

Narco-Trafficking

in

Paraguay

hile so much law enforcement resources and media attention are focused on drug cartels operating in Mexico and Colombia, another country in Latin American — Paraguay — has gradually become a relative sanctuary for sophisticated drug traffickers seeking greater anonymity and freedom of action.

Paraguay is a landlocked South American nation about the size of California and shares a border with Argentina, Brazil and Bolivia. The country's vast undeveloped lands and relatively poor infrastructure are just some of the contributing factors to the country's increasing role in the region's drug trade and other criminal enterprises, such as counterfeiting, money laundering and arms trading.

The drug trade has proliferated in Paraguay in two key ways. First, the manufacturing of drugs, either as finished products or ingredients, has increased for almost all controlled substances. Second, and more strategic in nature, is the increasing command, control and financing establishment of regional cartels, much of it centered in the capital, Asuncion, and the border town Ciudad del Este.

Illegal drugs production has increased over the last ten years in part because Paraguay's rural lands and limited road networks have helped shelter narco-traffickers from law enforcement. Detecting these remote outposts often requires state-of-the-art equipment and well-trained police, which are limited resources in Paraguay. According to a 2010 UN drug report, Paraguay has a very low wholesale price for cannabis and cannabis resin. The same report claims that methamphetamine use in Paraguay is also on the rise.

According to federal law enforcement authorities in neighboring Brazil, Paraguay has become a major center for Brazilian drug trafficking organi-Brazil's President Dilma zations. Rousseff recently revealed that its military is using high-tech tools to patrol its border with Paraguay, including the use of advanced UAVs (Unmanned Aerial Vehicles) in hopes of reducing the flow of narcotics, counterfeit and stolen goods, and weapons. As an example of rampant corruption in Paraguay, in late 2010 a absolved three-judge panel released a known drug trafficker after receiving an alleged \$1 million payoff. Although the government of Paraguay

later suspended the judges after substantial pressure from the United States and neighboring countries, many experts believe the case was only the tip of iceberg in the country's endemic closeness between criminal groups and the judicial system. But the judiciary is not the only branch with ties to the organized drug trade. Law enforcement is also struggling with corrupt officials. Since 2008, the U.S. Drug Enforcement Agency (DEA) has become increasingly suspicious of Paraguay's primary drug interdiction agency, the Secretaria Nacional Antidrogas (SENAD). At least one cannabis eradication operation and two money laundering investigations may have been compromised because of suspected ties between senior agency officials and established drug cartels. The DEA believes corruption and legislative restraints on the SENAD result in much fewer drug seizures than desired, estimated at only two to three percent of the cocaine likely transiting Paraguay.

Recently, the DEA, in partnership with the U.S. National Security Agency and local Central Intelligence

Agency assets, has increased the surveillance of several Paraguayan officials in Asuncion without the knowledge of the country's law enforcement agencies. These operations are designed to root out key government collaborators that have given drug lords relative security in the country. So far, however, Paraguay is continuing to expand as a regional narco-hub regardless of the U.S. government's move in September 2010 to drop Paraguay from its list of major narcotics transit or producing countries — a move widely believed to be based on political motives. Paraguay previously appeared on the list as a significant marijuana source country, though Paraguayan marijuana is not trafficked to the United States, but rather to other South American countries, in particular Brazil, Argentina, Chile, Peru and Uruguay. The U.S. government also acknowledged that Paraguay remains an important transit country for cocaine produced in Bolivia, Peru and Colombia. Therefore, for now evidence suggests that Paraguay will continue to be a



Since 2008, the U.S. Drug

Enforcement Agency (DEA) has
become increasingly suspicious
of Paraguay's primary drug
interdiction agency, the
Secretaria Nacional Antidrogas
(SENAD).



