

Western Hemisphere Overview

The international terrorism threat in the Western Hemisphere remained low during 2003 compared to other world regions. Even so, the region is by no means exempt from exploitation by groups that would use it to seek safehaven, financing, illegal travel documentation, or access to the United States via long-established narcotics and migrant-smuggling routes. The domestic terrorist threat remained high in Colombia and to a lesser extent in Peru.

Political will to combat terrorism remained steady in the Western Hemisphere during 2003, although efforts to update essential counterterrorism legislation were uneven. In addition, operational counterterrorism capacity and expertise remains lacking in many states in the hemisphere. Nevertheless, countries in the region actively continued efforts to fortify hemispheric border and financial controls to prevent or disrupt terrorism-related activities on their territories to the greatest extent possible.

The Organization of American States (OAS) Inter-American Committee Against Terrorism (CICTE, Spanish-language acronym)—a body under the Organization of American States—continues to set the standard among regional institutions through its effort to institutionalize the long-term international campaign against terrorism, according to the chair of the United Nations Counterterrorism Committee in March 2003. During a very active year under strong Salvadoran leadership, CICTE convened the first meeting of its National Points of Contact in Washington in July with the aim of fostering working-level contact and information sharing throughout the year. In July 2003, the Inter-American Convention Against Terrorism entered into force after six countries deposited their instruments of ratification (Antigua and Barbuda, Canada, El Salvador, Mexico, Nicaragua, and Peru). As 2004 commenced, another two states—Panama and Venezuela—ratified the convention. During its successful Fourth Regular Session in Montevideo, OAS member states agreed to enhance CICTE's mandate to effectively address threats to seaport and aviation security, as well as cybersecurity.

Money flowing to Islamic terrorist organizations continued to be a primary counterterrorism focus. To strengthen the efforts of friends in the region to disrupt potential terrorism fundraising activity, the United States continued to actively support the development of the "Three Plus One" (3+1) Counterterrorism Dialogue with partners Argentina, Brazil, and Paraguay. Meetings in Brasilia and Asuncion during 2003 led to new agreements on mutual capacity building in the areas of border security and financial controls. The United States looks forward to participating in 3+1-sponsored programs during 2004 and to hosting the next senior-level meeting in Washington in the fall.

Governments throughout the Southern Cone were active on the legal front against suspected terrorist activity. Uruguay, Paraguay, and Brazil took action to convict or extradite suspected international terrorists, either on terrorism or on criminal charges. The Argentine investigating judge in the suspected Hizballah bombing of the Argentine-Jewish cultural center in 1994, which killed 86 people, issued international arrest warrants for several Iranian Government officials who were assigned to Buenos Aires at the time, as well as the head of Hizballah's terrorist wing. Efforts to extradite the former Iranian ambassador to Argentina failed for a lack of evidence, and by the end of the year, the investigating judge had been replaced by order of an Argentine court. The trial, which began in 2001 against 20 Argentines believed to form the local connection in the bombing, continued into 2004.

Colombia continued to experience terrorist violence as the Revolutionary Armed Forces of Colombia (FARC) and other narcoterrorist groups sought to respond to an increasingly aggressive Colombian military posture with wanton terrorist attacks against civilians in Colombia's urban areas. The El Nogal Club car bomb in February that killed 36 innocent civilians drew a swift condemnation from the OAS. Also in February, the FARC murdered American civilian contractor Thomas Janis and Colombian soldier Luis Alcides Cruz, whose plane had made an emergency crash landing in southern Colombia while conducting a counter-drug mission. Three other American aircraft crew members were taken hostage by FARC elements in the incident.

and at publication press time remained in FARC hands, along with many others, mostly Colombian hostages.

Under President Uribe, the Colombian military, police, and intelligence forces scored significant victories in 2003 against the FARC, National Liberation Army (ELN), and United Self-Defense Forces of Colombia (AUC) terrorist groups. They began to strike hard at the FARC's leadership ranks with targeted operations, spurred a sharp increase in desertions from the terrorist ranks, initiated peace talks and a pilot demobilization program with large elements of the AUC, invigorated anti-kidnapping efforts, and eradicated record levels of coca and poppy cultivation to cut off sources of funding for narcoterrorists.

The United States continued a long-term cooperative relationship with Canada by hosting another session of the Bilateral Consultative Group on Terrorism. Canada also was an active participant in the second Top Officials terrorist incident response exercise in May, and both countries are committed to supporting the capacity-building work of the Counterterrorism Action Group assistance donor countries, created by the G-8 countries in 2003.

The United States worked closely with several countries in the region, particularly Mexico, to respond in a coordinated, prudent fashion to emerging aviation security threats affecting American and foreign citizens. The US Government also has worked cooperatively with Mexico to implement a security program on its border with the United States.

Cuba, one of the seven state sponsors of terrorism, is discussed in the state sponsorship portion of this report.

