

Western Hemisphere Overview

“We stand firm in the fight against terrorism and firm in our conviction that a sustained and permanent victory depends upon the success of each individual country in the struggle for social cohesion. In projecting our security policy to become an axiom of the State, we conceive it to be inexorably linked to the constant improvement of the social conditions of our people.”

Álvaro Uribe Vélez, President of Colombia
60th Session of the United Nations General Assembly
September 17, 2005

Terrorism in the Western Hemisphere was primarily perpetrated in by narcoterrorist organizations based in Colombia and by the remnants of radical leftist Andean groups. With the exception of the United States and Canada, there are no known operational cells of Islamic terrorists in the hemisphere, although scattered pockets of ideological supporters and facilitators in South America and the Caribbean lent financial, logistical, and moral support to terrorist groups in the Middle East. Cuba remained a state sponsor of terrorism, while Venezuela virtually ceased its cooperation in the global war on terror, tolerating terrorists in its territory and seeking closer relations with Cuba and Iran, both state sponsors of terrorism.

The threat of terrorist attack remained low in for most countries. Overall, governments took modest steps to improve their counterterrorism (CT) capabilities and tighten border security, but corruption, weak government institutions, ineffective or lacking interagency cooperation, weak or non-existent legislation, and reluctance to allocate sufficient resources limited the progress of many. Some countries, like Panama, Trinidad and Tobago, Jamaica, Mexico, and El Salvador, made serious prevention and preparedness efforts. Others, especially many that regularly allow narcoterrorists to transit or visit their territory, lacked urgency and resolve to address deficiencies in their counterterrorism posture. Caribbean and Central American nations, recognizing their attractiveness and vulnerability to attack or transit by terrorists, took steps to improve their border controls and secure key infrastructure, especially air and maritime ports. Most countries began to look seriously at the possibility of connections between transnational criminals and terrorist organizations.

The United States enjoyed solid cooperation on terror-related matters from most hemispheric partners, especially at the operational level. The United States maintained excellent intelligence, law enforcement, and legal assistance relations with most countries. The hemisphere boasts the OAS' Inter-American Committee against Terrorism, the only permanent regional multilateral organization focused exclusively on counterterrorism.

Mexico and Canada are key partners in the global war on terror and for U.S. homeland defense. Cooperation with them was broad and deep, involving all levels of government and virtually all agencies in several initiatives. Mexico strengthened considerably its legal framework for addressing national security threats. Canada played an important counterterrorism leadership role worldwide, often in partnership with the United States. However, media outcry over the U.S. deportation to Syria of a dual nationality Canadian/Syrian terror suspect, and his alleged mistreatment there, threatened to disrupt valuable information sharing arrangements between the United States and Canada.

The United States remains fully committed to assisting the government and people of Colombia to defeat Colombian-based narcoterrorist organizations. The government of President Alvaro Uribe made solid progress, inducing thousands of illegal combatants to demobilize and rejoin society, arresting or killing incorrigible leaders, and bringing government services, economic development, and security to formerly neglected regions of the country. Colombia cooperated unreservedly with U.S. efforts to recover three U.S. citizens taken hostage by the Armed Revolutionary Forces of Colombia (FARC) terrorist organization in February 2003.

Colombia's neighbors reacted variedly to the threat from Colombian narcoterrorists. While none condemned the terrorists or outlawed membership in such groups in their countries, for the most part they responded positively to Colombian requests to arrest specific fugitives. Ecuador, Brazil, and Peru improved cross-border cooperation with Colombia (often based on local, rather than national, arrangements), but their security forces remained under formal or informal orders to avoid military confrontations with encroaching foreign narcoterrorists. Forces in those countries pursued re nascent domestic terrorist groups aggressively. Venezuela remained unwilling or unable to control the traffic of FARC and National Liberation Army (ELN) arms, supplies, and drugs across the Colombian border, while moving aggressively against United Self-Defense Forces of Colombia (AUC) narcoterrorists.

The United States engaged Argentina, Brazil, and Paraguay in the 3+1 Group on Triborder Area Security to address transnational crime and dissuade those who would support terrorism. The "Three" have significantly increased their coordination, information sharing, and joint activities against criminals in the region where the countries converge.

Inter-American Committee against Terrorism (CICTE)



President George W. Bush speaks at the Organization of American States' (OAS) 35th General Assembly in Fort Lauderdale, Florida, in June as OAS Secretary General Jose Miguel Insulza (right), U.S. Secretary of State Condoleezza Rice (second from right), and Assistant Secretary General of the OAS Luigi Einaudi (left) look on. (AFP Photo/Roberto Schmidt)

A continuing positive trend in the Western Hemisphere was the increased political will to address terrorism. Although counterterrorism capacity and expertise remain lacking in many states in the hemisphere, countries continued efforts to strengthen their counterterrorism regimes on all fronts, with an emphasis on cooperation.