NATO's Attack

on Belgrade

Revisited

As the world witnessed NATO's recent campaign that helped bring down the Gadhafi regime in Libya, some experts are reexamining an earlier NATO operation: the bombing of the Former Republic of Yugoslavia and its capital, Belgrade. Understanding this prior conflict may help predict how post-revolution developments will unfold in Libya and in other areas where NATO is engaged in combat.



In both conflicts, a brutal despot defied the international community and persisted to crush a rebellion within its borders. In Libya, Gadhafi's regime faced an uprising that rapidly expanded from its eastern enclave. Similarly, in the Federal Republic of Yugoslavia, the regime of Slobodan Milosevic fought an armed independence movement in its southern province of Kosovo. In response to Milosevic's crackdown, U.S. and European leaders launched a massive military operation under the umbrella

of NATO, the world's largest military alliance that, coincidentally, was is need of a renewed purpose, given the fall of its longtime enemy and *raison d'être*, the Soviet Union.

The campaign against Yugoslavia (that is, Serbia and Montenegro) began on March 24, 1999 and remained primarily an air war focused on decimating Milosevic's military, including its infrastructure and command and control. But NATO leaders were quietly admitting that the



broader goal was to inflict damage in such a way as to break the will of the Serbian people, thereby forcing Milosevic to withdraw from Kosovo. NATO used cruise missiles and other stand-off weapons on a wide range of military targets, but also set its sights on bridges, power stations, water treatment plants, food warehouses, and other civilian or dual-use sites to cause great discomfort the locals, particularly in the capital Belgrade and the city of Novi Sad.

The conflict lasted just under three months and resulted in the extensive damage NATO had intended. Serb forces agreed to a ceasefire and its troops left Kosovo. After dropping over 23,000 bombs and missiles on Yugoslavia, NATO was victorious. But the cost was high, the latent costs especially. Today, more than a decade since the conflict ended, the damage is still evident: buildings and infrastructure not fully repaired or rebuilt; popular resentment over Serbia's joining the European Union; and a distrust of the West in general, and the United States and NATO in particular. These post-war consequences are of key interest to experts, including NATO planners and those tied to reconstruction and stabilization efforts, as the alliance sets its sights on future potential hotspots, such as Syria, Algeria and Lebanon.

Avendia Publishing author A.C. Frieden recently traveled to Belgrade to research the NATO strikes for an upcoming novel. "It's widely believed that during the war many Belgrade residents didn't favor Milosevic or his Kosovo strategy," said Frieden, "but they also were deeply angered by the NATO bombing, a feeling still present today." This dichotomy is seen in conflicts like Iraq and Afghanistan, and to a much smaller extent in Libya, where a regime was generally despised but the military action by outsiders was also very unpopular.

Significant collateral damage was expected, as in any air war, but NATO targets were in line with its broader strategy. While it didn't specifically



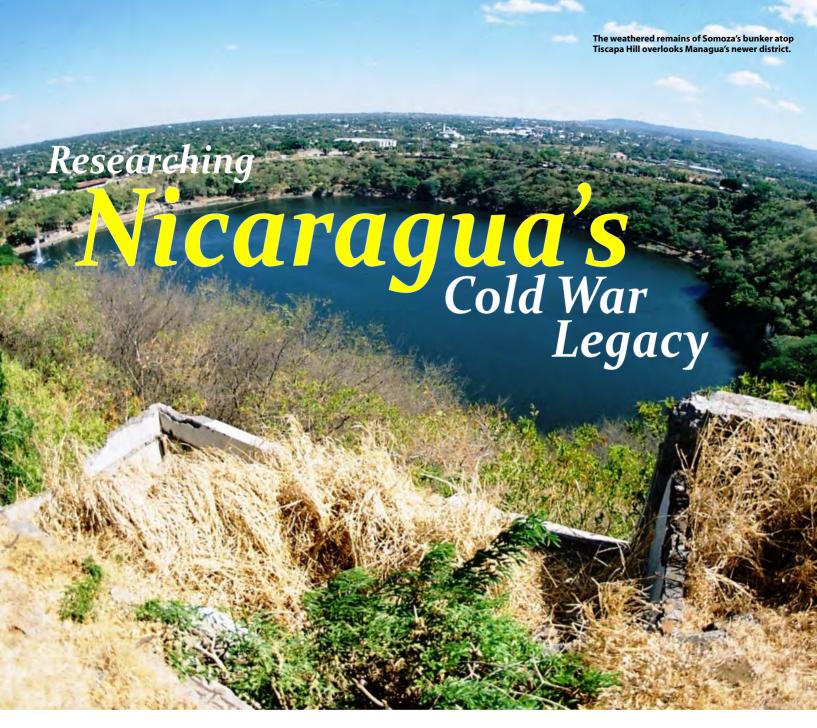
target civilians, NATO sought to chip away popular support for Milosevic by making daily life miserable, if not intolerable. And only a third of the munitions were so-called "smart bombs" and damage was significant in and around Belgrade. By the second month of the war, NATO planners stepped up attacks on civilian infrastructure partly because Serb forces had found creative ways to shield themselves from the bombing.

