



(AP photo/Fernando Llano)

Venezuelan President Hugo Chávez (now deceased), dressed in military uniform and surrounded by military officers, attends a celebration 27 June 2000 commemorating the Battle of Carabobo (fought 24 June 1821), which led to Venezuelan independence. Elected to office in 1998, Chávez filled the ranks of government with military cronies who became instrumental in making Venezuela a major conduit for drug trafficking to North America and Europe.

Criminal Networks in Venezuela

Their Impact on Hemispheric Security

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Following the maturation of its democratic process at the end of the 1960s, Venezuela was a stabilizing force in the Latin American region,

making active contributions to strengthening peace among the nations of the region, promoting democracy and, in general, acting as a positive element for

Latin American development. However, in recent years, the South American nation's actions have threatened the security and stability of the hemisphere. Venezuela has interfered with and destabilized other countries in the region, supported internal and external paramilitary forces, and threatened war with its neighbors—all activities derived from the political-strategic course charted by the regime of Hugo Chávez Frías.

A few years after Chávez rose to power in 1999, he began implementing a political-strategic plan he called the “Bolivarian Revolution,” which threatened Latin American peace. Chávez's plan was characterized by a hostile and confrontational posture toward the United States, actions designed to export Chávez's autocratic, socialist model to other countries of the region, and a foreign policy that embroiled Venezuela in international-level conflicts.

For example, the Chávez government resolutely supported the Revolutionary Armed Forces of Colombia (FARC), and it closely collaborated with actors from outside the region such as Russia. This collaboration led to the presence of nuclear-capable warships and bombers in Venezuelan ports and airports, and, during one exercise, resulted in the violation of Colombian airspace.¹ Similarly, Venezuela has been linked to Iran, helping that nation skirt economic sanctions imposed by the United States and the European Union, and allowing Iranian nationals to enter Venezuela to participate in activities that some authors tie to international terrorism and Iran's nuclear program.²

Following the sudden demise of Chávez in 2013, based on writs of execution ordered by his successor, Nicolás Maduro, almost all of the characteristics of this regional security environment are still in existence. However, it is now instead fueled by two vectors. First, what might be called *ideological inertia* has been sustained by Maduro, which preserves the principal elements of Chávez's foreign policy; in particular, confrontation with the United States. Second, and more importantly, criminal activities are carried out by an ensemble of transnational criminal networks that are closely tied to the national government.

More recently, Venezuela has gained international attention from both accusations and proven actions



of involvement in transnational criminal networks by civilian and military officials. These networks are involved in illicit operations like narcotics trafficking, money laundering, financial crimes, and corruption. Similarly, Venezuela has been tied, directly or indirectly, to support of international terrorism, which together with its participation in illicit networks, represents a clear danger to regional security and stability.³

The participation of high-level officials of the Venezuelan government in transnational criminal enterprises is a direct by-product of the Chavista revolutionary process. Chávez used a crude model to implement what is also known as “twenty-first century socialism” and attempted to export it to the rest of Latin America. This model is characterized by the militarization of most of the state institutions, implicit support for corruption, and the creation of systems—both legal and illegal—that parallel state institutions. Application of this model creates ideal conditions for the formation of criminal networks related to narcotics trafficking and white-collar crime. These networks have a global reach and present a threat to hemispheric security and regional stability.

The aim of this article is to advance a theory of how a political process, considered by Chavistas



(AFP photo/ Juan Barreto)

Nicolás Maduro (left), who succeeded Hugo Chávez as president of Venezuela upon Chávez's death, attends a ceremony 4 February 2014 commemorating the twenty-second anniversary of Chávez's attempted coup against the government of Carlos Andres Pérez. Diosdado Cabello, president of Venezuela's National Assembly, dressed in military uniform, accompanies him. Cabello is a leading target of U.S. drug trafficking and money laundering investigations.

as “revolutionary,” has resulted instead in a state of affairs that allows a partnership between the Venezuelan government and illicit transnational organizations, without radical changes in the social and political environment. This situation has progressed to the point that some authors now qualify Venezuela as a “mafia state,” driven by the increasingly pronounced involvement of civilian and military figures of the government in activities linked to transnational organized crime.⁴

Militarization of the Venezuelan State and the Creation of Illegal Structures

It is no coincidence that the most significant accusations made in the past few years regarding Venezuelan government involvement in illicit transnational activities are directed at active and retired military members who held positions of responsibility within the national government. Chávez's rise to power was accompanied

by the militarization of the most important state institutions through the strategic placement of his comrades-in-arms in a large number of influential government positions.

In his inaugural address in February 1999, the Venezuelan leader referred to the military when he said, “Our brothers-in-arms cannot be locked away in barracks, on naval bases and air bases with their great ability, great human capital, and vast resources as if they were deactivated, as if it were another world separate from an astonishing reality, a cruel reality that clamors for an injection of resources, morale, and discipline.”⁵ Later, Chávez asked the minister of defense for a list of all active-duty military personnel with engineering degrees. He said, “The list surprised both of us: hundreds of active duty officers who are engineers, and starting with nuclear engineers, there are also a number of them in the armed forces, including civil, electronic, and electrical engineers in the different branches.”⁶ He added that, as commander in chief, he had ordered these individuals to integrate themselves in development projects through specialized units. On his first day as head of state, Chávez proclaimed the moral superiority of his military colleagues, who would achieve the long-awaited national development that the previous leaders, those he called corrupt governments of the “Fourth Republic,” could not.