Bolivia

There were no significant acts of international terrorism in Bolivia in 2003. The Government signed the Inter-American Convention Against Terrorism in 2002, but it has not yet been ratified. Bolivia's financial investigations unit actively collaborated with the US Embassy to share information about possible terrorist-linked financial

transactions, prevent the abuse of Bolivian financial institutions by terrorists, and enhance the monitoring and enforcement of financial networks.

Despite many resource constraints, corruption, political tampering, and lack of expertise in handling sophisticated international investigations, the Government made progress in several—mostly domestic—terrorist-related cases. Most significantly, suspected National Liberation Army–Bolivia organizer Colombian Francisco Cortes and two Bolivian radical members of the Movement Towards Socialism party were arrested in 2003 and charged with espionage, terrorism, and subversion after they were found with weapons and organizational materials about guerrilla networks and plans to instigate violent revolution in Bolivia.

On 15 August, the Government of Bolivia signed the Asuncion Declaration in which several South American nations committed themselves to support Colombia in its ongoing struggle against terrorism and drug trafficking.

Bolivia's Government maintained the policy of forcibly eradicating illegal coca plants to help ensure that Bolivia does not revert to its former status as a major source of cocaine, which is the major economic underpinning of terrorism in the Andes. Militant illegal coca growers (*cocaleros*) are thought to be responsible for various domestic terrorism events, and there is concern that they may have foreign help to make their attacks more deadly. On 12 November, eight counternarcotics agents were kidnapped and beaten in the Yungas region. Similarly, in the Chapare region five members of the security forces were killed and 25 wounded through November by improvised explosive devices (IEDs) that exploded during coca eradication operations. *Cocaleros* are suspected of planting devices that have become increasingly sophisticated and may indicate outside technical assistance. Three *cocaleros* have been indicted for planting IEDs; others are suspected of sniper ambushes of security forces. Likewise, in the Chapare, in 2003 prosecutors made progress in the case of torture, rape, and murder of policeman David Andrade and his wife in 2000, and several *cocaleros* have been indicted or implicated in the crimes.

Bolivia is party to all 12 United Nations conventions and protocols related to terrorism and to one OAS counterterrorism convention.

Chile

The Government of Chile is a consistent and active supporter of US counterterrorism efforts and has taken an active interest in the activities of Islamic extremists connected to the Triborder area of Argentina, Brazil, and Paraguay and their potential links to the Free Trade Zone in Iquique, Chile. Chile continued its active support of US counterterrorism efforts in various international forums. Chile holds the chair of the UN's al-Qaida and Taliban sanctions committee and worked to improve the effectiveness of the sanctions. With Chile hosting the Asia-Pacific Economic Cooperation in 2004, President Ricardo Lagos listed security as the first of four points on which Chile would focus—in particular, security of trade and travel. In the Asuncion Declaration signed 15 August, President Lagos joined other South American leaders in condemning terrorism and drug trafficking. The declaration also expressed solidarity with Colombia in its domestic fight against terrorism. Similarly, Chile's UN Ambassador noted current UN sanctions were only partially enforced in many countries, and some were reluctant to submit terrorists' names to the UN. The Foreign Minister added that Chile was "a country willing to assume challenges and responsibilities."

Chilean law enforcement agencies were consistently cooperative in investigating links to international terrorism. The ability to conduct counterterrorist activities is hampered by a requirement that any investigation be directly related to prosecutable criminal offenses. The plainclothes investigations police (PICH—roughly equivalent to the FBI) continued to investigate several terrorism-related cases, but no prosecutions were developed.

The Chilean Congress passed a new money-laundering statute in September 2003 to cover terrorist finances and expand the Government's ability to freeze and seize assets. The new provisions have yet to be applied in a criminal case, and it remains unclear how the statute will operate in practice or how swiftly Chile will be able

to react against terrorist assets identified by other governments or international institutions. The same legislation created a Financial Analysis Unit (UAF) to investigate suspicious transactions reported by financial institutions, but the Constitutional Tribunal ruled some of the UAF provisions to be unconstitutional. The Government is working to restore the UAF's ability to operate effectively and constitutionally. The current extradition treaty between Chile and the United States is more than 100 years old and has never been updated. Efforts are under way to explore negotiation of a new and viable extradition treaty.

Although no incidents of explicit terrorism occurred in Chile in 2003, terrorist-like tactics were employed in several cases, particularly in protest to the US-led invasion of Iraq. For example, a protester threw a Molotov cocktail at the US Embassy perimeter wall in March to protest policy on Iraq. *Carabineros* (uniformed police) guarding the embassy quickly arrested the perpetrator. Although two suspicious letters containing white powder delivered to the embassy and a telephonic bomb threat were all determined to be hoaxes, the *Carabineros* supplied HAZMAT teams and bomb-sniffing dogs in short order. In March, small bombs targeted Bank of Boston branches in Santiago and a BellSouth office in Concepcion. A similar bomb exploded at the Court of Appeals in Temuco. There were no injuries, no claim of responsibility, and no arrests made in any of the blasts. In March and April, the Chilean-American Binational Centers were subject to violent protests, some vandalism, and bomb threats by Chileans opposed to US policy in Iraq.