At the heart of this cooperation lies the Organization of American States' Inter-American Committee against Terrorism (CICTE), which continued to enhance regional counterterrorism cooperation and capacity building. At the February 2005 CICTE Fifth Regular Session in Port of Spain, Trinidad and Tobago, CICTE expanded its mission beyond disrupting terrorism

financing and enhancing border security to addressing threats to transportation security (aviation and seaport) and cyber security. To accomplish this enhanced mission, CICTE has various ongoing counterterrorism capacity-building programs: airport security training, customs and border security (land, air, and sea), financial controls, policy engagement exercises, and counterterrorism needs assessments.

CICTE delivered more than \$5 million in counterterrorism capacity-building assistance in the region. CICTE provided training to nearly 500 port and airport security officials from 29 member states to help meet the requirements of the International Maritime Organization's International Ship and Port Facility Security (ISPS) code, and the International Civil Aviation Organization's (ICAO) new air security standards. CICTE advised 15 member state governments on how to meet the requirements of UNSCR 1373, the 13 international conventions and protocols relating to terrorism, and the Inter-American Convention against Terrorism (IACAT), which complements and expands on international conventions and protocols. The U.S. Senate ratified the Convention in 2005.

Triborder Area (Argentina, Paraguay, and Brazil)

The governments of the Triborder Area (TBA) have long been concerned with arms and drugs smuggling, document fraud, money laundering, and the manufacture and movement of contraband goods through this region. In the early 1990s, they established a mechanism to address these illicit activities. In 2002, at their invitation, the United States joined them in the "3+1 Group on Triborder Area Security" to improve the capabilities of the Three to fight cross-border crime and thwart money laundering and potential terrorist fundraising activities. The United States remained concerned that Hizballah and HAMAS were raising funds among the sizable Muslim communities in the region and elsewhere in the territories of the Three, although there was no corroborated information that these or other Islamic extremist groups had an operational presence in the area.

In October, Paraguay hosted representatives from financial intelligence units (FIUs) and other experts from Argentina, Brazil, Paraguay, and the United States to address the challenges posed by the transnational movement of funds. Delegations also discussed and planned implementation of a U.S. program to help uncover discrepancies in customs data that suggested illicit activity. The Three also agreed to strengthen border controls, establish customs databases, share legislative standards, and designate points of contact on bulk cash movements.

Brazil hosted a meeting of the broad 3+1 group in December. Delegates reaffirmed their commitment to fulfill obligations outlined in UNSCR 1373 and to exchange information among governments. Additionally, the four countries reiterated the need to strengthen law enforcement ties by organizing a meeting for TBA public prosecutors in early 2006. Brazil agreed to fully implement the Regional Intelligence Center in Foz do Iguacu by mid-2006, and to invite Argentina and Paraguay to send official representatives to staff it. The Three also agreed to implement joint patrols of Itaipu Lake and adjacent waterways and continue work on integrated immigration and border controls.

Argentina

While Argentina cooperated very well with the United States at the operational level, it has not addressed some institutional weaknesses that hinder its counterterrorism efforts. For example, while the Argentine Government and its Central Bank are committed to ensuring that the assets of terrorist groups identified by the United States or the United Nations are frozen if they are detected in Argentine financial institutions, Argentina's financial investigative unit lacked legal and political weight. New regulations required travelers to report the cross-border transport of currency in excess of U.S. \$10,000, but there were no penalties for failure to report, nor were the reports easily accessible by investigators. The government did not advance legislative reform to criminalize support for terrorism.

Argentine security forces were vigilant in monitoring illicit activity in the Triborder Area and potential support links to Islamic radical groups outside Argentina. There is no credible evidence that operational cells of Islamic or regional narcoterrorist organizations exist in Argentina.

There were approximately 20 incidents by local groups involving small bombings, attempted bombings, or arson, mostly against U.S. and presumed U.S. businesses, including Citibank, Bank of Boston, Blockbuster, and McDonalds. No fatalities or injuries resulted. Anti-American pamphlets or graffiti were found at most incident sites.

In February, a new federal prosecutor took over the special prosecuting unit for the July 18, 1994, terrorist bombing of the Argentine-Israeli Mutual Association (AMIA) that killed 85 people. Hizballah and Iran remain the chief suspects. The prosecutor reinvigorated the problem-plagued investigation, despite suffering a temporary setback: in September, at Iran's request, Interpol canceled the international capture orders for 12 Iranian nationals whom Argentina seeks in connection with the bombing. There were no new developments in the investigation of the 1992 bombing of the Israeli Embassy, which killed 29 people.