Just twenty-three days after this speech, the Venezuelan president began execution of what he paradoxically called Plan Bolívar 2000. The “plan” had no articulated objectives and was carried out without any type of planning or organization, although it involved more than seventy thousand active-duty military personnel. Under the leadership of some of Chávez's general-officer colleagues, these members of the armed forces would be used in a series of activities totally foreign to their *raison d'être*. In theory, the plan would unfold in three stages: *Pro-Country*, which involved the armed forces in the performance of social services; *Pro-Homeland*, in which the military would empower the communities to solve internal infrastructure problems; and, finally, *Pro-Nation*, in which those in uniform would help the country to become economically self-sufficient.

In this manner, the Venezuelan president set aside state laws and formal organizations that regulated both the actors and the types of activity undertaken—for example, the Constitutional Law of the Armed

Forces—to create an illegal parallel military structure, which lacked the control and accountability normally exercised by state entities charged with those responsibilities. This was the first of many parallel state structures, the majority illegal, installed by Chávez with the actual aim of taking absolute control of power.

Plan Bolívar 2000, which remained in effect until 2001, ended in complete failure. However, in contradictory fashion, the plan had a positive media effect for the president, who was by then advantageously positioned with the military establishment, within the framework of what would be the Chavista project for a civil-military union. Plan Bolívar 2000 not only failed to achieve its nebulous goals, but its execution demonstrated just the opposite of what Chávez had said in his inaugural address: neither his comrades-in-arms who led the project nor the lower-level cadres enjoyed any moral superiority over the rest of the population. They were involved in scores of corruption cases and the misappropriation of immense quantities of allocated resources.

The program that had Gen. Víctor Cruz Weffer as its principal manager had resources on the order of thirty-six billion bolivars in 1999 (roughly \$5 billion USD at the current exchange rate) and thirty-seven billion bolivars in 2000. In currency alone, more than \$150 million bolivars disappeared from the plan without any accountability for expenditures.⁷ Comptroller General of Nation Eduardo Roche Lander began an investigation of the losses in 1999. Among the illicit activities uncovered during the investigation, he detected irregularities in the fiscal management of the military garrisons in Barcelona, Bolívar City, and Maturín, and charges were filed against Cruz Weffer and Gen. Manuel Rosendo, commander of the Unified Command of the National Armed Forces. Despite the evidence in the cases, Chávez publicly declared, “Perhaps it is an administrative oversight that merits a fine; but there is no cause for undue concern.”⁸ Other military members charged were Gen. Jorge Luis García Carneiro, garrison commander in Mérida, and Gen. Mervin López Hidalgo, commander of the division in Guárico, but none were legally disciplined as a result of their alleged criminal actions.⁹