The war had other consequences. A strike by a USAF B-2 bomber on China's embassy killed several Chinese staff and destroyed one side of the building. While much evidence suggests the Clinton administration authorized the strike, the truth lies behind a thick wall of secrecy that neither China nor the U.S. is keen to revisit. Did China aid and abet Milosevic's command and control? Did its embassy store advanced American hardware lost over Serbia, such as parts of the F-117 stealth aircraft shot down in the early days of the conflict? We may never know.

Now that the Libyan conflict has ended, it may be useful to compare it to other NATO-led wars, like the one with Yugoslavia, in order to win more hearts and minds in future wars.

It is widely believed that during
the war many Belgrade residents
didn't favor Milosevic or his
Kosovo strategy, but they also
were deeply angered by the
NATO bombing, a feeling still
present today."





S ince the end of the 1979
revolution that took down the
repressive Somoza dynasty,
Nicaraguans have endured a
difficult political evolution, with its
conflicting roles as both an ally and
antagonist of the United States.

This struggle continues today as the presidential election of November 2011 marks yet another chapter in Nicaragua's internal battle over political ideology, factionalization and class warfare, all of which makes this American Central country fascinating study and a benchmark for the effects of populism in the region. Many would argue that today's Nicaragua has more in common with its Cold War past than the open, free democracy its current government wishes to portray. But this election has only exacerbated the problems by enabling a third term for President Daniel Ortega, the mastermind of the

1979 Sandinista revolution, the leader of the regime that fought the U.S.-backed Contras, the head of the ultra-powerful Sandinista National Liberation Front (FSLN), and a fervent provocateur of anti-Americanism. Ortega's win and his party's supermajority control of its Congress have only emboldened his desire to exert more control over the country. Furthermore, the country's key institutions, including the judiciary and police forces, have been severely manipulated—principally by the FSLN but also by members of the opposition—to a point where they generate little public confidence.

But why does this small, relatively poor nation of about six million people receive so much attention? After all, its military is significantly diminished from the days of the Cold War, and the Soviet Union is no longer there with a helping hand. Well, it's principally for two reasons: (1) its political and economic conditions resemble many other Latin American nations—the poverty, a disconnected elite, empty promises by politicians of all parties, etc.; and (2) its leadership has the ability and interest to fan the flames of discontent well beyond its borders. With fellow choristers like Hugo Chavez of Venezuela, Evo Morales of Bolivia, and Rafael Correa Ecuador. the potentially ofdestabilizing effects are of concern to the U.S. and other democracies in the region. The recent "Arab Spring" is a reminder that even today an internal revolt of the masses can explode well beyond national borders.