Brazil

The government of Brazil vigorously condemned terrorism, but did not provide the necessary political and material support to strengthen counterterrorism institutions. A government commission proposed a new national interagency counterterrorism structure, but the government did not present legislation to implement it.

Overall, Brazil continues to improve its counterterrorism capabilities. The government effectively utilized its financial intelligence unit (COAF) to monitor and prevent possible funding for terrorist groups. With assistance and training from the United States, the COAF upgraded its database and data collection mechanisms. The government is also investing in border and law enforcement infrastructure with a view to gradually control the flow of goods – legal and illegal – through the TBA, the proceeds of which could be diverted to support terror groups.

Brazil chose not to establish a terrorist-designation regime that would make support for and membership in terror organizations a crime. Moreover, the Government of Brazil considers Hizballah a legitimate political party. Brazilian law prohibits the extradition of native-born Brazilian citizens and imposes tight constraints on the extradition of naturalized citizens (for previous crimes and drug trafficking only) and foreigners (for all but ideological or political crimes). The latter could complicate foreign governments' efforts to bring terrorist fugitives to justice. In August, the Brazilian Federal Police arrested Revolutionary Armed Forces of Colombia (FARC) "spokesman" Francisco Antonio Cadena Collazos under an international warrant.

The United States continued to work with Brazil in several bilateral, multilateral, and international forums to strengthen neighbors' and its own CT capabilities.

Paraguay

Although Paraguay is cooperative in counterterrorism and law enforcement efforts, its judicial system remains severely hampered by a lack of strong anti-money laundering and counterterrorism legislation. In 2004, the Government of Paraguay submitted a bill to the legislature to strengthen its anti-money laundering regime, but the draft legislation remained stalled. The government has not yet introduced draft counterterrorism legislation. Both are essential to Paraguay meeting its international counterterrorism obligations under UN Security Council resolutions.

Lacking effective counterterrorism legislation, Paraguay had to prosecute suspected terrorist financiers under tax evasion or other statutes. Paraguayan authorities prosecuted Kassem Hijazi, a suspected Hizballah money launderer connected to 113 businesses and 46 individuals. Hijazi remains free on bail pending a preliminary trial hearing. In addition, officials filed charges against suspected terrorist fundraiser Hattem Barakat for tax evasion and passport and document forgery. Separately, Paraguayan authorities are seeking the arrest

of fugitive Hassan Ali Barakat (Barakat's cousin), for conspiracy, piracy, and contempt of court.

Paraguay was shocked by the discovery in March of the murder of former President Raul Cubas' daughter Cecilia, who was kidnapped in 2004. Paraguayan authorities aggressively prosecuted members of the leftist Free Fatherland Party (Partido Patria Libre, or PPL) and revealed that the perpetrators had sought and received advice on the kidnapping from a member of the Revolutionary Armed Forces of Colombia (FARC). In October, a Paraguayan judge indicted 25 individuals, and PPL faction leader Osmar Martinez repeated earlier admissions of ties with the FARC.

The United States assisted Paraguay with both antiterrorism training and national security strategic planning.

Bolivia

Bolivia's counterterrorism efforts are hindered by inadequate resources, corruption, a weak legal framework, and political uncertainty. The government's ability to enforce UN sanctions on suspected terrorist organizations and individuals is impeded by domestic law and an ineffective judicial system. As of December, the government had yet to bring an ELN member arrested in Bolivia, Francisco "Pacho" Cortez, to trial. Bolivian authorities nevertheless arrested Tupac Amaru Revolutionary Movement (MRTA) member Aida Ochoa in La Paz and took custody of MRTA member Julio Cesar Vasquez from Peru. The Bolivian Government sought and received our assistance to deactivate man-portable air defense systems (MANPADS), which were in deteriorating and unstable condition.

Canada

The governments of the United States and Canada collaborated on a broad array of initiatives, exercises, and joint operations that spanned virtually all agencies and every level of government. At the political level, however, tensions over Iraq and U.S. actions against Canadian citizen terror suspects threatened to disrupt valuable information sharing between the two nations. Terrorists have capitalized on liberal Canadian immigration and asylum policies to enjoy safe haven, raise funds, arrange logistical support, and plan terrorist attacks. The domestic terror legislation Canada passed after September 11, 2001 was used for only one prosecution and will expire in 2006.

U.S.-Canadian counterterrorism cooperation rests on a number of established forums, including the Security and Prosperity Partnership of North America, the terrorism sub-group of the Cross Border Crime Forum, and the Smart Border Accord. The latter led to an agreement to expand the number of Integrated Border Enforcement Teams (IBETs) covering the border to 15.

