinejad," below.) Both Iran and Hezbollah, the radical Lebanon-based Islamic group and U.S.-designated FTO with which Iran has strong ties, are reported to be linked to two bombings against Jewish targets in Buenos Aires, Argentina, in the early 1990s: the 1992 bombing of the Israeli Embassy, which killed 30 people, and the 1994 bombing of the Argentine-Israeli Mutual Association (AMIA), which killed 85 people. (See "AMIA Bombing Investigation," below.)

In the aftermath of Ahmadinejad's departure from office and Chavez's death in 2013, many analysts contend that Iranian relations with the region have diminished. Current Iranian President Hassan Rouhani, who took office in August 2013, has not prioritized relations with Latin America. Rouhani undertook his first trip to the region in September 2016, three years after he first took office, stopping in Venezuela for a meeting of the Non-Aligned Movement and then traveling to Cuba for a two-day official visit before heading to the U.N. General Assembly meeting in New York. Iran's Foreign Minister traveled to seven Latin American countries in August and September 2016—Cuba, Nicaragua, Ecuador, Chile, Bolivia, Venezuela, and Mexico—with the goal of strengthening trade and cooperation in the aftermath of international sanctions on the country being lifted.[19]

Despite the waning of Iranian engagement in the region, U.S. officials remain vigilant about Iran's activities in Latin America. SOUTHCOM Commander Admiral Kurt Tidd stated in the command's 2016 posture statement that "as a state sponsor of terrorism, Iran's nefarious involvement in the Western Hemisphere is a matter for concern." He noted that President Rouhani has pledged to increase economic, scientific, and cultural ties with Latin America.[20]

Middle East analysts point out that Iran's key foreign policy focus remains its immediate region. It is in the Middle East, and South and Central Asia, where the Iranian regime perceives potential threats to its survival, and in which Iran has, for ideological, religious, and political motives, tried to alter political outcomes in its favor. Whatever efforts Iran has made to engage like-minded leaders in Latin America, these efforts do not approach its level of involvement in countries such as Iraq, Afghanistan, Syria, or Lebanon.[21]

As noted above, another reason for U.S. concern about Iran's relations with Latin America has been its ties to Hezbollah, which, along with Iran, reportedly is linked to two bombings against Jewish targets in Argentina in the early 1990s. In recent years, U.S. concerns regarding Hezbollah in Latin America have focused on its fundraising activities among sympathizers in the region,

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[19] Sabina Di Muro, "Spotlight: Emerging Iran Looks to Latin America for Cooperation," Xinhua News Agency, August 29, 2016; "Iranian Official Discusses FM's Visit to Latin American Countries," BBC Monitoring Middle East (text of report from *E'temad*, [Iran]), September 5, 2016; and "Zarif in Mexico, Later to Depart for Venezuela," Mehr News Agency, September 14, 2016.

[20] Posture statement of Admiral Kurt W. Tidd, Commander, U.S. Southern Command, before the 114th Congress, Senate Armed Services Committee, March 10, 2016, at http://www.armed-services.senate.gov/download/tidd_03-10-16.

[21] For additional background on Iran and its foreign policy, see CRS Report R44017, *Iran's Foreign and Defense Policies*, by Kenneth Katzman.

particularly the tri-border area (TBA) of Argentina, Brazil, and Paraguay (see **Figure 2**), but also in other parts of the region.[22] (At the same time, U.S. officials point out that Hezbollah's primary funding is from Iran and not from fundraising activities in Latin America.) The Brazilian city of Foz do Iguaçu and the Paraguayan city of Ciudad del Este have large Muslim populations. The TBA has long been used for arms and drug trafficking, contraband smuggling, document and currency fraud, money laundering, and the manufacture and movement of pirated goods.

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

Source: CRS.

The State Department's 2015 terrorism report states that Hezbollah has continued to maintain a presence in the region, "with members, facilitators, and supporters engaging in activity in support of the organization." This activity, according to the report, included "efforts to build Hezbollah's infrastructure in South America and fundraising, both through licit and illicit means." Some observers view Hezbollah's regional involvement in illicit activities as a means to raise money, as opposed to the organization having an ideological agenda in Latin America or pursuing one on behalf of Iran.[23]

Iran's Latin America Overtures Under Ahmadinejad

Venezuela's relations with Iran have been long-standing because they were both founding members of OPEC in 1960. In the aftermath of the 1979 Iranian revolution, Iran fostered closer

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

[23] For example, see Steven Dudley, co-director, Insight Crime, "Terrorism and Crime in the Americas – 'It's Business,'" Remarks before the Inter-American Committee Against Terrorism, Organization of American States, February 26, 2014.

relations with Cuba and with Nicaragua (after the 1979 Sandinista revolution). Under the government of President Mohammed Khatami (1997-2005), Iran made efforts to increase its trade with Latin America, particularly Brazil, and there were also efforts to increase cooperation with Venezuela. Venezuelan President Hugo Chávez visited Iran in 2001 and 2003, which led to a joint venture agreement to produce tractors in Venezuela.[24]

Not until President Ahmadinejad's rule began in 2005, however, did Iran aggressively work to increase its diplomatic and economic linkages with Latin American countries. A major rationale for this increased focus on Latin America was Iran's efforts to overcome its international isolation and reduce the effect of increasing sanctions. The personal relationship between Ahmadinejad and Venezuelan President Hugo Chávez also drove the strengthening of bilateral ties. The two nations signed a variety of agreements in agriculture, petrochemicals, oil exploration in the Orinoco region of Venezuela, the manufacturing of automobiles, and housing. Weekly flights between the two countries began in 2007 but were curtailed in 2010.[25] The State Department had expressed concern about these flights, maintaining that they were only subject to cursory immigration and customs controls.