In August 2002, Chile requested the extradition from Brazil of former Manuel Rodriguez Patriotic Front leader Mauricio Hernandez Norambuena to finish his sentence for the murder of rightwing Chilean Senator Jaime Guzman in 1991. Hernandez escaped prison in 1996. The Brazilian Attorney General ruled that Hernandez should be extradited to Chile, but the Brazilian Supreme Court must approve the decision—a process said to be in the final stages and likely to result in extradition in the near term.

Chile is a party to all of the 12 international conventions and protocols relating to terrorism.

Colombia

Colombia fully comprehends the devastation caused by terrorism as it has faced large-scale domestic terrorism for several decades. From the day the Uribe Administration assumed office in August 2002, it has demonstrated a firm resolve to combat terrorists of all stripes. The Government of Colombia is supportive of US Government efforts to combat terrorist acts, target terrorist finances, and cooperate with extradition requests. Colombia continued to speak out forcefully and often against terrorist organizations throughout the year.

Colombia continued its struggle against the country's three main terrorist groups—the Revolutionary Armed Forces of Colombia (FARC), the National Liberation Army (ELN), and the United Self-Defense Forces of Colombia (AUC)—all of which were redesignated by the United States as Foreign Terrorist Organizations in 2003. In June, the United States also designated the FARC and the AUC as significant foreign narcotics traffickers under the Kingpin Act.

Colombia suffered many large and small domestic terrorist attacks throughout 2003. Car bombs, kidnapping, political murders, the indiscriminant use of landmines, and economic sabotage were common occurrences. Some of the more noteworthy examples included the FARC's car bombing in February of Bogota's El Nopal Club killing 34 and wounding more than 160; the FARC hostage taking of three US contractors and killing of another American and a Colombian when their plane crashed near Florencia, Caqueta Department (the three Americans remain hostages) in February; a "house bomb" in February in Neiva that killed 16 and wounded more than 40; an ELN kidnapping in September of eight foreign tourists visiting archaeological ruins (one escaped, two were released in November, and five were freed in December); a grenade attack in November by the FARC that wounded Americans in Bogota's restaurant district; and attacks in November and December utilizing antitank rockets. Both FARC and the ELN continued attacks against the country's infrastructure and oil pipelines in 2003, albeit at reduced levels. Many more attacks were thwarted nationwide through excellent intelligence and security work.



A Cessna 208 plane shortly after it crashed in southern Colombia on 13 February 2003. Revolutionary Armed Forces of Colombia (FARC) terrorists killed the plane's American pilot and a Colombian national on board and kidnapped the three remaining American survivors.



Protesters denounce terrorism on 10 February 2003, three days after a car bomb exploded at the El Nopal Club (rear), killing 34 persons and injuring 168 in Bogota, Colombia, 10 February 2003.

In 2003, President Uribe increased military pressure on illegal armed groups and implemented an ambitious national security strategy including securing passage of antiterrorism legislation, promoting the desertion and reintegration of former illegal armed militants, and engaging the AUC in demobilization negotiations. President Uribe submitted to Congress two important draft laws with significant public security implications—the Antiterrorism Bill and a Conditional Parole Bill. The Anti-Terrorism Bill was approved by Congress on 10 December and allows the Government to conduct wiretaps, search residences, and detain suspects more easily. The conditional parole legislation is connected to the broader peace process and would provide the Government the

means to waive prison sentences in exchange for demobilization. Through legislation and with possible US assistance, the Government of Colombia expected the voluntary surrender of more than 4,000 illegal armed militants in 2003 (an increase of 84 percent over 2002) and the demobilization in December of some 1,000 paramilitaries with more planned for 2004.

Overall, Colombia's ambitious security strategy produced substantial achievements in 2003. Murders decreased by 16 percent, assassinations of trade unionists were down 68 percent, and kidnappings were 30 percent lower in 2003. The military completed the early phases of its national defense plan with significant successes, including the killing of at least five midlevel FARC commanders in Cundinamarca Department near Bogota. In January 2004, the most senior FARC official ever to be captured was detained by Ecuadorian National Police in Quito and deported to Colombia. Another major accomplishment was the restoration of a Government presence in every one of the country's 1,098 municipalities (county seats) by the end of 2003.

Colombia cooperated fully in blocking terrorist assets. A Colombian Financial Information and Analysis Unit, created in 2001 following the model of the US Financial Crimes Enforcement Unit (FinCEN), collaborated closely with the US Treasury's Office of Foreign Assets Control. US Anti-Terrorist Assistance in August inaugurated a school for Colombian military and police who specialize in anti-kidnapping. Kidnappings are sources of revenue for the FARC and the ELN and a means to influence the political process. The Government also took steps at self-improvement by expanding an antiterrorism unit in the Prosecutor General's Office. Lessons learned in the counternarcotics fight have led to better prosecutions of those who attack the nation's infrastructure, particularly in oil-producing areas.