Of several exercises held to test the joint U.S.-Canadian response to terrorist attacks, TOPOFF (Top Officials) in April was the most ambitious. This exercise with Canada and the United Kingdom involved more than 8,000 personnel managing scenarios in three countries

over five days. For Canada, it constituted a dry run of its recently formulated National Response Plan. Smaller exercises afforded local authorities the opportunity to practice their joint response to terror emergencies.

In Afghanistan, Canada assumed command of the Kandahar Provincial Reconstruction Team and maintained several hundred troops under NATO command. Although Canada chose not to join Operation Iraqi Freedom, it chaired the donors committee of the International Reconstruction Fund Facility for Iraq, pledged over U.S. \$240 million for Iraqi reconstruction, police training (through NATO), and elections, and led international monitoring of all three rounds of Iraqi elections. Canada also helped key countries address terrorism and terrorism financing with new counterterrorism capacity-building programs.

The principal threat to the close U.S.-Canadian cooperative relationship remains the fallout from the Arar case. U.S. authorities in 2002 detained dual nationality Canadian-Syrian terrorist suspect Maher Arar in New York and removed him to his native Syria. Arar claimed he was tortured in Syria, triggering a media outcry in Canada that prompted the Canadian Government to review and restrict information-sharing arrangements with the United States. The two governments are working to develop a mechanism to accommodate Canadian concerns while resuming the free flow of counterterrorism information.

The Arar case underscores a greater concern for the United States: the presence in Canada of numerous suspected terrorists and terrorist supporters. Algerian-born Ahmed Ressay, the "millennium bomber" caught attempting to bring bomb-making materials into the United States, was denied asylum in Canada, yet remained in Montreal for seven years and used false identification to obtain a Canadian passport. Other known terrorists in Canada include:

- Mohammed Mahjoub, member of Vanguard of Conquest, a radical wing of Egyptian Islamic Jihad;
- Mahmud Jaballah, senior member of the Egyptian Islamic terrorist organization al-Jihad and al-Qaida;
- Hassan Al Merei, suspected al-Qaida member;
- Mohammed Harkat, suspected al-Qaida member; and
- Adil Charkaoui, suspected al-Qaida member.

Canada is also home to the Khadr terrorist family. Father Ahmed Said, a member of al-Qaida, was killed by Pakistani security forces in 2003. A son accused of killing a U.S. Army medic and wounding another soldier is being held in Guantanamo. Another son was detained by U.S. forces in Afghanistan and has since returned to Canada. The USG seeks the extradition of a third son for conspiring to kill Americans. A daughter is under investigation by Canadian authorities for terror-related offenses.

Some 38 terrorist groups are officially banned in Canada, but not the Liberation Tigers of Tamil Eelam (LTTE), possibly due to the political weight of the 200,000-strong Tamil community in Canada. The government prohibits known LTTE members from entering Canada, however.

In the wake of September 11, 2001, Canada passed an Antiterrorism Act subject to mandatory periodic reviews and annual reporting on preventive detention provisions. Canada has never used the latter, and has arrested only one person under the Act. The investigative hearing provisions of the Act have been used only once -- in the still unresolved Air India case. Nevertheless, critics of the legislation charge that it could be used to target ethnic groups and seek its repeal.

The British Columbia Supreme Court found Sikh separatists Ripudaman Singh Malik and Ajaib Singh Bagri not guilty of bombing Toronto-origin Air India Flight 182 and killing 329 people. Outrage from families of the victims triggered a commission of inquiry, which is tasked to examine systemic issues related to Canada's counterterrorism preparedness.

Chile

Chilean law enforcement actively cooperated in international terrorism investigations and improved the legal framework for addressing the threat of terrorism.

New legislation removed constraints on intelligence gathering, but Chile's National Intelligence Agency remained an analytical body, reliant on law enforcement and investigative agencies for collection and operations. The government has not allocated adequate resources for Chile's 450-person counterterrorist reaction force to operate at peak efficiency.

Chile assisted Argentine security services during the Summit of the Americas in Argentina, and invited the United States to form joint counter surveillance and observer teams during the Community of Democracies Ministerial in Santiago. Law enforcement monitored possible extremist links between Chile's Iquique Free Trade Zone and the Triborder Area.

The United States continued to build the capacity of Chilean law enforcement and counterterrorism entities, training approximately 70 Chilean judges on intellectual property crime and its potential link to money laundering and terror financing schemes.