Venezuela under Hugo Chávez also played a key role in the development of Iran's expanding relations with other countries in the region. This outreach largely focused on leftist governments that share the goal of reducing U.S. influence in the region. Iran's relations have grown with Bolivia under President Evo Morales, with Ecuador under President Rafael Correa, and with Nicaragua under President Daniel Ortega. While Iran has promised assistance and investment to these countries, observers maintain that there is little evidence that such promises have been fulfilled.[26]

From 2006 to 2013, Iranian President Ahmadinejad visited Latin America eight times, most often Venezuela, but he also visited Bolivia, Brazil, Ecuador, Nicaragua, and Cuba. In 2012, Ahmadinejad undertook two trips to the region: a visit in January to Cuba, Ecuador, Nicaragua, and Venezuela and a June trip to Brazil to attend the U.N. Conference on Sustainable Development in Rio de Janeiro (which notably did not include bilateral meetings with the Brazilian government) along with side trips to Bolivia and Venezuela.

While Ahmadinejad's January 2012 trip to Venezuela, Nicaragua, Cuba, and Ecuador increased concerns of some U.S. policymakers about Iran's efforts to deepen ties with Latin America, some policy analysts and U.S. officials contend that the trip was not successful. Analysts point out that leaders' statements during these trips were largely propaganda, with the official Iranian press trumpeting relations with these countries in order to show that Iran is not isolated internationally and that it has good relations with countries geographically close to the United States.[27] The

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

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

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

[27] Comments by Stephen Johnson, Center for Strategic and International Studies, and Afshin Molavi, New America

January 2012 trip was restricted to meeting with four leftist governments that have often opposed U.S. policy in the region and have limited regional influence. The fact that the tour notably did not include a trip to Brazil to meet with President Dilma Rousseff detracted from the significance of the visit to the region. A close adviser to Ahmadinejad maintained in an interview in the Brazilian press that President Rousseff had "destroyed years of good relations" between Iran and Brazil.[28] Director of National Intelligence James Clapper testified before Congress in late January 2012 that while the U.S. intelligence community remained concerned about Iran's connection with Venezuela, Ahmadinejad's trip to Latin America "was not all that successful."[29]

On the diplomatic front, Iran under President Ahmadinejad opened six embassies in Latin America by 2009—Bolivia, Chile, Colombia, Ecuador, Nicaragua, and Uruguay. These added to existing embassies in Argentina, Brazil, Cuba, Mexico, and Venezuela.[30] In 2012, Iran also launched a Spanish-language satellite TV network as part of its ideological battle to counter what it views as biased reporting—then-President Ahmadinejad said that it would help end the West's "hegemony" of the airwaves.[31] Reports that Iran was building a large embassy in Managua, Nicaragua, turned out to be erroneous.[32] Other reports that Iran's embassy in Venezuela is one of the largest in the world were also inaccurate. State Department officials maintained that there are many embassies in Caracas that have a diplomatic presence far larger than that of Iran, including the U.S. Embassy.[33]

A 2010 unclassified Department of Defense report to Congress on Iran's military power (required by Section 1245 of the National Defense Authorization Act for FY2010, P.L. 111-84) maintained that Iran's Qods Force, which maintains operational capabilities around the world, had increased its presence in Latin America in recent years, particularly in Venezuela.[34] At the same time, however, then-commander of the U.S. Southern Command, General Douglas Fraser, maintained that the focus of Iran in the region was diplomatic and commercial and that he had not seen an increase in Iran's military presence in the region.[35] In 2012, General Fraser maintained in a press

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Foundation, at a January 19, 2012, event sponsored by the Council of the Americas (Washington, DC) on "Iran in the Americas: A Readout of the Visit."

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

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

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

[31] Jim Wyss, "Iran's HispanTV Aims to Woo Latino Viewers," *Miami Herald*, January 31, 2012.