While the Cold War confrontation is over, the underlying conflict between the haves and have-nots persists throughout the region. In this environment, demagogues have been able to take advantage of the poor majority, whose upward mobility has remained systematically impaired by corruption, substandard education, and political manipulation by a powerful, entrenched minority. And this general frustration is apparent regionally, with only Brazil, Chile, Mexico and Panama seemingly able to show an acceptable distribution of wealth, by South American standards. So, what happens in Nicaragua is an indication of what could happen elsewhere.

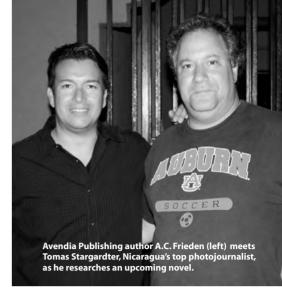
While Ortega has been able to rile up the poor masses within and beyond Nicaragua's borders, it is ironic that he is increasingly exerting power in ways reminiscent of the Somoza dynasty that ruled Nicaragua for most of the 20th century. For example, Ortega and members of his family now control more than half the country's TV news channels in an effort to diminish the influence of the opposition.





Nicaragua's current political
system consists of a volitile
mixture of idealism, corruption,
and pragmatism with many of its
democratic institutions still too
new to be reliable for long-term
stability."

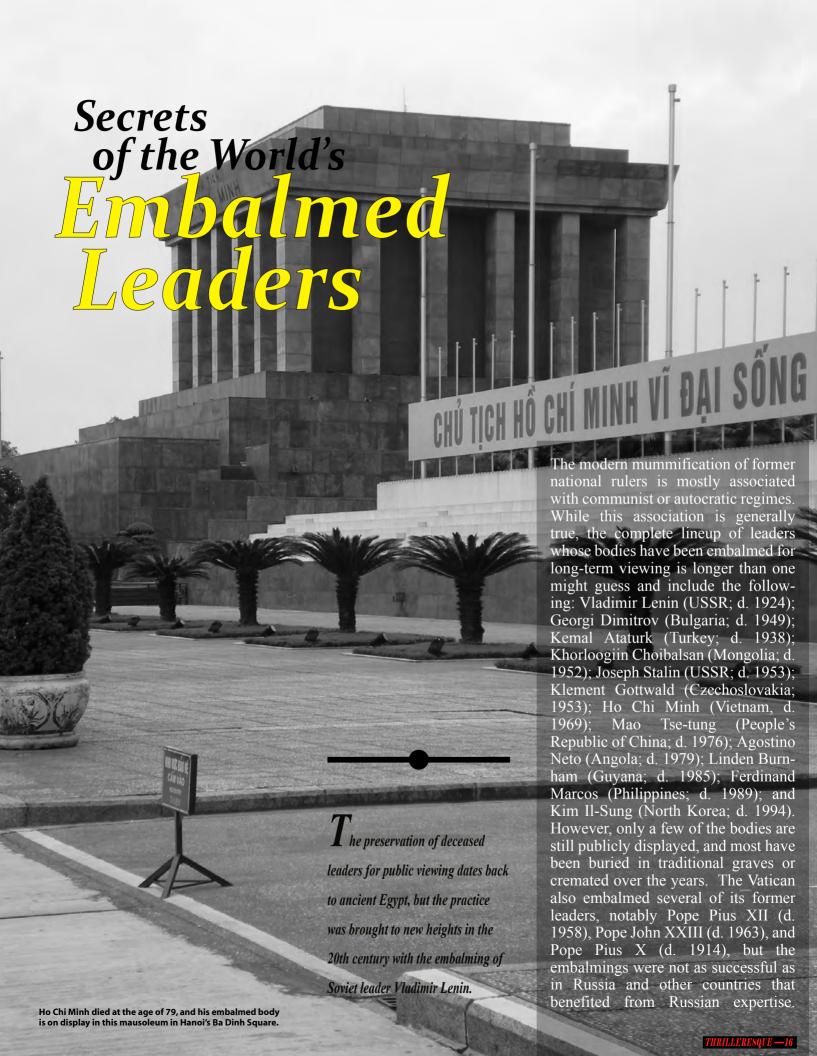
Anyone delving into Nicaragua's contemporary politics should understand this nation's tumultuous 20th century history. General Anastasio Somoza García became the first in a line of dictators who ruled Nicaragua with an iron fist. He used the feared National Guard to suppress dissent, to orchestrate constitutional changes in his favor, and to secure U.S. commercial and political interests, regardless of the consequences to his people. He was assassinated in 1956, but his U.S.-educated son Luis Somoza Debayle took over the presidency and his other son, Anastasio, took over the National Guard, continuing a steadfast pro-American, anti-communist rule. After Luis died of a heart attack at age 45, Anastasio took over, and then constitutional circumvented limits to permit his re-election in 1974. But by then the Sandinista rebels were gaining strength and the U.S. under Jimmy Carter was giving the dictatorship the cold shoulder. In July 1979, with the Sandinistas closing in on Managua, Anastasio Somoza and his family fled to Miami but were denied asylum. They eventually took refuge in Paraguay, at the time under the dictatorship of Alfredo Stroessner. The following year, a Sandinista com-