Colombia



Police officers lead arrested FARC financier Nayibe Rojas Valderama "Sonia" at the airport in Barranquilla, Colombia, in March as she is being extradited to the U.S. (AFP Photo/Policia Nacional)

The Government of Colombia, facing a domestic terrorist threat, continued vigorous law enforcement, intelligence, military, and economic measures against three designated Foreign Terrorist Organizations -- the Revolutionary Armed Forces of Colombia (FARC), the National Liberation Army (ELN), and the United Self-Defense Forces of Colombia (AUC). Colombia worked with neighboring countries to thwart terrorist expansion, investigate terrorist activities inside and outside Colombia, seize assets, and bring terrorists to justice. The U.S.-Colombia extradition relationship

remained one of the most successful in the world. The Colombian Government cooperated fully with U.S. efforts to recover three U.S. citizens kidnapped by the FARC in February 2003, and remained amenable, despite FARC duplicity, to third-party proposals for a hostage-prisoner exchange. Colombian terror groups, while weakened, continued to murder, kidnap, and terrorize Colombians from all walks of life.

The Uribe administration maintained its focus on demobilizing or defeating Colombia's terrorist groups. In the course of demobilizing combatants, the armed forces debriefed terrorist group deserters for detailed information on their terrorist cells. The Justice and Peace Law that offers judicial benefits and reduced custodial sentences for qualifying demobilizing terrorists requires all participants to confess fully their crimes as members of a terrorist group. Justice and Peace beneficiaries must also return all illicit profits.

Colombia worked closely with the United States to block terrorists' assets. Colombian financial institutions, on orders of the government, closed many narco-trafficking and terrorism-related accounts.

Colombia emerged as a leader for improving counterterrorism capabilities and for strengthening political will to combat terrorism in the region. Colombia was the first country to offer assistance to Paraguay in the wake of a shocking kidnap-murder there linked to the FARC. Colombia became the Vice-Chair of the Organization of American States' Inter-American Committee against Terrorism (CICTE).

Colombia extradited more than 130 criminals to the United States, the vast majority of whom were Colombian nationals. In February, Colombia extradited FARC financier Omaira Rojas Cabrera "Sonia." In November, Colombian officials arrested Farouk Sheikh Reyes on suspicion of distributing more than 600 tons of cocaine to Europe and the United States to fund multiple Colombian illegal armed groups. Among the greatest concerns of FARC, ELN, and AUC leaders is the threat of extradition to the United States.

The FARC continued tactical-level terrorist and narco-trafficking activities despite the ongoing military campaign against it. The FARC targeted rural outposts, infrastructure, and several political adversaries; their crimes and suspected crimes include:

- kidnapping 11 people over the Easter holiday;
- killing six municipal councilors and an official, and wounding many others, during a city council meeting in May;
- bombing nine electrical towers in the Atlantic Coast region, causing widespread power outages for several days;
- killing 21 soldiers and wounding 11 in southeastern Putumayo Department in 12 simultaneous strikes in June; and
- injuring nine bystanders with a remote-controlled 50-kilogram explosive device that missed Colombian Senator German Vargas Lleras. More than 400 other persons sustained damage to their property. The FARC denied responsibility, but the Colombian Government has not ruled it out as the perpetrator.

Three Irish Republican Army (IRA) members awaiting final sentencing for training the FARC on IRA bomb tactics fled Colombian parole and resurfaced in Ireland in August. They were detained and questioned by the Irish national police but released without charge. The Colombian Government requested their extradition. Ireland does not have an extradition treaty with Colombia, but the case remains under review. The Irish Director of Public Prosecutions is investigating whether charges can be brought against one of the three for traveling on a false passport.

After abandoning talks with a Mexican intermediary, the ELN began preliminary talks with the Colombian government in December 2005 in Cuba, but had not yet agreed to begin a formal peace process. The group continues to fight but has limited resources and dwindling membership. The ELN had its first mass desertion in June, when a 29-person unit surrendered to officials. The ELN boasted that it removed landmines from a rural area, but refused to let the government verify such removal.

Pursuant to the AUC's 2003 agreement with the Colombian Government, some 23,000 AUC and allied combatants demobilized over the past two years. As of November, the government's goal was to demobilize all AUC members by the end of March 2006 and ensure their reincorporation into civil society by the end of 2007. AUC-authored murders remained roughly at 2004 levels, while its overall level of violence decreased. Cease-fire violations targeted civilians and included mass killings, kidnappings, assassinations, illegal evictions, robberies, and impressments of children.

Ecuador

Ecuador's greatest counterterrorism and security challenge is confronting Colombian narcoterrorists on its northern border. The country's historical neglect of its 400-mile northern border and the lack of licit employment opportunities have made the area ripe for narcoterrorist influence and recruitment by Colombia's FARC and ELN.