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

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

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

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

interview that Iran's relationship with Venezuela was primarily diplomatic and economic and that Iran's ties with Venezuela did not amount to a military alliance.[36]

In 2011, the Department of Justice filed criminal charges against a dual Iranian-American citizen from Texas, Manssor Arbabsiar, and a member of Iran's Qods Force in Iran, Gholam Shakuri, for their alleged participation in a bizarre plot to kill the Saudi Ambassador in Washington, DC. The indictment alleged that Arbabsiar met several times in Mexico City with an informant of the U.S Drug Enforcement Administration (DEA) posing as a member of one of Mexico's most violent drug trafficking organizations, Los Zetas, and had arranged to hire the informant to murder the ambassador with the financial support of Shakuri.[37] Arbabsiar subsequently pled guilty and was sentenced in 2013 to 25 years in prison.[38]

At the time, U.S. officials expressed concern about the implications of the failed Iranian plot on the nexus between terrorist and criminal groups as well as on Iran's intentions. The DEA testified in 2011 that the alleged plot "illustrates the extent to which terrorist organizations will align themselves with other criminals to achieve their goals."[39] Director of National Intelligence (DNI) James Clapper stated before the Senate Select Committee on Intelligence in 2012 that the plot to kill the Saudi Ambassador shows that "some Iranian officials … are now more willing to conduct an attack in the United States," and he expressed concern "about Iranian plotting against U.S. or allied interests overseas."[40] In 2013, DNI Clapper again testified before the Senate Select Committee on Intelligence that the failed 2011 plot against the Saudi Ambassador in Washington showed that Iran may be willing to attack in the United States in response to perceived offenses against the regime.[41]

AMIA Bombing Investigation and Death of Special Prosecutor

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

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

[37] U.S. Department of Justice, "Two Men Charged in Alleged Plot to Assassinate Saudi Arabian Ambassador to the United States," press release, October 11, 2011, at http://www.justice.gov/opa/pr/2011/October/11-ag-1339.html.

[38] U.S. Department of Justice, U.S. Attorney's Office, Southern District of New York, "Manssor Arbabsiar Sentenced in Manhattan Federal Court to 25 years in Prison for Conspiring with Iranian Military Officials to Assassinate the Saudi Arabian Ambassador to the United States," May 30, 2013.

[39] U.S. Congress, House Committee on Foreign Affairs, Subcommittee on Terrorism, Nonproliferation, and Trade, *Narcoterrorism and the Long Reach of U.S. Law Enforcement, Part II*, 112th Cong., 1st sess., November 17, 2011, Serial No. 112-81 (Washington: GPO, 2011), written testimony of Derek S. Maltz, Special Agent in charge of the Special Operations Division, Drug Enforcement Administration.

[40] Testimony of Director of National Intelligence James Clapper, January 31, 2012, op. cit.

[41] James R. Clapper, Director of National Intelligence, "Worldwide Threat Assessment of the US Intelligence Community," Statement for the Record, Senate Select Committee on Intelligence, March 12, 2013.

Asghari, Ahmad Vahidi, and Mohsen Rezai.[42] In 2009, Argentina also issued an arrest warrant for the capture of Samuel Salman El Reda, a Colombian citizen thought to be living in Lebanon, alleged to have coordinated a Hezbollah cell that carried out the bombing; he was subsequently added to the INTERPOL Red Notice list. Current Argentine President Mauricio Macri, inaugurated in December 2015, has maintained these Red Notices.

Under the previous Argentine government of President Cristina Fernández de Kirchner, Argentina had shifted its stance in 2011 with respect to engagement with Iran over the AMIA bombing issue. Then-President Fernández indicated Argentina's willingness to enter into a dialogue with the Iranian government despite its refusal to turn over suspects in the case. Several rounds of talks with Iran were held in 2012, with then-Argentine Foreign Minister Hector Timerman leading the effort. In January 2013, Argentina announced that it had reached an agreement with Iran and signed a memorandum of understanding to establish a joint Truth Commission made up of impartial jurists from third countries to review the bombing case. After extensive debate, Argentina's Congress completed its approval of the agreement in February 2013. Argentina's two main Jewish groups, AMIA and the Delegation of Israeli Associations (DAIA), strongly opposed the agreement because they believe that it could guarantee impunity for the Iranian suspects.[43] Several Members of the U.S. Congress also expressed their strong concerns about the Truth Commission because they believed it could jeopardize Argentina's AMIA investigation and charges against the Iranians.

In May 2014, an Argentine court declared unconstitutional the agreement with Iran to jointly investigate the AMIA bombing. Special Prosecutor Nisman had maintained that the agreement with Iran constituted an "undue interference of the executive branch in the exclusive sphere of the judiciary."[44] The Fernández government maintained that it would appeal the ruling to Argentina's Supreme Court. In a speech before the U.N. General Assembly on September 24, 2014, President Fernández acknowledged the 20th anniversary of the AMIA bombing and expressed support for the memorandum of understanding with Iran, maintaining that it would enable the accused Iranian citizens to make statements before an Argentine judge. Soon after his election in 2015, however, President Macri said that his government would drop the appeal.