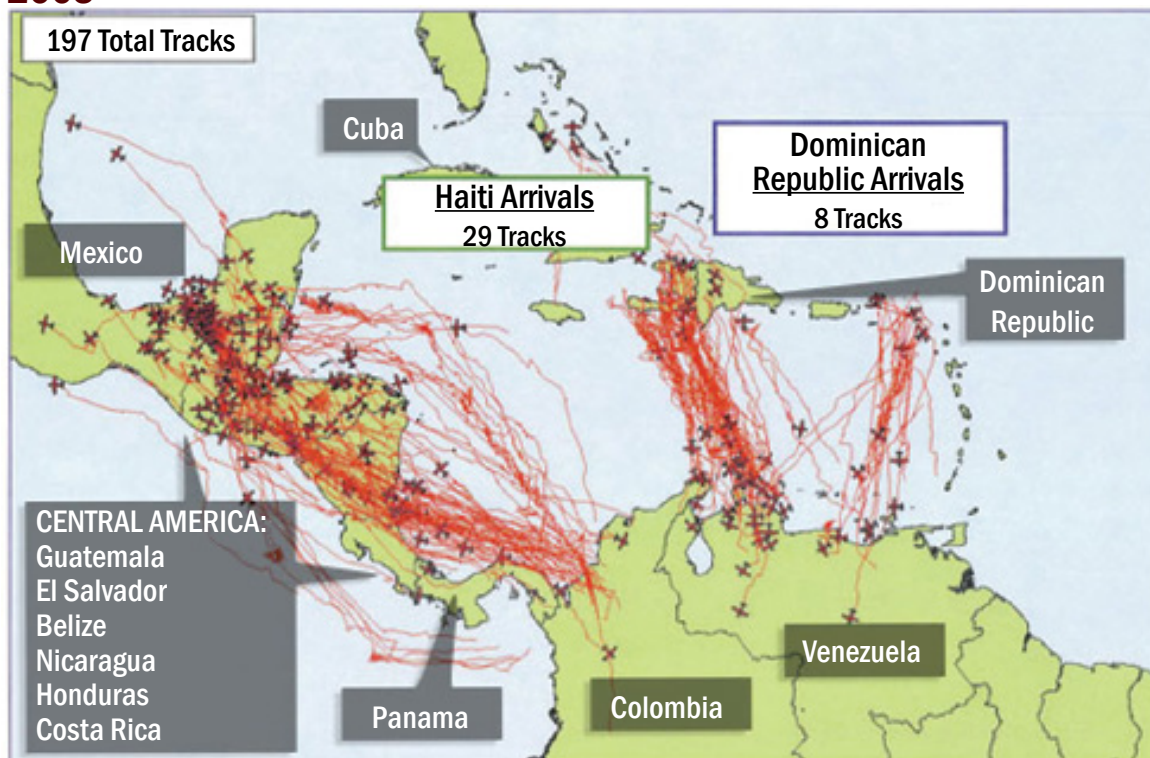
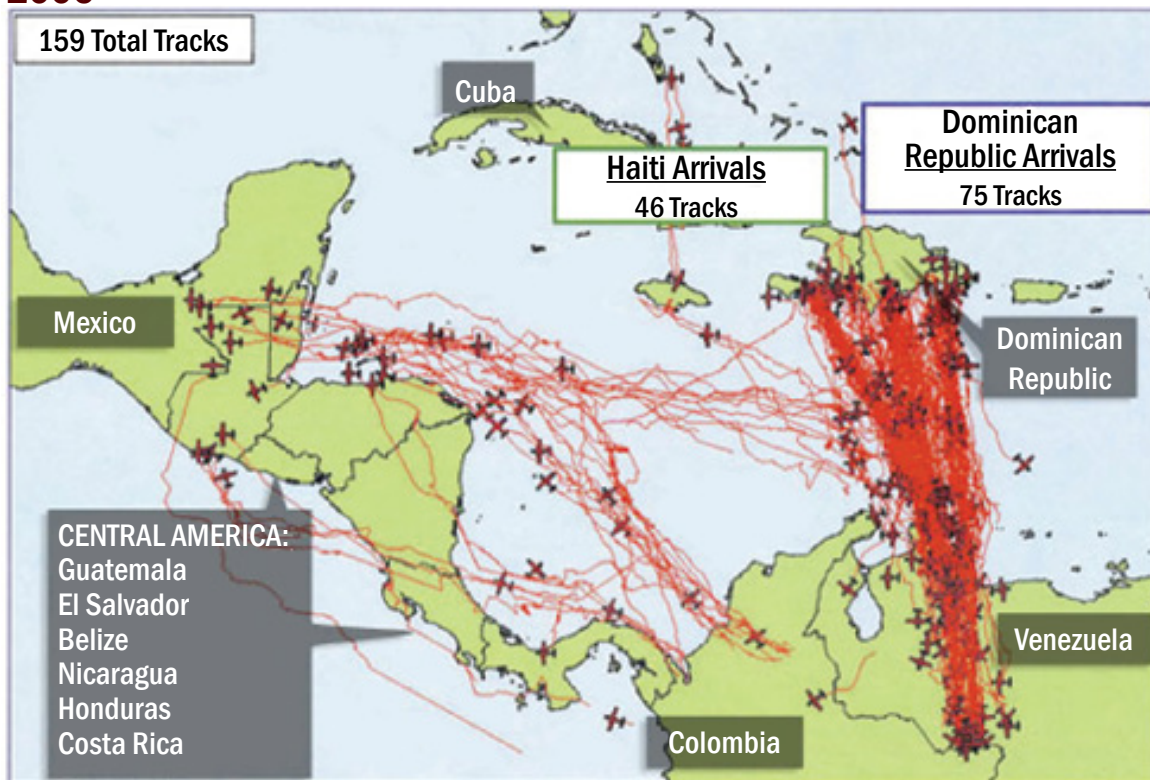
In his efforts to gain complete control of the Venezuelan state, Chávez assigned dozens of active and retired military members to diverse government positions, such as cabinet ministers, vice ministers, and general directors. He appointed them to positions with state-owned

Petróleos de Venezuela (Venezuela Oil, or PDVSA) and as presidents of autonomous institutes. Years later, Chávez selected them as directors of the primary parallel government structures he called “missions” and of other similar organizations with international reach.¹⁰

The approval of a new constitution at the end of Chávez’s first year in office led to an overhaul of all public powers. He assumed control of the new National Assembly, the Government Accountability Office, the National Prosecutors Office and its subsidiary law enforcement arm, the Corps of Scientific, Penal, and Criminal Investigation (CICPC), and a good number of the nation’s courts. Chávez presented various retired comrades-in-arms as candidates in the 2000 elections, and six were elected as governors. More recently, during the 2012 elections for these offices, the government party was victorious in twenty of the twenty-three contested states, with eleven retired military members elected. Among them are the last four ministers of defense under Chávez: Gen. Ramón Carrizález, Gen. Jorge García Carneiro, Gen. Henry Rangel Silva, and Gen. Carlos Mata Figueroa.¹¹

