

**RECENT DEVELOPMENTS IN TRANSNATIONAL
CRIME AFFECTING U.S. LAW ENFORCEMENT
AND FOREIGN POLICY; MUTUAL LEGAL
ASSISTANCE TREATY IN CRIMINAL MATTERS
WITH PANAMA, TREATY DOC. 102-15; AND
1994 INTERNATIONAL NARCOTICS CONTROL
STRATEGY REPORT: HEARINGS**

Published @ 2017 Trieste Publishing Pty Ltd

ISBN 9780649082469

Recent developments in transnational crime affecting U.S. law enforcement and foreign policy; mutual legal assistance treaty in criminal matters with Panama, Treaty doc. 102-15; and 1994 international narcotics control strategy report: hearings by Various

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S. HRG. 103-606

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INTERNATIONAL NARCOTICS CONTROL STRATEGY REPORT**

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HEARINGS
BEFORE THE
SUBCOMMITTEE ON TERRORISM, NARCOTICS
AND INTERNATIONAL OPERATIONS
OF THE
COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE
ONE HUNDRED THIRD CONGRESS
SECOND SESSION

APRIL 20 AND 21, 1994

Printed for the use of the Committee on Foreign Relations



U.S. GOVERNMENT PRINTING OFFICE

78-646 CC

WASHINGTON : 1994

For sale by the U.S. Government Printing Office
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402
ISBN 0-16-044588-4

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WEDNESDAY, APRIL 20, 1994

U.S. SENATE,
SUBCOMMITTEE ON TERRORISM, NARCOTICS AND
INTERNATIONAL OPERATIONS
OF THE COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 10:01 a.m. in room SD-419, Dirksen Senate Office Building, Hon. John F. Kerry (chairman of the subcommittee) presiding.

Present: Senator Kerry.

Senator KERRY. The hearing of the Subcommittee on Terrorism, Narcotics, and International Operations will come to order.

I am delighted to welcome the Director of the Central Intelligence Agency, accompanied by Dr. Joseph Nye.

Director Woolsey will testify, and then be able to stay here just for a very few questions because of his schedule; and I promised him that we will keep to the schedule.

And then, Dr. Nye is going to stay a little longer, and join the other members of the panel, and we will quickly move to their testimony. And I hope we will have a good dialog on this subject.

We are here today to examine what some people, perhaps too few a number in our Government, perceive as an increasing threat, and a very significant new component of National security and, indeed, foreign policy.

We have won a lot of wars in this country, most recently the cold war. But we have never before faced an enemy that positions itself as the new global mafias do. We have never faced an enemy that uses the kinds of resources it does in the way that it does, which literally brings death and destruction to the communities, to our streets, to our schools and the country.

It is not alone in doing that, obviously; we bear responsibility ourselves. We play a very significant role, through the demand side of the narcotics equation.

But anyone who has been involved in law enforcement understands that this enemy, which is often fairly invisible and usually

beyond our shores, is a vast army; and it operates with equally vast wealth. Its weapons of war are, frankly, more sophisticated than those at our command, or at least those we have chosen to use.

It scoffs at our borders; it ignores all of our rules; and it is the most serious criminal threat that any Nation or group of Nations have faced in history. And it is now, I believe, one of the most important National security threats that we face.

Why?

As we will learn today, from the Director of the CIA, and from the FBI and the Justice Department and others, whether it is Afghanistan to Pakistan, or Russia to Italy, or Nigeria to Hong Kong, to Los Angeles, to New York, Colombia to Mexico, the global mafia not only exists, but it is growing.

Its agents have infiltrated literally tens of thousands of communities on every continent, selling not just narcotics but weapons and human beings. And they are gathering intelligence, and they build networks of influence and power.

Today, the wealthiest of our world citizens does not just include the Bill Gates' of Microsoft, but it includes a dozen or so people who live in places like Cali, Colombia, and elsewhere in Latin America; in tax havens in the Caribbean or of the Mediterranean; who float from country to country, some of them with no home at all, perpetual travelers who hold passports from many countries and pay taxes to none.