Colombia made significant strides in combating narcotrafficking, a primary source of revenue for terrorist organizations. The UN Office on Drugs and Crime estimated that coca cultivation could be reduced by aerial eradication as much as 50 percent in 2003. Eradication programs targeting coca and opium poppies continued throughout the year. In August, the United States resumed the



Police rescue a wounded man after a car-bomb explosion at the El Nogal Club in Bogota.

Air Bridge Denial Program that assists Colombia in intercepting aircraft trafficking in narcotics and illegal weapons.

Colombia was particularly cooperative in cases and investigations involving Americans, such as the hostage taking of Defense Department civilian contractors in February and the grenade attack in Bogota in December. The US-Colombia extradition relationship continues to be one of the most successful in the world; Colombia extradited 67 persons to the United States in 2003. In May 2003, Colombia extradited Nelson Vargas Rueda, the first FARC member to be extradited to the United States. Vargas is accused of the kidnapping and murder of three American NGO activists working with Colombian indigenous groups in northern Colombia in 1999. Colombia also extradited Gerardo Herrera Iles, accused of kidnapping foreign and US oil workers, to the United States in 2003.

Colombia has signed eight of the international conventions and protocols relating to terrorism and is a party to six.

Ecuador

The Government of Ecuador supports the war on terrorism in all international and bilateral forums. Quito signed the Inter-American Convention Against Terrorism but has not yet ratified it. President Gutierrez, during a visit in February to the United States, expressed his intent to make Ecuador a solid ally in the war on terrorism. Nevertheless, resource constraints, a lack of training, and sometimes-corrupt governmental organizations impede progress in the battle against both international and regional terrorism. Ecuador's judicial system, which is susceptible to outside pressure and corruption, adjudicated no terrorist cases in 2003.

At the working level, the National Police (ENP) supported US counterterrorism initiatives throughout 2003 and into 2004. In January 2004, the most senior FARC official ever to be captured was detained by Ecuadorian National Police in Quito and deported to Colombia in a concrete example of Ecuador's will to defeat the narcoterrorist threat in the region. In March, the ENP arrested an Ecuadorian citizen who detonated two bombs at a Government office in Guayaquil. A string of weapons seizures in Ecuador demonstrated the arms trade in Ecuador supporting Colombian narcoterrorists. In August 2003, the police broke up an arms smuggling operation supplying Colombian narcoterrorists. In September, an Army captain was arrested and accused of providing operational information to the Colombian FARC. In addition, a DEA-trained counter-drug policeman apprehended an Italian citizen trying to board Continental Airlines in Quito with explosives and a firearm in November.

Although no terrorist-related incidents were launched from Ecuador, its porous borders, endemic corruption, and well-established illegal migrant networks make it an attractive entry point for would-be terrorists. Ecuador has been historically lax in securing the northern border from Colombian illegal armed groups. Only in recent years has the Government recognized the threat from Colombia and undertaken serious efforts to impose control along the border. Ecuador's security forces disrupted several Colombian narcoterrorist encampments in Ecuador from late 2002 through

October 2003. Although the FARC still operates in the area, it realizes now that Ecuador is less hospitable than before.

The Government of Ecuador banking superintendency acts swiftly to include suspect individuals and groups into bank lookout databases upon receipt of terrorism finance information. In 2003, Ecuador ordered two pharmacies closed because of information from the United States that proved ties to Colombian drug-trafficking organizations. Unfortunately, due to ineffective enforcement, the companies were still operating at the end of the year.

Ecuador is party to 10 of the 12 international conventions and protocols relating to terrorism.

Peru

Peru continued to take many actions against both international and domestic terrorism in 2003. President Toledo made combating terrorism one of the keynotes in his annual state-of-the-nation speech in July, pledging increased funding for security forces and social development projects in areas where the domestic Shining Path (Sendero Luminoso-SL) operates. The Foreign and Defense Ministers consistently condemned terrorism and implemented counterterrorism actions. On 15 August, the Government of Peru signed the Asuncion Declaration in which several South American nations committed themselves to support the Government of Colombia in its ongoing struggle against terrorism and drug trafficking. Peru ratified the Inter-American Convention against Terrorism in June 2003.

A director for the Financial Intelligence Unit (FIU), established in 2002, was named in April 2003. He expanded the staff and began receiving reports of suspicious activity from banks. The US Embassy worked closely with the FIU to provide a technical advisor and funding for the acquisition of hardware and software.

The Peruvian Congress created a national security system designed to improve intergovernmental cooperation and strengthen prosecutors. Meanwhile, the National Police (PNP) Directorate

of Counterterrorism continued its strong cooperation with the Embassy in counterterrorism activities. The United States did not make any extradition requests to Peru for terrorists in 2003.

Peru has aggressively prosecuted terrorist suspects. In January, the Constitutional Tribunal overturned numerous provisions in Fujimori-era decree laws on terrorism, in conformance with decisions of the Inter-American Court of Human Rights. Military court convictions in approximately 2,000 cases were vacated and reviewed for retrial. President Toledo issued decree legislation revising Peru's antiterrorism legislation in line with the Constitutional Tribunal decision and established the procedures for reviewing and retrying terrorism cases. Some were dropped because sentences are nearing completion, and some 750 cases are sufficiently strong to be retried beginning in 2004.