Between 2002 and 2003, there was a series of closely tied events in which the National Armed Forces played a protagonist role; this came as a consequence of their active participation in government activities under the Chavista regime. The first event occurred at the beginning of April 2002, when PDVSA workers called a work stoppage that was supported by the Venezuelan Workers Confederation (CTV) and the general population in protest of what had already been perceived as an authoritarian government. Because of his attempts to forcibly put down the street protests against him, the military high command deposed Chávez. However, only forty-eight hours later, military members loyal to his cause returned him to power. The president undertook a purge of those military members who had participated in the coup d’état and “reorganized the Armed Forces to isolate or force the retirement of the military insurrectionists,” thereby increasing his power and control inside the national military structure.¹²

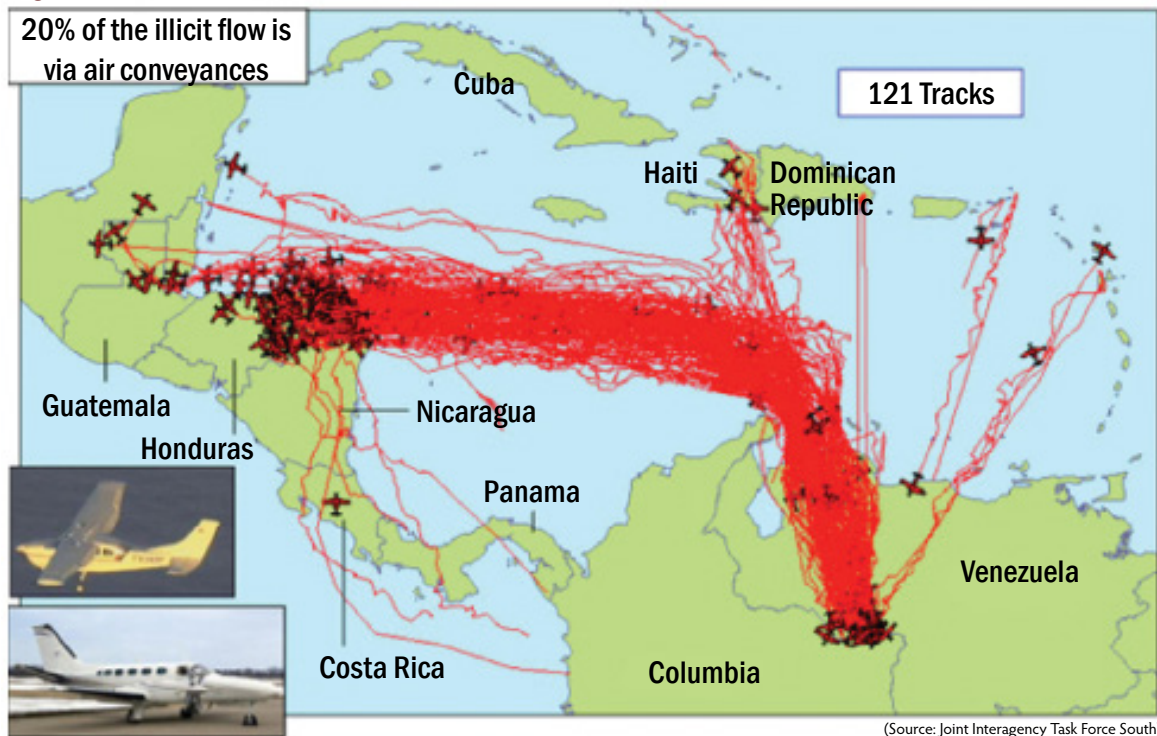
In October of that year, a group of approximately 130 military members, including a considerable number of the highest ranks, decided to relinquish their posts and declare themselves in a state of civil disobedience. They took control of the Altamira Plaza in Caracas just days after the beginning of a national work stoppage

2003**2006**

(Source: White House's Office of National Drug Control Policy)

Figure 1. Suspected Drug Trafficking Flights, 2003 and 2006

2012



Radar data collected by the United States government shows what are believed to be illicit drug flights, mostly between Venezuela and Central America. Country names have been added.

Figure 2. Suspected Drug Trafficking Flights, 2012

Waging War against Drug Trafficking from Venezuela

When Hugo Chávez became the president of Venezuela in 1999, he assumed leadership of the most affluent country in Latin America, with an economy largely based on the sale of oil. However, Chávez's policies, including his integration of the military into nearly every aspect of the government and civilian sectors, combined with an unexpected glut of oil on the world market, had a devastating effect on the Venezuelan economy. One result was that cash-strapped Venezuela soon became an easy target for exploitation by powerful drug cartels, who enticed much of the Venezuelan civilian and military leadership into entering the world of drug trafficking to the United States and Western Europe.

Prior to Chávez's election, the vast majority of Latin American-produced drugs were transported by sea and air to the United States and Europe

from remote locations inside Venezuela's neighbor, Colombia. However, starting in the early 2000s, Venezuela's lax enforcement of drug laws and tacit support for illicit drug trafficking by the Chávez regime, along with more vigorous law enforcement by the Colombians, soon made Venezuela the country of choice for air transport of illegal drugs. The comparison of suspected air trafficking flights in figure 1 shows that in 2003, most suspected drug flights originated in Colombia, while by 2006 most originated in Venezuela. Moreover, in 2006, Venezuelan drug trafficking by air reached its peak, with an estimated 180 metric tons of illicit drugs departing from that country and flowing mainly to and through the Dominican Republic. Figure 2 illustrates that, by 2012, Venezuelan participation in drug trafficking was even more pronounced, with virtually all suspected drug trafficking aircraft originating in Venezuela. (2012 was the last year the U.S. government made public release of such tracking maps.)