Nisman's Report on Iran. In May 2013, Nisman issued a 500-page report alleging that Iran has been working for decades in Latin America, setting up intelligence stations in the region by utilizing embassies, cultural organizations, and even mosques as a source of recruitment. In the report, Nisman highlighted the key role of Mohsen Rabbani (one of eight Iranian officials wanted by Argentina for the AMIA bombing) as Iran's South America "coordinator for the export of revolution," working in the tri-border countries of Argentina, Brazil, and Paraguay as well as in Chile, Colombia, and Uruguay.[45] The report also highlighted the role of Guyanese national Abdul Kadir, who Nisman maintained was an intelligence agent working for Iran and a follower of Rabbani, in establishing an Iranian intelligence network in Guyana. Kadir, a former member of Guyana's parliament, is serving a life sentence in the United States for his role in a 2007 plot to bomb a jet fuel artery at John F. Kennedy International Airport in New York. The Nisman report contended that the 1994 AMIA bombing was not an isolated act but was part of a regional

[42] INTERPOL, media release, "INTERPOL General Assembly Upholds Executive Committee Decision on AMIA Red Notice Dispute," November 7, 2007. The three other Iranians wanted by Argentina not included on INTERPOL's red notice list are former President Ali Akbar Hashemi-Rafsanjani, former Foreign Minister Ali Akbar Velayati, and former Iranian Ambassador to Argentina Hadi Soleimanpour.

[43] "A Perverse Manoeuvre in Argentina," *LatinNews Daily*, February 28, 2013.

[44] "Argentine Court Declares Bombing Probe with Iran Unconstitutional," Agence France Presse, May 16, 2014.

[45] Alberto Nisman, Fiscal General, Ministerio Público de la Nación, Argentina, Dictamina, May 29, 2013.

strategy involving Iran's establishment of intelligence bases in several countries utilizing political, religious, and cultural institutions that could be used to support terrorist acts.

Nisman's Death. On January 14, 2015, Nisman made explosive accusations that President Fernández and other government officials attempted to whitewash the AMIA investigation to secure oil supplies from Iran and restore Argentina's grain exports to Iran. Four days later, and one day before he was to testify before Argentina's Congress, Nisman was found dead in his apartment from a gunshot wound. Although preliminary reports indicated that Nisman committed suicide, a majority of Argentines, including President Fernández, contend that Nisman was murdered. The president maintained that Nisman was misled into making the accusations against her government by elements in Argentina's Intelligence Secretariat (SI) that had conducted illegal wiretaps of government officials. Fernández called for the dissolution of the SI, and in February 2015, Argentina's Congress approved a measure setting up a new intelligence service, the Federal Agency of Investigations (AFI). Nisman's death prompted a massive demonstration in Argentina, with tens of thousands of participants. A federal prosecutor in Argentina pursued Nisman's case against President Fernández related to Iran, but the case was thrown out by several Argentine courts and dismissed by the country's highest appellate court in April 2015.[46]

The investigation into Nisman's death continues, although many observers are skeptical that the truth will be uncovered. In December 2015, a week after President Macri took office, Judge Fabiana Palmaghini took over the investigation of Nisman's death from the prosecutor in the case.[47] On the anniversary of Nisman's death in January 2016, President Macri ordered the declassification of all state information related to Nisman since September 2012, when Argentina's talks with Iran over AMIA reportedly began.[48] Palmaghini reportedly had been expected by many observers to issue a ruling that Nisman's death was the result of a suicide. In March 2016, however, reportedly just hours after former SI head Antonio Stiuso testified that Nisman had been killed by a group with ties to former President Fernández, Judge Palmaghini ruled that the case should be elevated to the federal courts.[49] The case went to Argentina's federal court in April 2016, but in June 2016 was returned to Judge Palmaghini's jurisdiction until September 2016, when the case was once again elevated to the federal courts.

President Macri has said that he will be respectful of the judicial process but stated in a September 2016 press interview that he believes Nisman was murdered. The President said that a "definitive investigation" is needed to find out how Nisman died and that he wants Argentina's justice system to carry out the investigation with total independence.[50]

AMIA Investigation. In the aftermath of Nisman's death, Argentina's attorney general appointed a team of lawyers in February 2015 to continue the work of the AMIA investigation. Court proceedings began in Buenos Aires in August 2015 against 13 former officials alleged to be involved in efforts to cover up the 1994 bombing investigation. The suspects include former President Carlos Menem (1989-1999), former judge Juan José Galeano, two former prosecutors

[46] Jonathan Gilbert, "Federal Prosecutor Drops Kirchner Conspiracy Case," *New York Times,* April 21, 2015.

[47] "Judge Takes over Nisman Investigation," *Buenos Aires Herald,* December 18, 2015.

[48] "Macri Puts CFK in Nisman Spotlight," *Buenos Aires Herald,* January 16, 2016.

[49] "Nisman Case Sent to Federal Court," *Buenos Aires Herald*, March 2, 2016; and Nick Miroff, "Argentina Still Gripped by Death of Prosecutor Probing Terrorism Case," *Washington Post,* March 20, 2016.