In September, four Chilean defendants were retried and convicted of membership in the Tupac Amaru Revolutionary Movement and participation in an attack on the Peru-North American Cultural Institute and a kidnapping-murder in 1993.

Eight members of SL remain in custody awaiting trial. They were arrested for complicity in the bombing in March 2002 across the street from the US Embassy that killed 10 people. Peru successfully sought the extradition from Spain of Adolfo Hector Olaechea, a suspected SL official, in 2003. He was released from custody but ordered to remain in Peru while the public prosecutor prepares the case for trial.

The most serious SL event in 2003 was the kidnapping of 68 workers and three police guards in June at a Camisea gas pipeline project in Tocache, Ayacucho Department. The SL abandoned the hostages two days after the kidnapping and a rapid military response; a ransom may or may not have been paid to the SL. The PNP also broke up many SL camps and captured many members and leaders in 2003. More than 200 indigenous people held in virtual slavery by the SL were released in the process. Terrorist incidents fell to 96 by late October, projecting an annual rate of 115 or a 15-percent drop from the 134 kidnappings and armed attacks in 2002. Six military and three self-defense personnel were killed in 2003, while six SL militants were killed and 209 captured.

Peru is a party to all 12 of the conventions and protocols relating to terrorism.

Triborder Area (Argentina, Brazil, and Paraguay)

The Triborder area (TBA)—where Argentina, Brazil, and Paraguay converge—has long been characterized as a regional hub for Hizballah and HAMAS fundraising activities, but it is also used for arms and drug trafficking, contraband smuggling, document and currency fraud, money laundering, and the manufacture and movement of pirated goods. Although there continued to be reports in 2003 of an al-Qaida presence in the TBA, these reports remained uncorroborated by intelligence and law-enforcement officials.

In December, a high-level interagency delegation from the United States attended a special meeting in Asuncion, Paraguay, of the Tripartite Commission of the Triple Frontier, a security mechanism established by the three TBA countries in 1998. This "Three Plus One" meeting (the three TBA countries plus the United States) serves as a continuing forum for counterterrorism cooperation and prevention among all four countries. At the December talks, the four countries exchanged current views on terrorism prevention in the region and on measures to enhance cooperation, including proposals to establish a joint regional intelligence center, convene a conference of "Three Plus One" partner financial intelligence units in the first half of 2004, deepen border security cooperation, and increase dialogue among national prosecutors responsible for counterterrorism cases. The parties concluded that available information did not substantiate reports of operational activities by terrorists in the TBA. However, international terrorist financing and money laundering in the area remained an area of primary concern. A concerted effort will be made to develop legitimate economic activity in the TBA.

Argentina continued to express strong support for the global war on terrorism and worked closely with the United Nations, the OAS, the Southern Common Market (MERCOSUR—Brazil, Uruguay, Paraguay, and associate members Bolivia and Chile), and the United States to ensure full implementation of existing agreements. The

Argentine Government, executive branch officials, and the Central Bank were extremely cooperative and responded quickly and effectively to ensure the assets of terrorist groups identified by the United States or UN would be blocked if detected in Argentine financial institutions. Though no leads were found in 2003, the Government of Argentina continually expressed its willingness to freeze assets in compliance with international agreements.

Diplomatically, Argentina cooperated fully in 2003 with all significant international counterterrorism efforts in the UN, the OAS, and the “Three Plus One” Counterterrorism Dialogue to strengthen security and search for terrorist support networks, especially in the Triborder area. Argentina worked within existing regional and international forums to elicit strong condemnations of terrorism and support to organizations combating terror. Argentina maintains an active role in the OAS CICTE, established in response to an Argentine initiative in the 1990s. Multilateral meetings—including high-level US officials with counterterrorism responsibilities—were held in Brasilia in May 2003 and Asuncion in December to focus on the Triborder.

On 15 August, the Government of Argentina signed the Asuncion Declaration in which several South American nations committed themselves to support the Government of Colombia in its ongoing struggle against terrorism and drug trafficking.

Although there were no acts of international terrorism in Argentina in 2003, investigations into the bombing of the Israeli Embassy in 1992, in which 29 persons were killed, and the bombing in 1994 of the Argentina-Israeli Community Center (AMIA), in which 86 persons were killed, continued. The trials of 20 suspects in the AMIA bombing—of whom 15 are former police officers—continued throughout 2003 and appeared to be nearing a close. The judge in the AMIA case indicted 12 Iranian officials, including diplomats stationed in Buenos Aires in 1994 and one Lebanese official believed to head Hizballah’s terrorist wing. Although no countries requested terror-related extraditions from Argentina, Argentina requested the extradition of the former Iranian ambassador to Argentina from the United Kingdom, indicted in the AMIA case.

The request was denied due to a lack of evidence presented by Argentina.