In Colombia alone, there are more than a dozen of these narcotics multibillionaires. These international criminals are using their money, not just to buy businesses, but to buy government officials; and just like intelligence agencies, these international criminal organizations have agents place inside governments all over the world, helping them to understand and even to change the laws of the countries that they deal with; as we will learn in the course of testimony.

The threat is not confined to Latin America, as we thought it had been in the past. In Russia, for example, the mafia consists of 3,000 to 4,000 gangs, who control as much as 40 percent of the entire economy of the county, according to no less of a source than the Russian Government itself.

In Asia, heroin brokers collaborate with Nigerian enterprises to emulate the marketing successes of the Colombian cartel.

And in America, ethnic, identifiable and based criminal organizations thrive, bribing—throughout the Americas—bribing political organizations, officials, killing informants and honest cops and journalists; and trafficking in illegal goods from cocaine to heroin and machine guns and plastic explosives.

What was once a problem for the Italian Government, its inability to gain full control over the mafia which controlled sections of Sicily, is now a pervasive, worldwide phenomenon.

Portions of Mexico, Peru, Turkey, Burma, Colombia, Suriname, the Ukraine, China, among other countries, are literally under the control of criminal gangs.

This morning, we will hear from CIA Director Woolsey, from Assistant Secretary of State Gelbard, from Assistant Attorney Harris, about how senior U.S. officials view these problems. And they will

help us define not just the problem, but what it will take to do something about this problem.

This afternoon, the FBI will provide testimony on the global scope of international crime and ethnic gangs, and the DEA will provide, for the first time in a public forum, a detailed look inside the networks of the drug kingpins.

Tomorrow morning, we will take testimony from a Colombian, Gabriel Taboada, who has personally bribed diplomats from a number of different countries on behalf of the cartel; and who has testified, and who has been extremely helpful in a number of Federal court cases in this country, and whose testimony has been verified through that process by a number of our Justice agencies.

And tomorrow afternoon, we will hear from a group of experts on the Russian criminality, Asian gangs, and the growing globalization of crime.

Before we take the testimony, I want to say three quick things about a couple of particular problems.

First, regarding Colombia. I have been deeply disturbed about policy in Colombia. Not of the government as a whole, but of a few who seem prepared to advocate not just the legalization of cocaine, but a willingness to negotiate plea agreements, minimalist plea agreements, with the highest drug kingpins.

It is our country's belief that such plea agreements would threaten the fundamental U.S. interests and, in the long run, threaten Colombia's security, as well. It is our belief, and I hold this very strongly, that the message from this country and others must be that there is no safe haven for drug kingpins, anywhere in the world.

Second, Panama's decertification for not cooperating with the United States in fighting drugs was, regrettably, fully deserved this year.

We missed an historic opportunity in the aftermath of the removal of General Noriega, to make certain that Panama was no longer the haven for drug traffickers and drug money laundering, that predicated the removal of General Noriega.

President Endara sat in my office personally, and assured me in the days following that invasion that it was his intention and others to change the laws and to take advantage of that opportunity. And it was on that condition that the United States of America released some \$400 million of aid.

I regret to say that, that has not taken place, those changes. Instead, we replaced a system of organized crime under Noriega with a system of disorganized crime, under the current government.

Panama is again moving huge quantities of cocaine through the Colon Free Zone into the United States. Its judicial system is frustrating swift prosecution of traffickers; and its financial and banking system are an open invitation for criminals to launder money.

We need to ratify the Mutual Legal Assistance Treaty; but notwithstanding our need to do that, there are going to be great difficulties in our relationship with Panama, if the elections do not produce a leader who is willing to take advantage of change.

And finally, regarding Russia and organized crime, we are facing the prospects of major catastrophe, unless we can help the Russians build resistance to what is happening there.