[50] Andrés Oppenheimer, "Argentine President: Death of Prosecutor in Bombing Case Likely Murder, Not Suicide," *Miami Herald,* September 30, 2016.

who conducted investigations during the 1990s, three former intelligence officials, two former police officials, a former head of DAIA, and the owner of a van used in the AMIA bombing.[51]

In December 2015, President Macri established a special unit within the Justice Ministry to investigate the AMIA bombing. The head of the new unit, former Radical Civic Union leader Mario Cimadevilla, maintained that Macri's election opened up a new route into solving the case and praised President Macri's decision to drop the agreement with Iran to jointly investigate the AMIA bombing.[52]

U.S. Policy

As in other parts of the world, the United States has assisted Latin American and Caribbean nations over the years in their struggle against terrorist or insurgent groups indigenous to the region. For example, in the 1980s, the United States supported the government of El Salvador with significant economic and military assistance in its struggle against a leftist guerrilla insurgency. In recent years, the United States has employed various policy tools to combat terrorism in the Latin America and Caribbean region, including sanctions, antiterrorism assistance and training, law enforcement cooperation, and multilateral cooperation through the OAS. Moreover, given the nexus between terrorism and drug trafficking, one can argue that assistance and sanctions aimed at combating drug trafficking organizations in the Andean region have also been a means of combating terrorism by cutting off a source of revenue for terrorist organizations. The same argument can be made regarding efforts to combat money laundering in the region.[53]

U.S. attention to terrorism issues in Latin America increased in the aftermath of the 9/11 terrorist attacks on New York and Washington. Antiterrorism assistance increased along with bilateral and regional cooperation against terrorism. Congress approved the Bush Administration's request in 2002 to expand the scope of U.S. assistance to Colombia beyond a counternarcotics focus to include counterterrorism assistance to the government in its military efforts against drug-financed leftist guerrillas and rightist paramilitaries. Border security with Mexico also became a prominent issue in bilateral relations, with attention focused on the potential transit of terrorists through Mexico to the United States.

Since 2011, some in Congress have focused extensively on concerns regarding the activities of both Iran and Hezbollah in the region. Several House and Senate committee hearings have been held, and most significantly, in December 2012, Congress enacted the Countering Iran in the Western Hemisphere Act of 2012 (P.L. 112-220). As enacted, the measure required the Secretary of State to conduct an assessment within 180 days of the "threats posed to the United States by Iran's growing presence and activity in the Western Hemisphere" and to develop a strategy to address these threats.

Submitted to Congress in June 2013, the State Department report was mostly classified but, as specified in the law, also included an unclassified summary of policy recommendations that included border security and enforcement, diplomacy, sanctions, and intelligence sharing.[54] The

[51] "Trial on Cover-Up of Bombing Set to Begin Next Week," *Buenos Aires Herald*, July 30, 2015; "AMIA Cover-Up Case Reaches Trial Phase," *Buenos Aires Herald*, August 2, 2015.

[52] "New Head of AMIA Unite Announces 'Paradigm Shift' in Probe," *Buenos Aires Herald*, January 4, 2016.

[53] For background on interaction between criminal organizations and terrorist groups, see CRS Report R41004, *Terrorism and Transnational Crime: Foreign Policy Issues for Congress*, by John W. Rollins and Liana W. Rosen.

[54] U.S. Department of State, "Annex A, Unclassified Summary of Policy Recommendations," included in report to Congress required by the Countering Iran in the Western Hemisphere Act of 2012 (P.L. 112-220), June 2013.

State Department maintained in the unclassified portion of the report that "Iranian influence in Latin America and the Caribbean is waning" because of U.S. diplomatic outreach, the strengthening of allies' capacity to disrupt illicit Iranian activity, international nonproliferation efforts, a strong sanctions policy, and Iran's poor management of its foreign relations. The report also stated that current U.S., European Union, and U.N. Security Council sanctions had limited the economic relationship between the region and Iran.

U.S. Sanctions

The United States currently imposes sanctions on two groups in Colombia (ELN and FARC) and one group in Peru (SL) designated by the Department of State as Foreign Terrorist Organizations. Official designation of such groups as FTOs triggers a number of sanctions, including visa restrictions and Treasury Department sanctions blocking any funds of these groups in U.S. financial institutions. The designation also has the effect of increasing public awareness about these terrorist organizations and the concerns that the United States has about them. Numerous groups, individuals, and companies in the region with links to the above and other terrorist groups (such as Hezbollah) have also been sanctioned by the Treasury Department for drug trafficking under the Foreign Narcotics Kingpin Designation Act, Executive Order 13224 (Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), and Executive Order 12978 (Blocking Assets and Prohibiting Transactions with Significant Narcotics Traffickers). As discussed above, the United States included Cuba on its list of state sponsors of terrorism since 1982, pursuant to Section 6(j) of the EAA and other laws, but rescinded Cuba's designation in May 2015. Venezuela currently remains on the annual Section 40A AECA list of countries that are not cooperating fully with U.S. antiterrorism efforts.