Proposed antiterrorism legislation has long provoked an active debate over the balance between civil rights and the need to address potential terrorism. As a result, there has been little progress toward the passage of new comprehensive antiterrorism legislation. Nevertheless, the Government strongly and consistently deplored terrorist acts when they occurred. In 2003, both ex-President Duhalde and his successor, Nestor Kirchner, publicly condemned terrorism and reiterated Argentina’s support for the war on terrorism. Despite the lack of new legislation, Argentina continued to improve intragovernmental coordination on counterterrorism to enhance the framework within which better international cooperation can occur.

Argentina has signed all of the 12 conventions and protocols relating to terrorism and is a party to 10.

Brazil has extended practical, effective support to US counterterrorism actions. The Government of Brazil has been cooperative in checking records provided by US intelligence, law enforcement, and financial agencies regarding hundreds of terrorist suspects. For example, Brazilian authorities actively followed up on press reports in March 2003 that al-Qaida operative Khalid Sheikh Mohammed visited the Triborder area in 1995.

Although the Government of Brazil is politically committed to the fight against terrorism, lack of resources and training sometimes hamper its response. The United States continues to work with Brazil in several bilateral, multilateral, and international forums to identify groups and individuals suspected of possible ties to terrorist activity. Brazil hosted a working group meeting under the 3+1 Counterterrorism Dialogue in May, which focused on technical cooperation related to the fight against terrorism financing. Technical specialists from the United States are fully engaged with elements of the Brazilian Government responsible for combating terrorism, including the Federal Police. Brazil is willing and increasingly capable of monitoring domestic financial operations and has effectively utilized its Financial Activities

Oversight Council (COAF). Bilateral assistance and training of the COAF began in 1998 and emphasized upgrades to its database in 2003.

Since taking office in January 2003, President Lula da Silva has vigorously condemned terrorism and called the attack on the UN building in Baghdad “the insanity of perpetrators of terrorism.” In January, Brazil backed the CICTE with a financial contribution. In July 2003, Brazil approved legislation criminalizing the financing of terrorist activities. On 15 August, the Government of Brazil signed the Asuncion Declaration in which several South American nations committed themselves to support Colombia in its ongoing struggle against terrorism and drug trafficking.

In addition, the Brazilian Chamber of Deputies passed a bill on cybercrime—to prevent terrorist hack attacks—that awaits Senate consideration.

There are no significant impediments to the prosecution or extradition of suspected terrorists by Brazil. The Brazilian extradition law prohibits the extradition of Brazilian citizens but allows very measured and careful consideration for the extradition of naturalized citizens (for previous crimes and drug trafficking only) and foreigners (not for ideological or political crimes). In November 2003, Brazil extradited Assad Ahmad Barakat to Paraguay. Barakat was arrested in June 2002 by Brazilian authorities in Foz do Iguacu, Parana, in the TBA acting on a Paraguayan extradition request related to criminal charges. Barakat is a naturalized Paraguayan of Lebanese origin who lived in the TBA for approximately seven years and was known to have been involved in political and financial activities supporting Hizballah organizations.

In February 2003, Brazil declined a request from Colombia to designate the FARC as a terrorist organization. Brazil stated it did not maintain a formal list of terrorist groups but condemns specific terrorist actions taken by the FARC and other groups. Brazilian security forces continued to investigate possible links between domestic criminal groups—especially drug traffickers and those with no discernible political agenda—that sometimes employed terrorist tactics. In 2003, organized crime groups at times shut down Rio de Janeiro tourist and business areas and systematically attacked police stations in Sao Paulo

to weaken Government resolve to combat them. At the end of 2003, Brazil had increased its readiness to confront domestic groups and reinforce against FARC incursions in northwestern Brazil. The Brazilian Army augmented its Special Forces capabilities—including counterterrorism—and began compiling data on global terrorist threats to enhance its ability to respond.

Brazil signed all of the 12 UN conventions on terrorism and is a party to nine.

Paraguay has aided the global Coalition against terrorism by ratifying a number of international treaties and conventions and actively supporting counterterrorism at the UN and the OAS. On 15 August, Paraguay signed the Asuncion Declaration in which several South American nations committed themselves to support the Government of Colombia in its ongoing struggle against terrorism and drug trafficking.

On 30 October, Congress ratified the CICTE. Paraguay is also strengthening its domestic legal framework to deal more effectively with terrorism and ancillary support activities. Paraguay hosted the successful third meeting of the 3+1 Counterterrorism Dialogue in December 2003.

Paraguay has determined that there is a domestic problem with fundraising that might support terrorist causes. It looks to assistance from other governments—including the United States—to help it fight the problem. The primary impediment to the prosecution of suspected terrorists is the absence of an antiterrorist law. Without such a law, the Government is forced to prosecute suspected terrorist fundraisers for tax evasion or illegal financial activities. Paraguay is drafting new legislation to strengthen its anti-money laundering regime, as well as a specific antiterrorism bill. Both bills are fully backed by the Duarte Administration and expected to go before Congress in 2004.