To combat the flow of illicit drugs through the air, the United States followed a strategy of working through regional security partnerships to interdict drug movement. Through such programs as the Sovereign Skies aerial interdiction program, drug trafficking flights have been greatly reduced. The success of the Sovereign Skies program is illustrated by figure 2, as participation in the program by that country resulted in a dramatic shift of drug-trafficking destinations from the Dominican Republic to Central America. And, for fiscal year 2015, Joint Interagency Task Force-South detected just thirty-eight suspected illicit air events from Venezuela

to Central America, as compared to 121 in 2012. Air trafficking now accounts for 3 percent of the total flow of cocaine leaving South America for destinations in North American and Europe.

Unfortunately, the overall quantity of drugs trafficked has stayed fairly constant. In large part, because of the effectiveness of aerial introduction by cooperating countries, drug smugglers have turned to maritime means such as fast boats and mini-submarines to move the product to its final destination—*Editor's note with input provided by the Joint Interagency Task Force South and U.S. Southern Command Public Affairs Office.*

that included active participation by PDVSA workers.¹³ By the beginning of 2003, Chávez had successfully controlled both situations. He discharged the military members and took complete control of PDVSA, which had previously functioned with a marked independence from the executive branch of the national government. Chávez fired fifteen thousand people—managers and workers—and replaced upper and middle management with trusted civilians and military.¹⁴ These events had the effect of consolidating Chávez's power as president and politicizing the Venezuelan military, since the meritocracy and professionalism of both institutions had been cast aside, leaving loyalty to Chávez as the only requirement for occupying the highest levels of the armed forces and the petroleum industry.

As the Venezuelan leader expanded his control over the state, he promoted various military members into strategic positions with the Venezuelan government, including PDVSA. However, the high number of charges of corruption, illicit opportunism, and criminal activities demonstrated that, more than simply supporting Chávez and the “revolution,” a good number of those individuals sought personal gain.¹⁵ To that end, they began to participate in corrupt, illicit activities associated with organized crime; chief among them were smuggling operations in and out of the country, influence peddling to allow criminal activities in their areas of authority, and physical control of the infrastructure of the institutions under their direction for criminal purposes. Ultimately, the environment of complete impunity and support provided by the Venezuelan leader created a “criminal

snowball” effect within the group of Venezuelan public administration members and the military establishment. Criminal activities progressed with the formation of more sophisticated criminal networks, some of a transnational nature, in which many of those assigned to high-level posts in the government also took part.

Toward Continental Leadership: the Revolution Finds Narcotics Trafficking

One of the primary objectives of Chávez was the export of his revolutionary model to Latin America, with the aim of forming a “greater homeland.”¹⁶ For this purpose, the Venezuelan caudillo employed multiple legal and illegal strategies.¹⁷ For example, while he sought greater regional influence through the development of the oil alliance PetroCaribe, which provided Venezuelan crude oil to Caribbean countries at discount prices, he also incited street unrest in Ecuador, Peru, and Bolivia.¹⁸

One of the key decisions made by Chávez to help attain this objective—and one that contributed greatly to the development of criminal networks later implicated in drug trafficking within the Venezuelan government—was to become involved with and support the narcoterrorism group FARC, one of the principal drug cartels in the region.¹⁹ The Venezuelan president calculated that with his support, and given the weakness of neighboring Colombia in 1999, his ideological partners would somehow gain control, and Colombia would fall under the cloak of the Bolivarian Revolution.

To coordinate Venezuelan government logistical support to FARC, Chávez formed a team comprised of a select group of military officers, headed by co-leaders Navy Capt. Ramón Rodríguez Chacín, named in January 2002 as minister of domestic relations, and Army Gen. Hugo Carvajal, later assigned as chief of national military intelligence.²⁰ (These officers were later accused of participating in transnational criminal activities.) From that moment, what Douglas Farah called the “franchising” of Venezuelan territory began, with FARC using Venezuelan soil as a base of operations to conduct their illicit activities.²¹ As a result, in 2008, experts estimated that at least one-third of all cocaine originating in Colombia was smuggled through Venezuela to the United States and Europe.²² More recently, the U.S. Drug Enforcement Administration (DEA) estimated that 40 percent of all cocaine produced annually in the world passes through Venezuela.²³ In this same vein, a 2010 report from the UN Office on Drugs and Crime claimed that most of the cocaine entering Europe flowed from Venezuela.²⁴

Proof of the collusion between FARC and Venezuelan military members comes from the statements provided by Venezuelan ex-justice and retired Col. Eladio Aponte Aponte. While serving on the Supreme Court of Justice, Aponte fled the country under the protection of the DEA after he had found himself involved in a war between two criminal networks.²⁵ The Venezuelan judge exposed a document drafted by then Minister of Defense Raúl Baduel for Chávez in 2007 that linked Gen. Rangel Silva to a narcotics trafficking case. In this particular case, more than two tons of cocaine belonging to the FARC was being guarded in Army barracks in a border area adjacent to Colombia and was being transported by a military convoy when it was interdicted.²⁶ Ironically, Rangel Silva was named minister of defense in 2012.