Ecuador's response to this threat has been uneven. On the one hand, the government shifted troops to the border region, improved military-to-military cooperation with Colombia, and worked with the United States and other donors to spur economic development in the area. Ecuador's security forces conducted effective operations in the field, given the constraints on their resources and capabilities. On the other hand, Ecuador has allocated insufficient resources for its security forces to consistently and effectively thwart cross-border incursions, and has refused to condemn Colombian terrorist groups, espousing neutrality in the Colombian conflict.

Ecuadorian officers in border units believe that the FARC and ELN hold sway in up to three-quarters of Ecuador's border hamlets, with these groups' narco-dollars buying silence or compliance. The Ecuadorian police and military claim that the FARC and possibly the ELN have significant numbers of Ecuadorians in their employ. These narcoterrorist organizations regularly use Ecuadorian territory for rest, recuperation, and re-supply.

Ecuadorian police suspect several Ecuadorian groups of domestic subversion and involvement in terrorism. Of greatest concern is the 200-member Popular Combatants Group (GCP), a faction of the Marxist-Leninist Communist Party of Ecuador. Its members, mainly students, train in the use of firearms and low-yield pamphlet bombs, which they have exploded nationwide without casualties. A handful of other radical groups, most reputed to have ties with and support from Colombian narcoterrorists, also exploded pamphlet bombs in 2005, some targeting U.S.-associated businesses.

According to Ecuadorian press reports allegedly based on Ecuadorian intelligence, Venezuela has provided training to radical leftists from Ecuador – notably the Alfarista Liberation Army (ELA). The reports indicated that ELA members received military training in Venezuela in small arms, intelligence, urban operations, and explosives. The group allegedly had close ties, as well, with the FARC and ELN. An ELA spokesman confirmed in a press interview that several members of the ELA traveled to Venezuela for training and maintained ties with Colombian counterparts.

The government scored a number of counterterrorism successes. Ecuador arrested and returned to Colombia a suspected FARC financial operative, Marcial Campana. The government also cracked down on clandestine FARC combat clinics operating in Ecuador's interior, capturing 21 persons in Quito and handing over a key FARC commander and four sympathizers to Colombia.

The Ecuadorian legislature passed a landmark anti-money laundering law in October that criminalizes the laundering of illicit funds from any source, penalizes the undeclared entry of more than U.S. \$10,000 in cash, and establishes a financial intelligence unit (FIU) under the Superintendency of Banks.

Ecuador's judicial institutions remain weak and corrupt. While the military and police have made numerous arrests, the judicial system, which until recently lacked a functioning Supreme Court, generally impedes prosecutions.

El Salvador



Salvadoran soldiers of the Cuscatlan Battalion board a military plane headed for Iraq in August. El Salvador is the only Latin American country with troops in Iraq. (AFP Photo/Yuri Cortez)

El Salvador backed its outspoken support for the United States-led coalition in the global war on terror by sending a fifth troop rotation to Iraq in August.

The government introduced counterterrorism legislation that has new sentencing requirements for certain terrorist-related crimes but falls short of international recommendations on terror finance. If passed, technical limitations, banking privacy laws, and a culture of protecting clients could complicate its implementation. Existing money laundering laws allow for freezing and

forfeiture of proceeds from illegal activities, but do not outlaw the flow of legitimate money to terrorist organizations.

El Salvador has the basic statutory framework to prosecute terrorists, but the judicial system is weak and inefficient. The constitution expressly protects Salvadoran citizens from electronic monitoring, and the current draft counterterrorism legislation is unlikely to change that.

The National Civilian Police (PNC) is professional and well-regarded by Salvadoran citizens and outside observers. The PNC coordinates well with the National Intelligence Service, the Immigration Service, and the Office of the Attorney General. While its immigration regime is strict, El Salvador does not have a customs and immigration recordkeeping system accessible in real time at ports of entry and by the central authority.

Guatemala

Severe resource constraints, corruption, and an ineffective criminal justice system hindered efforts against transnational crime threats such as drug trafficking and alien smuggling, especially through remote areas of the country. Guatemala lacks the technology and manpower to effectively monitor the potential transit of international terrorists. Nevertheless, authorities have provided strong cooperation to U.S. requests for assistance in the investigation of terrorism leads. Deployment of an interagency task force provides a new governmental presence in the previously lawless northwest border region.

Guatemalan law enforcement authorities have sought but do not have wiretapping authority. Legislation pending before the Guatemalan Congress may address this deficiency. Terrorism suspects -- like ordinary detainees -- can only be held for six hours without being charged.

There is no credible evidence of terrorism financing in Guatemala; the government, along with the private financial sector, actively cooperates in looking for such funds. Terrorism finance legislation was passed and complies with international standards.

Mexico

The Mexican Government worked closely with the United States on all aspects of counterterrorism security and prevention. In particular, Mexico was extremely helpful in flagging, monitoring, and controlling flights to or over the United States that may have raised terrorism concerns.