With regard to Venezuela, the Treasury Department has imposed financial sanctions against eight current or former Venezuelan government and military officials for providing support to the FARC's weapons and drug trafficking. The State Department also maintains sanctions against the Venezuelan Military Industries Company (CAVIM) pursuant to the Iran, North Korea, and Syria Nonproliferation Act (P.L. 109-353) for allegedly violating a ban on technology that could assist Iran in the development of weapons systems. The sanction, which prohibits any U.S. government procurement or assistance to the company, was last renewed in December 2014 for a period of two years.[55] Sanctions against two other Venezuelan companies because of their support for Iran—the *Banco Internacional de Desarrollo, C.A.*, and the state-run oil company, *Petróleos de Venezuela, S.A.*—were removed in the aftermath of the comprehensive nuclear accord with Iran negotiated in 2015. (For more on sanctions on Venezuela, see CRS Report R43239, *Venezuela: Issues for Congress, 2013-2016*.)

With regard to Hezbollah, the Treasury Department also has imposed sanctions on numerous individuals and companies in Latin America for providing support to Hezbollah. These have included sanctions against individuals and entities in the tri-border Area of Argentina, Brazil, and Paraguay as well as in Colombia, Panama, and Venezuela. At times, sanctions have been connected to law enforcement cases, including cases involving the DEA. (For discussion of Hezbollah-linked trade-based money laundering, see CRS Report R44541, *Trade-Based Money Laundering: Overview and Policy Issues*.)

[55] U.S. Department of State, "Imposition of Nonproliferation Measures Against Foreign Persons, Including a Ban on U.S. Government Procurement," 79 *Federal Register* 78548, December 30. 2014.

U.S. Assistance, Support, and Regional Cooperation

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

The ATA program has provided training and equipment to Latin American countries to help improve their capabilities in such areas as airport security management, hostage negotiations, bomb detection and deactivation, and countering terrorism financing. Such training was expanded to Argentina in the aftermath of the two bombings in 1992 and 1994. Assistance was also stepped up in 1997 to Argentina, Brazil, and Paraguay in light of increased U.S. concern over illicit activities in the tri-border area of those countries. In recent years, ATA for Western Hemisphere countries amounted to almost $8 million in FY2014, almost $5.1 million in FY2015, and $2.2 million in FY2016. For FY2017, the Administration requested almost $5.1 million, with $1.75 million for Mexico, $0.8 million for Colombia, and $2.5 million for other Latin American countries through a State Department regional program.

The EXBS program helps countries develop export and border control systems in order to prevent states and terrorist organizations from acquiring weapons of mass destruction, their delivery systems, and destabilizing conventional weapons. Latin American countries received $3 million in EXBS funding in each of FY2014 and FY2015 and $2.87 million in FY2016. For FY2017, the Administration requested $2.87 million, with assistance slated for Argentina, Brazil, Chile, Mexico, Panama, and a regional program.

The sole recipient of CWD funding in Latin America is Colombia, where the program is helping government's demining program become self-sufficient. U.S. assistance increases Colombia's ability to successfully clear mines and improvised explosive devices placed by the FARC and the ELN. Colombia received $3.5 million in CWD funding for each of FY2014, FY2015, and FY2016, while the Administration's request for FY2017 was for $21 million.

In addition to these specific types of counterterrorism assistance, other U.S. assistance provided to Latin American countries likely helps countries to improve their capabilities to deter potential threats emanating from terrorist groups. This includes assistance to combat drug trafficking and other transnational crime and advance citizen security through such programs as the Mérida Initiative for Mexico, the Central America Regional Security Initiative, and the Caribbean Basin Security Initiative. It also includes assistance aimed at strengthening democratic governance, including improvements in the capacity of state institutions to address citizens' needs through responsive legislative, judicial, law enforcement, and penal institutions.

A number of Latin American countries participate in U.S.-government port security programs administered by the Department of Homeland Security (DHS). The Container Security Initiative (CSI) operated by the U.S. Customs and Border Protection of DHS uses a security regime to ensure that all containers that pose a potential risk for terrorism are identified and inspected at foreign ports before they are placed on vessels destined for the United States. Ten Latin American ports in Argentina, the Bahamas, Brazil, Colombia, the Dominican Republic, Honduras, Jamaica, and Panama participate in the CSI program.[56]

[56] U.S. Customs and Border Protection, "CSI: Container Security Initiative," June 2014, at https://www.cbp.gov/border-security/ports-entry/cargo-security/csi/csi-brief.

The Department of Homeland Security's Immigration and Customs Enforcement (ICE) has partnered with several Latin American countries to establish Trade Transparency Units (TTUs) that facilitate exchanges of information in order to combat trade-based money laundering. TTUs have been established in Argentina, Brazil, Colombia, the Dominican Republic, Ecuador, Guatemala, Mexico, Panama, Paraguay, Peru, and Uruguay. (Also see CRS Report R44541, *Trade-Based Money Laundering: Overview and Policy Issues*.)

The United States also participates in the multilateral Financial Action Task Force, an intergovernmental body established in 1989 to set standards and promote effective implementation of measures to combat money laundering and terrorist financing.[57] Two of FATF's regional bodies in the Americas are the Financial Action Task Force of Latin America (GAFILAT) and the Caribbean Financial Action Task Force (CFATF). The organizations conduct evaluations or assessment of countries' efforts to combat money laundering and terrorist financing.