Álvaro Uribe Vélez’s rise to power in Colombia (he was president from August 2002 to August 2010), implementation of his Democratic Security Policy, and activities associated with the U.S. “Plan Colombia” seriously weakened FARC, diminishing its operational capabilities and narcotics distribution efforts.²⁷ It was then that Chávez’s government and his comrades-in-arms became involved in the narcotics trafficking business and ultimately created their own criminal networks to replace or compensate for the absence of



FARC in the international drug trade, particularly in the transport and sale of cocaine. It is unlikely that FARC is responsible for the large shipments of drugs that have continued to depart Venezuela in the past few years, giving credence to the premise that these Venezuelan criminal networks may have assumed total control of the illicit activities once performed by the narcoterrorism organization. Furthermore, it is possible that these Venezuelan criminal groups are in contact with other drug suppliers, whether Colombian or from other Latin American nations, including Mexican cartels.²⁸

In 2008, U.S. authorities made an announcement to the international community regarding Venezuelan military involvement in narcotics trafficking rings. The U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) placed sanctions on Carvajal and Rangel Silva, as well as against Chacín for, among other illicit activities, collaboration with the FARC in preventing the seizure of narcotics caches.²⁹ The group became known as the “Narco Suns” or the “Cartel of the Suns,” in reference to the military rank insignia of a general in Venezuela.³⁰ However, it was readily apparent that the group was not acting alone. The large quantities of narcotics seized when attempting to



(AP photo/Ricardo Mazalan)

Former Venezuelan President Hugo Chávez, left, and Interior Minister Ramón Rodríguez Chacín in a meeting with governors 18 April 2002 during a federal council held at Miraflores Palace, Caracas, Venezuela.

introduce them in Europe and others nations in Africa and the Americas was greater than what could be attributed to the military groups that led the illicit operations. The only possible conclusion is that there is a complex criminal web within diverse Venezuelan government agencies and institutions, including the judicial branch, which allows these deliveries and legitimizes the money they produce.

Transnational Criminal Networks

The existence of Venezuelan transnational criminal networks that included past and present members of the Venezuelan government, and in which military members played a fundamental role, became internationally manifest in 2010, when the Colombian

government, in collaboration with agents for the DEA, arrested Venezuelan citizen Walid Makled García. Since 2002, Makled had been closely linked to members of the Venezuelan executive branch and, in particular, with Gen. Felipe Acosta Carlez, governor of the state of Carabobo and an important associate of Chávez.³¹

Makled, who along with Carlez contributed greatly to ending the aforementioned national work stoppage in 2002, was rewarded with administration of the primary national port, Puerto Cabello, and was allowed to acquire a major airline in the country; he used both as instruments for narcotics trafficking to Central America and West Africa.³² Makled's intricate web also included many other entities that acted as parallel structures to state institutions. He had concessions with Venezuelan Food Production and Distribution (PDVAL), a subordinate organization of PDVSA, and ties to the Agricultural Supply and Services Corporation (CASA), a subordinate entity of the Ministry of Food. He also had a contract for urea distribution with Pequiven, a subsidiary of PDVSA and overseer of petrochemical dealings. Urea is "a fertilizer used in the manufacture of cocaine."³³ The extradition request for the Supreme Court of Justice to the Colombian government showed that Gen. José Gregorio Montilla Pantoja and Carlez had interceded on behalf of Makled to conduct business with that company.³⁴



(AP photo/Fernando Vergara)

Police escort suspected Venezuelan narcotics trafficker Walid Makled García (center) during a press conference at Colombian National Police headquarters in Bogotá, 20 August 2010. García was arrested by police in Cúcuta, Colombia, near the border shared with Venezuela.



(AP photo/Pedro Famous Diaz)

Hugo Carvajal, ex-chief of Venezuelan military intelligence, arrives at Queen Beatriz International Airport 27 July 2014 after being released by authorities in Oranjestad, Aruba. Carvajal, who was nominated as consul general of Venezuela in Aruba, was arrested at the request of U.S. prosecutors at the airport of the Caribbean island. U.S. authorities allege that Carvajal is one of a number of high-level government and military officials who have harbored Colombian narcotics traffickers and helped them transport cocaine bound for the United States through Venezuela.

On 10 December 2006, Makled was accused by the U.S. Attorney's Office for the Southern District of New York for attempting to introduce 5.5 tons of cocaine into Mexico aboard a DC-9 aircraft from Maiquetía International Airport in Venezuela.³⁵ Then, in November 2008, Venezuelan authorities searched a farm belonging to the Makled family in the state of Carabobo, where they seized 392 kilograms (approx. 864 pounds) of cocaine, bringing three of Makled's brothers to justice while he slipped into hiding.³⁶

Makled later accused Gen. Cliver Alcalá Cordones of being involved in the drug trade and planting the drugs at the farm.³⁷ Makled also claimed that other high-ranking Venezuelan military members participated in his criminal network, arguing that he could not have carried out the drug trafficking operations—in particular, the delivery of drugs to Mexico—by himself. For this, he claimed to have the support of uniformed