A National Security Law that took effect in January established a National Security Council to improve military, intelligence, immigration, and civilian law enforcement cooperation on security issues, including terrorism. The law also established a National Security Commission in the Congress.

Mexico remained engaged with the United States in efforts to improve border security. Working with the United States and Canada, the Security and Prosperity Partnership of North

America (SPP) was launched to keep North American borders closed to terrorism and open to trade.

The Mexican Government deployed federal authorities and military forces along its northern border as part of "Operation Secure Mexico," in response to deadly attacks against government officials and narcotics-related violence. Mexican officials also worked to implement the Operation Against Smugglers Initiative on Safety and Security (OASISS).

Under Mexico's own Plan Centinela, Mexican armed forces were deployed along the northern and southern borders to protect vital infrastructure throughout the nation and to enhance airport security. The Mexican military continued to place great emphasis on expanding its counterterrorism capabilities, maritime air surveillance, and security and response measures for all key national strategic facilities, including the oil production infrastructure in the Gulf of Mexico.

Nicaragua

The most pressing counterterrorism issue for the United States concerning Nicaragua is the stalled destruction of Nicaragua's stocks of man-portable air defense systems (MANPADS). While the Nicaraguan executive branch and armed forces recognized the danger from these weapons falling into the hands of terrorists and cooperated with the United States, the opposition-controlled legislature delayed the MANPADS destruction program. With U.S. assistance, Nicaragua's armed forces have upgraded security and accountability systems for these weapons, pending the program's resumption.

The Nicaraguan legislature has also failed to act on a comprehensive counterterrorism law that would create a national counterterrorism operations unit and address deficiencies in existing criminal and money laundering statutes. The latter, coupled with a cash-starved financial analysis unit, amounts to an ineffective anti-money laundering and terror financing regime.

Nicaragua's court system is politicized and mired in corruption that reaches the Nicaraguan Supreme Court.

Panama

Panama's primary counterterrorism concerns are protecting the Panama Canal and preventing Colombian narcoterrorists from gaining greater influence in the country.

Panama has invested heavily in security infrastructure for the Canal and in national security planning and preparedness, focusing on improving inter-service cooperation through exercises and joint operations. Panama provides enhanced force protection for U.S. warships transiting the Canal, and provided enhanced security for 80 ships carrying nuclear waste or nuclear cargo through the Canal. Panama hosted PANAMAX, an annual multinational counterterrorism exercise that simulates the defense of the Canal from terrorist attack.

Members of the Revolutionary Armed Forces of Colombia (FARC) routinely enter the remote Panamanian province of Darien for rest and refitting. They have killed Panamanians, taken hostages, and proselytized to captive audiences. Panamanian public security forces in the area, while increasing in number, are under formal or informal orders to avoid armed confrontation with these narcoterrorists.

Panama has no army. However, the Panamanian National Police (PNP), with U.S. training and assistance, has established a permanent presence along the Colombian border to try to discourage narcoterrorist operations. As part of its Secure Trade and Transportation Initiative, the government is considering creating a dedicated border control force. Panama maintains a border security cooperation agreement with Colombia for sharing cross-border security information and facilitating security force cooperation on narcoterrorist and illegal migrant issues.

Panama's Foreign Ministry, Council for Public Security and National Defense, Financial Analysis Unit, and Superintendent of Banks were fully cooperative in reviewing terrorism finance lists and played a leadership role in helping other countries in the region improve standards. The Panamanian legislature passed new legislation restricting possession of precursor chemicals and toughening laws on money laundering.

Peru

Peru's top counterterrorism concern is preventing the re-emergence of the militant Maoist Sendero Luminoso (SL or the Shining Path), a designated Foreign Terrorist Organization that convulsed the country in the 1990s at a cost of more than 35,000 lives.

Although previous Peruvian administrations nearly eliminated the SL in the 1990s, the organization, now intertwined with narcotics trafficking, remains a threat. The SL -- estimated to number approximately 200 armed combatants at present -- conducted several deadly attacks in remote areas in 2005. While the new SL seems shorter on revolutionary zeal than its predecessor did, reports suggest it is attempting to rebuild support in the universities, where it exercised considerable influence in the 1980s. Meanwhile, the drug trade provides SL a greater source of funding to conduct operations, improve relations with local communities in remote areas, and gain recruits. Lack of a government presence in these areas and a deterioration in Peruvian security capabilities has complicated efforts to counter or disrupt SL activity.