Despite the lack of specific antiterrorist statutes, Paraguay actively prosecuted known terrorist fundraisers. Two prominent Hizballah fundraisers, Sobhi Fayad and Ali Nizar Dahroug, were sentenced to lengthy prison terms in November 2002 and August 2003, respectively. Paraguay’s antiterrorist police continued to provide excellent support for the arrest and prosecution of

terrorists. A major accomplishment in 2003 was the successful extradition request for Hizballah fundraiser Assad Ahmad Barakat from Brazil on charges of tax evasion. Additional charges of bank fraud are being considered but will require Brazil's acquiescence under the terms for extradition.

Paraguay is a party to six of the international conventions and protocols relating to terrorism and is a signatory to an additional five.

Uruguay

The Government of Uruguay is supportive of international terrorist measures undertaken in a variety of international forums and cooperates fully with the United States. Uruguayan officials routinely condemned terrorism and specific terrorist acts. Although Uruguay is supportive of the global Coalition against terrorism, it lacks the resources to play a significant role. However, it does provide troops to international peacekeeping forces in Africa and the Middle East.

Uruguay is active in the OAS CICTE and has seconded personnel to its Executive Secretariat. Uruguay hosted the annual CICTE meeting in Montevideo in January 2004 and assumed the CICTE chairmanship through 2004. Uruguay is a member of a MERCOSUR permanent working group on terrorism along with Argentina, Brazil, Chile, Paraguay, and Bolivia. The group facilitates cooperation and information sharing among countries fighting terrorism and places special emphasis on the Triborder area and the Uruguay-Brazil border. Uruguay is, likewise, active in counterterrorism groups in the Rio Group and in the OAS.

On 15 August, the Government of Uruguay signed the Asuncion Declaration in which several South American nations committed themselves to support the Government of Colombia in its ongoing struggle against terrorism and drug trafficking.

In 2003, Uruguay ratified the International Conventions for Suppression of the Financing of Terrorism and the Physical Protection of Nuclear Material. The Government of Uruguay faces some

challenges in fully implementing UN Security Council Resolutions 1373 and 1456, especially in curtailing terrorist financing activities. This might have more to do with the Government's uncertainty about its ability to effectively track money laundering and terrorist financing—in spite of the creation of a unit for financial analysis in the central bank.

Uruguayan law enforcement authorities assisted with international investigations of the movement and activities of suspected terrorists in 2003, but Uruguay was not directly involved in terrorist events. At present, there are no known terrorist operatives in Uruguay, and Uruguayan banking and law enforcement officials have discovered no terrorist assets in Uruguayan financial institutions. Banking and law enforcement agencies cooperated with US counterterrorism efforts by pledging to search for bank accounts, individuals, and groups with links to terrorism. Uruguay is assisting in the investigation of potential terrorist support emanating from the Triborder area and along Uruguay's northern frontier with Brazil.

Uruguay has no significant impediments to the prosecution or extradition of suspected terrorists. The judicial system is independent of external influences, but, as elsewhere, the judges' personal political leanings can influence the outcome of some cases.

In July 2003, Uruguay extradited Al Said Hassan Mokhles to Egypt. Egypt requested the extradition of the member of al-Gama'a al-Islamiyya, possible associate of al-Qaida, in 2002. Egyptian authorities tied Mokhles to a terrorist attack in Luxor, Egypt, that killed 58 foreign tourists in 1997. He was arrested in Uruguay on charges of document fraud in 1999 after attempting to enter the country with a false passport. Uruguayan authorities released him to Egypt under the conditions that he not be subjected to the death penalty, permanent imprisonment, or charged for document fraud (for which he already served four years).

Uruguay has signed and ratified all 12 UN terrorism conventions and protocols.

Venezuela

Venezuelan cooperation in the international campaign against terrorism was inconsistent in 2003. Public recriminations against US counterterrorism policies by President Chavez and his close supporters continued to overshadow and detract from the limited cooperation that exists between specialists and technicians of the two nations.

President Chavez's stated ideological affinity with the Revolutionary Armed Forces of Colombia (FARC) and the Colombian National Liberation Army (ELN) limits Venezuelan cooperation with Colombia in combating terrorism. Venezuela is unwilling or unable to systematically police the Venezuela-Colombia 1,400-mile border. The FARC and the ELN often use the area for cross-border incursions and regard Venezuelan territory near the border as a safehaven. In addition, weapons and ammunition—some from official Venezuelan stocks and facilities—continued flowing from Venezuelan suppliers into the hands of Colombian terrorist organizations. It is unclear to what extent the Government of Venezuela approves of or condones material support to Colombian terrorists and at what level. Efforts by Venezuelan security forces to control their sides of the border and to interdict arms flows to these groups are ineffective.

Current Venezuelan law does not specifically mention crimes of terrorism, although the UN Convention on Terrorist Bombings of 1997 and the UN Convention on Terrorism Financing of 1999 became law in Venezuela on 8 July 2003. An organized crime bill pending in the National Assembly would define terrorist activities, establish punishments, and facilitate the prosecution and asset forfeiture of terrorism financiers. Venezuela signed the OAS Inter-American Convention Against Terrorism in June 2002 and ratified it in January 2004.