Venezuelans whose payoff reached \$1 million.³⁸ Makled pointed out that on his staff, there were “forty generals, but there are many more, there are colonels, majors.” Furthermore, he recounted having made payments to Carvajal, director of military intelligence, along with other military associates, saying, “I provided a weekly quota of two hundred million Bolívars, one hundred million of which went to Carvajal.”³⁹ Among those receiving payments, Makled also included then chief of strategic operations Rangel Silva, and Feraz el Aissami, brother of Interior Minister Tareck el Aissami, who might have been paid to ensure the nomination of members assigned to the CICPC.⁴⁰

With regard to the Makled's allegations, it is plausible that that someone might have planted the drugs on his farm, or that the search was instigated by a rival criminal network, as was pointed out by Justice Aponte Aponte. Evidence cited by various authors indicates

that there are a number of organizations within the Venezuelan military establishment that are competing for narcotics trafficking supremacy.⁴¹ Furthermore, Alcalá Cordones was placed on the OFAC list in September 2011 for providing protection to the FARC.⁴²

The complicity in drug trafficking of government entities charged with state security is unquestionable, since inspection points on the border, in Venezuelan ports, and at airports are under close supervision of the National Guard and other agencies like the Bolivarian Intelligence Service (SEBIN). Additionally, Chávez himself helped facilitate drug distribution operations in Venezuela by his decision to cancel all antidrug cooperation agreements with the United States, beginning with the expulsion of members of the DEA from the country in 2005.⁴³

White-Collar Crime

Besides narcotics trafficking, the transnational criminal activities carried out by corrupt subordinates of Chávez (and later those of Maduro) included white-collar crimes, such as money laundering. These operations were integrated with Venezuelan state institutions that had the capability and responsibility to operate within the framework of international finance. This situation came to light in 2014 and early 2015, when an investigation revealed the involvement of state-owned PDVSA in money laundering, conducted in some cases with the complicity of international financial institutions. The facts of the case demonstrate the formidable reach and offshoots of the criminal networks formed in diverse Venezuelan government institutions during the Chávez presidency.

Only a few years ago, PDVSA was listed as one of the top petroleum companies in the world. It has a complicated, versatile organizational and financial structure, with multiple subsidiaries that are actively associated with international financial institutions. Its technological platform provided it with the tools to conduct money laundering operations without any type of suspicion.⁴⁴ However, illicit operations carried out by white collar networks within the state-owned petroleum company PDVSA were reported in 2007, when the director of the *Reporte Económico* newspaper declared in statements to a Spanish newspaper that “PDVSA has become a nest of corruption, money

laundering, and narcotrafficking.”⁴⁵ A subsequent investigation conducted by the Financial Crimes Enforcement Network (FinCEN), an anti-money-laundering unit of the U.S. Department of the Treasury, revealed that nearly \$2 billion had been laundered through PDVSA and the Banca Privada d’Andorra (BPA).⁴⁶ This laundering operation operated through ghost companies with the assistance of a high-level BPA executive, who ran the operations with money “derived from corruption,” according to a FinCEN communiqué.⁴⁷ Three former vice ministers, a former director of the intelligence services, and one executive of PDVSA were involved in this illicit activity.⁴⁸

In 2010, the investigation led to the arrest of Commissioner Norman Puerta, former chief of the Counterdrug Division of the CICPC. Puerta was accused by Andorran authorities of money laundering with proceeds from narcotics trafficking. Furthermore, officials linked to the Ministry of Economy and Finances were accused of using diplomatic passports that allowed them use of diplomatic pouches to transfer money to open accounts in BPA, in Andorra as well as in its subsidiaries in Panama and Madrid, Spain, to legitimize the vast amounts of money produced by suspicious operations.⁴⁹

Among those implicated during the investigation was Rondón. This former vice minister of citizen security had control of two telecommunication satellites that monitored telephone movement in the country, a power that allowed him very close access to the Venezuelan president.⁵⁰ Another of the accused was Javier Alvarado, former vice minister of electric development. Alvarado directed Bariven and Intevep, subsidiaries of PDVSA, and was the human resources manager of PDVSA. He was also in charge of the government enterprise Caracas Electricity, where he became immersed in a controversy regarding the purchase of a U.S. company’s debt.⁵¹

Others accused in this case included retired Navy Capt. Carlos Aguilera, former director of the national intelligence service, currently at SEBIN; Rafael Jiménez, PDVSA director; and Nervis Villalobos, former vice minister of energy and mines, responsible for investments in the area of natural resources.⁵²

This investigation is still ongoing, but it seems unlikely—given the magnitude of the sums of money involved—that all of the generated assets are solely from

narcotics trafficking. Rather, it appears to be the result of a series of money laundering operations springing from different criminal activities that include drug trafficking. For example, in 2012, a PDVSA bond issue initiative, designated in dollars, was partially aborted when it appeared to be designed for the laundering of narcotics trafficking proceeds.⁵³

Implications for Hemispheric Security

Starting in 2011, Chávez's progressive physical deterioration, brought on by his battle with cancer, also had debilitating effects on the government and gave rise to the de facto compartmentation of power between the two groups in contention within the Chávez camp. The principal goal of the first group, the current Chavista civil elite under Venezuelan president Nicolás Maduro, has been to cling to power and weather the country's social and economic crises; their initiatives to export the revolution and play a significant role in international affairs have been relegated to second or third tier in importance. Maduro, who was chosen by Chávez to continue his political project, was compelled to comply with the second group—the military that support the regime, shaping the so-called political-military directorate of the revolution—in a type of co-government arrangement, to try to stabilize the regime and attain permanence as head of the executive branch of Venezuela.⁵⁴ As explained by Carlos Malamud: "Nicolás Maduro lacks the charisma and leadership of Chávez. His control of the government is incomplete and Chavismo faces a formal two-head [system], where Maduro shares power with Diosdado Cabello."⁵⁵ Cabello, a former military officer, is the president of the National Assembly of Venezuela, yet another Chávez crony with strong military ties.