In addition to its annual *Country Reports on Terrorism*, the State Department also examines countries' efforts worldwide to counter money laundering and terrorist financing in its annual *International Narcotics Control Strategy Report*.[58] In its 2016 report, the State Department identified 20 countries or jurisdictions in Latin America or the Caribbean as "major laundering countries" or "jurisdictions of primary concern," meaning the country has financial institutions engaging in financial transactions involving significant amounts of proceeds from all forms of serious crime. The report includes a discussion of money laundering in each country and its efforts taken to combat money laundering and potential terrorist financing.

In the aftermath of the September 2001 terrorist attacks on the United States, the United States joined with Latin American and Caribbean nations and took action through the Organization of American States (OAS) and the Rio Treaty to strengthen hemispheric cooperation against terrorism. The OAS, which happened to be meeting in Peru at the time, swiftly condemned the attacks, reiterated the need to strengthen hemispheric cooperation to combat terrorism, and expressed full solidarity with the United States. At a special session on September 19, 2001, OAS members invoked the 1947 Inter-American Treaty of Reciprocal Assistance, also known as the Rio Treaty, which obligates signatories to the treaty to come to one another's defense in case of outside attack. Another resolution approved on September 21, 2001, called on Rio Treaty signatories to "use all legally available measures to pursue, capture, extradite, and punish those individuals" involved in the attacks and to "render additional assistance and support to the United States, as appropriate, to address the September 11 attacks, and also to prevent future terrorist acts." In June 2002, OAS members signed the Inter-American Convention Against Terrorism, which had the objective of improving regional cooperation against terrorism. Among its provisions, the treaty committed parties to sign and ratify U.N. antiterrorism instruments, take actions against the financing of terrorism, and deny safe haven to suspected terrorists.[59]

In the aftermath of 9/11, OAS members also reinvigorated efforts of the Inter-American Committee on Terrorism (CICTE), first established in 1999, to combat terrorism in the

[57] Financial Action Task Force, website, at http://www.fatf-gafi.org/home/.

[58] U.S. Department of State, *International Narcotics Control Strategy Report*, Volume II, Money Laundering and Financial Crimes, March 2016, at http://www.state.gov/j/inl/rls/nrcrpt/2016/vol2/index.htm.

[59] President Bush submitted the Convention to the Senate on November 12, 2002, for its advice and consent, and the treaty was referred to the Senate Foreign Relations Committee (Treaty Doc. 107-18). In the 109th Congress, the committee formally reported the treaty on July 28, 2005 (Senate Exec. Rept. 109-3), and on October 7, 2005, the Senate agreed to the resolution of advice and consent. The United States deposited its instruments of ratification for the Convention on November 15, 2005.

hemisphere. CICTE has cooperated on border security mechanisms, controls to prevent terrorist funding, and law enforcement and counterterrorism intelligence and information.[60] It has worked on a wide range of capacity building and training programs, including border controls (covering maritime and aviation security, customs, and immigration), critical infrastructure protection (covering cybersecurity, major events security, and tourism security), counterterrorism legislative assistance and combating terrorism financing, and strengthening strategies on emerging terrorist threats. At its 16th regular session held in February 2016, CICTE focused on the use of the Internet for terrorist and criminal purposes and the issue of cybersecurity.[61]

Legislative Initiatives and Oversight

Over the past several years, Congress has introduced legislative initiatives and held oversight hearings pertaining to terrorism issues in the Western Hemisphere.

Iran, Hezbollah, and the AMIA Bombing. With regard to Iran, the 111th Congress enacted the Comprehensive Iran Sanctions, Accountability, and Disinvestment Act of 2010 (P.L. 111-195), which included a provision making gasoline sales to Iran subject to U.S. sanctions. The measure led to the sanctioning of Venezuela's state oil company in 2011 for sales to Iran. (As noted above, the sanctions were lifted in the aftermath of the 2015 comprehensive nuclear accord negotiated with Iran.) The 112th Congress enacted the Countering Iran in the Western Hemisphere Act of 2012 (H.R. 3783, P.L. 112-220), which required the Administration to conduct an assessment and present "a strategy to address Iran's growing hostile presence and activity in the Western Hemisphere." The law also stated that

> it shall be the policy of the United States to use a comprehensive government-wide strategy to counter Iran's growing hostile presence and activity in the Western Hemisphere by working together with United States allies and partners in the region to mutually deter threats to United States interests by the Government of Iran, the Iranian Islamic Revolutionary Guards Corps (IRGC), the IRGC's Qods Force, and Hezbollah.

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

In the 114th Congress, two Senate resolutions were introduced related to the AMIA bombing. S.Res. 167 (Rubio), introduced in May 2015, would have called for a swift, transparent, and internationally backed investigation into the tragic death of Alberto Nisman (the special prosecutor in the AMIA investigation); expressed concern about Iran's activities in Argentina and all of the Western Hemisphere; and urged the President to continue to monitor Iran's activities in Latin America and the Caribbean. S.Res. 620 (Coons), introduced November 29, 2016, would have, among its provisions, encouraged the government of Argentina to investigate and prosecute those responsible for the 1994 AMIA bombing as well as the death of Nisman.