Terrorist tactics were employed throughout 2003 by unidentified domestic groups attempting to influence the tenuous political situation, particularly in Caracas. A series of small bombs and threats throughout the year were variously blamed on supporters of President Chavez or the Government's political opponents.

Venezuela extradited one member of the terrorist organization Basque Fatherland and Liberty to Spain and arrested another. Unconfirmed press accounts continued to allege the presence of radical Islamic operatives in Venezuela—especially on Margarita Island. In February 2003, a Venezuelan national managed to fly from Venezuela to London with a hand grenade in his checked luggage, but his intent remains unclear.

Venezuela is a party to six of the 12 international conventions and protocols relating to terrorism.

North America (Canada and Mexico)

The Government of **Canada** remained steadfast in its condemnation of international and domestic terrorism and has been a helpful and strong supporter of the United States in the fight against international terror. Though there have been differences, overall antiterrorism cooperation with Canada remains excellent and serves as a model for bilateral cooperation. Day-to-day cooperation between US and Canadian law-enforcement agencies is close and continuous. Canadian Armed Forces participated in Operation Enduring Freedom in 2001, and Canada currently has some 1,900 soldiers in Afghanistan where they will lead the International Security Assistance Force in 2004. Canada has pledged \$230 million to reconstruction efforts; participated in a Justice Department-led international assessment of Iraq's police, prisons, and court sectors; and is currently involved in training the Iraqi police force.

Canada's 2001 Anti-Terrorism Act created measures to identify, deter, disable, prosecute, convict, and punish terrorist groups. It also provides investigative tools for Canadian law enforcement agencies while providing substantial safeguards to privacy and due process. As of November 2003, there were 34 organizations listed under the statute as entities engaging in terrorist activities. Although they are subject to prosecution under the Criminal Code of Canada, the law is untested since no prosecutions have taken place. Canada cooperates closely with the United States on investigations, and there is a heavy volume of extradition requests

between the two countries. Canadian privacy laws, limited resources, and criminal procedures more favorable to the defendant than in the United States sometimes inhibit a more full and timely exchange of information and exclude some potential supporters of terrorism.

Canada was the first country to ratify the Inter-American Convention Against Terrorism in December 2002. Canada implements terrorist finance listings in compliance with UN requirements and coordinates closely with the United States on plans to freeze assets. Efforts to counter terrorist financing include implementing UNSCR 1373, promoting the Special Recommendations on Terrorist Financing of the Financial Action Task Force, and actively participating in the G-7, G-8, and G-20.

Canada and the United States take part in a number of joint counterterrorism forums. In October 2003, they participated in a new round of talks under the auspices of the Bilateral Consultative Group on Counterterrorism Cooperation (BCG, established in 1988). The BCG is tasked to review international terrorist trends and to plan ways to intensify joint counterterrorism efforts. Canada will host the next BCG meetings in 2004. In May 2003, Canada and the United States participated in the second Top Officials simulation to test local, state/province, and federal disaster responses to a terrorist attack against civilian populations. The US Attorney General and Canadian Solicitor General coordinated policy at the US-Canada Cross-Border Crime Forum. The forum met in West Virginia in 2003 and established a counterterrorism subgroup to enhance cooperation in law enforcement and prosecutions. Future efforts include continued implementation of provisions of the Smart Border Accord and the further integration of border enforcement teams that are operating in 12 regions.

Canada has signed and ratified all 12 UN conventions and protocols relating to terrorism, including the International Convention for the Suppression of the Financing of Terrorism, under which Canada has listed and frozen the assets of more than 420 entities.

The Government of **Mexico** remained a strong international and bilateral partner in counterterrorism efforts throughout 2003. Mexico accepted a new methodology of evaluating and regulating money laundering and terrorism financing adopted by the IMF, the World Bank, and the FATF.

Among the many bilateral initiatives undertaken, Mexico cooperated fully with the United States in continuing to implement the US-Mexico Smart Border Accord—a 22-point border action plan signed in 2002 that aims to improve border infrastructure, expedite the secure flow of people, and facilitate the secure flow of goods across the US-Mexico border. Exchanges such as the Senior Law Enforcement Plenary, the Binational Commission, and the Mexico-US Committee on Transborder Critical Infrastructure Protection helped improve cooperation, trust, and confidence. Routine training, education, and technical assistance at various levels took place throughout 2003.

Mexico's Federal Investigative Agency arrested six Spanish citizens and three Mexicans at locations throughout Mexico on 18 July and alleged they had ties to the Basque Fatherland and Liberty (ETA). In public statements, Mexican officials said the suspects were laundering money to fund ETA terrorism and forging documents to support ETA members.

A continuing issue of strategic concern to US-Mexico counterterrorism efforts is the existence and continued exploitation of longstanding smuggling channels traversing the US-Mexico border. These routes have existed for many years to facilitate movement across the border while avoiding US and Mexican authorities. Despite active and prolonged cooperation by the Mexican Government to address these smuggling routes, many smugglers have avoided prosecution.

Mexico has ratified all 12 international conventions and protocols against terrorism.