Strong-arm tactics. This division of power in Venezuela between Maduro and a faction of high-ranking Venezuelan military members drives the influence and decision-making capability within the government that Chávez gave to the military, and it also puts the president in the position of needing to support them in any of the situations in which they are jeopardized, including accusations of participation in illicit activities.

For example, in July 2014, Aruban authorities detained Carvajal at the request of the United States, which had accused Carvajal of involvement in

narcotics trafficking and of supporting the Colombian guerrilla group FARC. Carvajal had travelled to Aruba to become Venezuela's consul general to that country, which is an autonomous insular territory of the Netherlands.⁵⁶ Maduro wholly supported Carvajal, accusing the U.S. government of trying to pressure the Venezuelan military to turn them against him.⁵⁷ Venezuela used all elements of power available to try to free their official and, ultimately, he was released. The attorney general of Aruba, Peter Blanken, denounced Venezuela for exerting military and economic pressure on the country, as well as on Curaçao (a neighboring Dutch Caribbean island), to force the Netherlands to liberate the general. Blanken explained that Venezuelan warships had circled both of the islands for two days, as Amsterdam debated what to do with Carvajal.⁵⁸ This incident exemplifies the kind of actions taken by the Venezuelan government that could destabilize the region, disturb regional peace and security, and potentially lead to hostilities with other nations of the hemisphere that are simply abiding by international law.

Narcotics trafficking. The proven presence of Venezuelan narcotics trafficking networks that distribute large amounts of cocaine throughout the hemisphere has created serious tension between the governments of the United States and Venezuela. Since 2005, the U.S. State Department has decertified Caracas's antinarcotics efforts, noting that Venezuela does not live up to its international obligations in this respect.⁵⁹ However, the United States, like many others nations, is directly affected by the flow of cocaine that departs Venezuela. Approximately sixty-five of the eighty tons transported by air to the United States annually comes through Honduras from Venezuela. This figure represents 15 percent of the total amount of cocaine that enters the United States.⁶⁰ The United States could apply a wide array of unilateral sanctions against the Venezuelan government or against the officials involved in these acts should it choose to do so.

International terrorism. A troubling and potentially damaging prospect for regional security is the presumed relationships and transactions that some Venezuelan leaders maintain with elements associated with international terrorism—in particular, Hezbollah. There is grave concern among U.S. security analysts that Venezuelan territory could be used for the

preparation and launch of terrorist attacks against the United States or against its interests in the region.⁶¹ A Venezuelan diplomat of Lebanese origin, Ghazi Nasr al-Dine (also spelled Nasseredine), has been suspected of being the head of Hezbollah's network in South America and of being involved in narcotics trafficking for that network.⁶² The U.S. Department of the Treasury has already included this Venezuelan on the OFAC list for his support of terrorism and his ties to the Lebanese extremist group. In January 2005, the FBI placed him on its wanted terrorist list, and some link him directly to drug trafficking "with the para-state Cartel of the Suns."⁶³

Criminal networks. From a wider perspective, the efforts of criminal networks in Venezuela could be at the root of the rise in violence in the region. Subject matter experts explain that "bad neighbors" can increase the risk of violent conflict because armed nonstate groups, weapons, and historic animosities tend to easily cross borders. Criminal groups can exacerbate existing divisions between neighboring countries, reigniting old tensions or creating new conflicts with the intent of maximizing the proceeds from their criminal endeavors.⁶⁴

Conclusion

The strategy used by the Venezuelan government in the near future to address incidents related to

transnational criminal networks will have serious implications for Venezuelan peace and stability, as well as for regional security. One can agree with the U.S. Department of State when it points out that support of narcotics trafficking is not an official policy of the Venezuelan government.⁶⁵ However, the actions of the Venezuelan executive branch have demonstrated that it lacks the willingness to investigate internally or cooperate with foreign intelligence and security agencies in attempts to identify the heads and structures of the criminal enterprises that ship massive amounts of cocaine to the rest of the world and launder money in the international financial system.

Venezuela's transnational criminal networks are a by-product of an unsuccessful strategy of Chávez to achieve internal and external political objectives. These networks represent an endogenous power within the Venezuelan state itself, which gives them the rare quality of being nonstate actors who leverage national power for the achievement of their objectives and for their survival. Eliminating these criminal enterprises and the pernicious effects they have on the security of the Latin American hemisphere will require a joint response from the international community, potentially led by Maduro himself, based upon the international legal system. ■

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