Cuba. With regard to Cuba, H.R. 274 (Rush), introduced in January 2015, would, among its provisions, have rescinded any determination of the Secretary of State that Cuba has repeatedly

[60] See the website of the CICTE at http://www.cicte.oas.org/Rev/en/.

[61] U.S. Department of State, Inter-American Committee Against Terrorism (CICTE): Sixteenth Regular Session, Remarks by Christopher Painter, Coordinator for Cyber Issues, February 26, 2016, at https://www.state.gov/s/cyberissues/releasesandremarks/253727.htm.

provided support for acts of international terrorism. As noted above, in May 2015, President Obama rescinded Cuba's designation as a state sponsor of terrorism and Congress did not take any legislative action to block the Administration's action.

As discussed above, for a number of years, the State Department had noted in its annual terrorism report Cuba's harboring of fugitives wanted in the United States. The House-passed version of the FY2017 National Defense Authorization Act (NDAA), H.R. 4909, had a provision that would have prohibited funds in the act for any bilateral military-to-military contact or cooperation pending certification from the Secretaries of State and Defense that Cuba has fulfilled numerous conditions, including Cuba's return of U.S. fugitives wanted by the Department of Justice; ultimately the language regarding fugitives was not included in the conference report to the FY2017 NDAA (H.Rept. 114-840 to S. 2943). Among other initiatives: H.Res. 181 (King), introduced in March 2015, would have called for the immediate extradition or rendering to the United States of all fugitives from justice who are receiving safe harbor in Cuba to escape prosecution or confinement for criminal offenses in the United States; H.R. 2937 (Nunes)/S. 1489 (Rubio), introduced in June 2015, included a provision that would have called for the Attorney General, in coordination with the Secretary of State, to work with INTERPOL to pursue the location and arrest of U.S. fugitives from justice in Cuba; and H.R. 4772 (Pearce), introduced in March 2016, would have prohibited funding to accept commercial flight plans between the United States and Cuba until Cuba extradited U.S. fugitives from justice. Another bill, H.R. 2189 (Smith, NJ), would have required a report from the President regarding information on U.S. fugitives from justice abroad (not just Cuba) and U.S. efforts to secure the return of such fugitives.

Mexico. In April 2016, the House approved H.R. 4482 (McSally), which would have required the Secretary of Homeland Security to prepare a southwest border threat analysis and strategic plan, including efforts to detect and prevent terrorists and instruments of terrorism from entering the United States.

Oversight Hearings. The 114th Congress continued its oversight of terrorism concerns in Latin America and the Caribbean. In March 2015, two subcommittees of the House Committee on Foreign Affairs—the Subcommittee on the Middle East and North Africa and the Subcommittee on the Western Hemisphere—held an oversight hearing on Iran and Hezbollah in the Western Hemisphere with private witnesses.[62] In June 2015, the House Western Hemisphere Subcommittee held a hearing on prospects for a peace accord between the Colombian government and the FARC.[63] In March 2016, the House Western Hemisphere Subcommittee held a hearing on border security challenges in Latin America and the Caribbean.[64] In June 2016, the House Financial Service Committee's Task Force to Investigate Terrorism Financing held a hearing on terrorist funding in South America.[65]

[62] U.S. Congress, House Committee on Foreign Affairs, Subcommittee on the Western Hemisphere and Subcommittee on the Middle East and North Africa, *Iran and Hezbollah in the Western Hemisphere*, Joint Hearing, 114th Cong., 1st sess., March 18, 2015, Serial No. 114-34 (Washington: GPO, 2015).

[63] U.S. Congress, House Committee on Foreign Affairs, Subcommittee on the Western Hemisphere, *Colombia: Peace with the FARC?* Hearing, 114th Cong., 1st sess., June 24, 2015, Serial No. 114-58 (Washington: GPO, 2015).

[64] U.S. Congress, House Committee on Foreign Affairs, Subcommittee on the Western Hemisphere, *Potential Terrorist Threats: Border Security Challenges in Latin America and the Caribbean*, Hearing, 114th Cong., 2nd sess., March 22, 2016, Serial No. 114-155 (Washington: GPO, 2016).

[65] U.S. Congress, House Committee on Financial Services, Task Force to Investigate Terrorism Financing, Hearing entitled "The Enemy in Our Backyard: Examining Terror Funding Streams from South America," June 8, 2016, testimony at http://financialservices.house.gov/calendar/eventsingle.aspx?EventID=400715.

The SOUTHCOM Commander usually testifies before the Armed Services Committees annually. In presenting the command's 2016 posture statement to Congress in March 2016, Admiral Kurt Tidd testified that "as a state sponsor of terrorism, Iran's nefarious involvement in the Western Hemisphere is a matter for concern." He also noted a number of individuals and families leaving the region to join the Islamic State in Syria or Iraq.[66]

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[66] Posture statement of Admiral Kurt W. Tidd, Commander, U.S. Southern Command, before the 114th Congress, Senate Armed Services Committee, March 10, 2016, at http://www.armed-services.senate.gov/download/tidd_03-10-16.