SL's attacks, which targeted the Peruvian National Police (PNP) and the U.S.-Peruvian counternarcotics program, included the ambush and murder of three highway police officers, an attack on three counternarcotics helicopters, and the killing of three police officers with an electronically-detonated explosive device. In November, a group of heavily armed SL members kidnapped ten employees of a USAID economic development contractor. The abductors released the employees, but threatened to kill them if they returned to the area. SL forces ambushed and killed five counternarcotics police officers in December.

President Toledo and the Peruvian Congress allocated more than \$55 million to security, national defense, and socio-economic development activities and projects in areas where SL and remnants of other terrorist groups operate. The government has also sought to improve interagency cooperation and strengthen prosecutors. Police units specializing in counterterrorism and counternarcotics conduct operations together with the Peruvian Army.

Authorities arrested 143 suspected SL and Tupac Amaru Revolutionary Movement (MRTA) members, including SL leader Toribio Castaneda Quijano and the last at-large original leader of the MRTA, Julio Cesar Vasquez. Toledo has repeatedly reauthorized a 60-day state of emergency in parts of Peru's five departments where SL operates, suspending some civil liberties and giving the armed forces authority to maintain public order.

The Government of Peru aggressively prosecuted terrorist suspects, led by special counterterrorism prosecutors. A special court is retrying approximately 750 of the 1,900 SL and MRTA members whose convictions were overturned by Peru's Constitutional Tribunal in 2003. The government is also retrying SL founder Abimael Guzman and 20 co-defendants. Peru's judicial system convicted and sentenced to lengthy prison terms an SL leader and three associates for the 2002 bombing of the El Polo shopping center and for membership in the SL. Seven co-defendants were acquitted.

There is no evidence that neighboring Colombia's National Liberation Army (ELN) operates in Peru. The Revolutionary Armed Forces of Colombia (FARC), uses remote Peruvian territory for rest and arms purchases. According to the Peruvian police, the FARC has forced indigenous groups in remote jungle areas to cultivate coca crops. Peru, Colombia, and Brazil are party to a 2004 border security agreement to cooperate against terrorism and arms trafficking.

Uruguay

The Government of Uruguay allocates insufficient resources and lacks the political will to play a more significant role in the global war on terrorism.

Most Uruguayans, including officials responsible for counterterrorism and emergency preparedness, do not believe terrorism will ever directly affect Uruguay. Newly inaugurated President Tabare Vazquez resumed diplomatic relations with Cuba -- a U.S. - designated state sponsor of terrorism -- that the previous government had severed. Uruguay maintains diplomatic and commercial relations with Iran -- another state sponsor of terrorism -- and reacted slowly to the Iranian president's statements calling for Israel's destruction.

Venezuela

Venezuelan cooperation in the international campaign against terrorism remained negligible. President Hugo Chavez persisted in public criticism of U.S. counterterrorism efforts, publicly championed Iraqi terrorists, deepened Venezuelan collaboration with such state sponsors of terrorism as Cuba and Iran, and was unwilling to deny safe haven to members of Colombian terrorist groups, as called for in UN resolutions.

Chavez' ideological sympathy for the Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army (ELN) limited Venezuelan cooperation with Colombia in combating terrorism. FARC and ELN units often crossed into Venezuelan territory for rest and re-supply, with little concern that they would be pursued by Venezuelan forces. Splinter groups of the FARC and another designated Foreign Terrorist Organization, the United Self-Defense Forces of Colombia (AUC), operated in various parts of Venezuela and were involved in narcotrafficking. The government pursued the latter with greater energy.

It is unclear whether and to what extent the Government of Venezuela provided material support to Colombian terrorists, and at what level. An ex-ELN guerrilla told the press in February that a "non-aggression" pact existed between the ELN and Venezuelan authorities, adding that the Venezuelan National Guard allowed the terrorist group to kidnap ranchers. Weapons and ammunition -- some from official Venezuelan stocks and facilities -- regularly turned up in the hands of Colombian terrorist organizations. The government did not systematically police the 1,400-mile Venezuelan-Colombian border to prevent the movement of groups of armed men or interdict arms flows to narcoterrorists.

Venezuela passed an organized crime bill and a penal code reform that outlaw collaboration with terrorists but do not define the terms "terrorist" or "terrorism." In November 2004, the Supreme Court set up a special panel for terrorism cases, but it is unclear whether the panel has tried anyone for terrorist acts.

Radical political elements detonated a series of small bombs, particularly in Caracas. Despite accusations and counter-accusations among various political actors, the exact perpetrators remain unknown.

Venezuelan citizenship, identity, and travel documents remained easy to obtain, making Venezuela a potentially attractive way-station for terrorists. Senior FARC member Rodrigo Granda, who was captured in 2004, had Venezuelan citizenship and identification papers while residing in Caracas. International authorities remained increasingly suspicious of the integrity of Venezuelan documents and their issuance process.