mando team assassinated Anastasio in Asunción.

Liberated from the ruthless Somoza dynasty, Nicaragua then endured a post-revolution lengthy socialist regime led by Daniel Ortega until 1990, when the centrist candidate Violet Chamorro won the presidency. Amazingly, Ortega returned to power in the 2006 elections and was reelected this month. With this history of violence, oppression, and liberation, all with strong shifts of the political pendulum, it's no wonder things remain a bit chaotic. Nicaragua's current political system consists of a volatile mixture of idealism, corruption, and pragmatism with many of its democratic institutions still too new to be reliable for long-term stability. \oplus





In the United States, the body of President Abraham Lincoln was embalmed for extended preservation after his assassination in 1865 but was buried shortly thereafter. In Argentina, former leader Eva Peron was embalmed for what had intended to be decades, but instead she was buried only a few years after her death.

Embalming is a method of slowing the natural decomposition of the human body after death. This involves the use of chemicals and invasive methods to slow the decay. Embalming is a fairly common practice in North America, but the process is typically designed to give deceased a rested look for just a few days, not for months or years. The most challenging type of embalming is when the body must be preserved for decades, as has been done with some of the world's most notable political and military figures. However, environmental factors such as humidity and heat can diminish the period of time the body will appear in a fairly well-preserved state. Also important are the fabrics that come into contact with the body after embalming. Even embalming will not completely stop the decay of certain parts of the body, such as fingers, feet and areas of the face.

The leading embalming techniques were developed in Russia and put to use after the death of Vladimir Lenin. The process was enhanced with the embalmment of Joseph Stalin in 1953. The skills, tools and chemical formulas developed at laboratories in Moscow were in high demand in parts of the communist world as founding leaders of several nations faced the inevitable. After Ho Chi Minh died, North Vietnam's government sought the help of Soviet experts to preserve the body for long-term viewing, but the climate in Hanoi made the process particularly difficult. As recently as two years ago an expert team of scientists, including Russian specialists, arrived in Hanoi to repair decaying areas of Ho Chi Minh's body, after which rumors spread that none or only part of the body remains "real" today.

Perhaps the most intricate efforts at preserving a deceased leader are seen in Pyongyang, North Korea. Visitors to the mausoleum containing the body of Kim Il-Sung are required to pass through elaborate security measures, a shoe-brushing machine and air blowers before entering the dark, cold, marble-clad room in the center of a palace to view his body in a glass sarcophagus. A team of about thirty scientists and technicians are dedicated to maintaining the body and performing periodic repairs and makeovers with skills borrowed from the Soviets and Chinese. The world's leading embalmers are no doubt curious to see whether the body of Kim Jong-II, who died on December 17, 2011, will be embalmed in the same manner \oplus



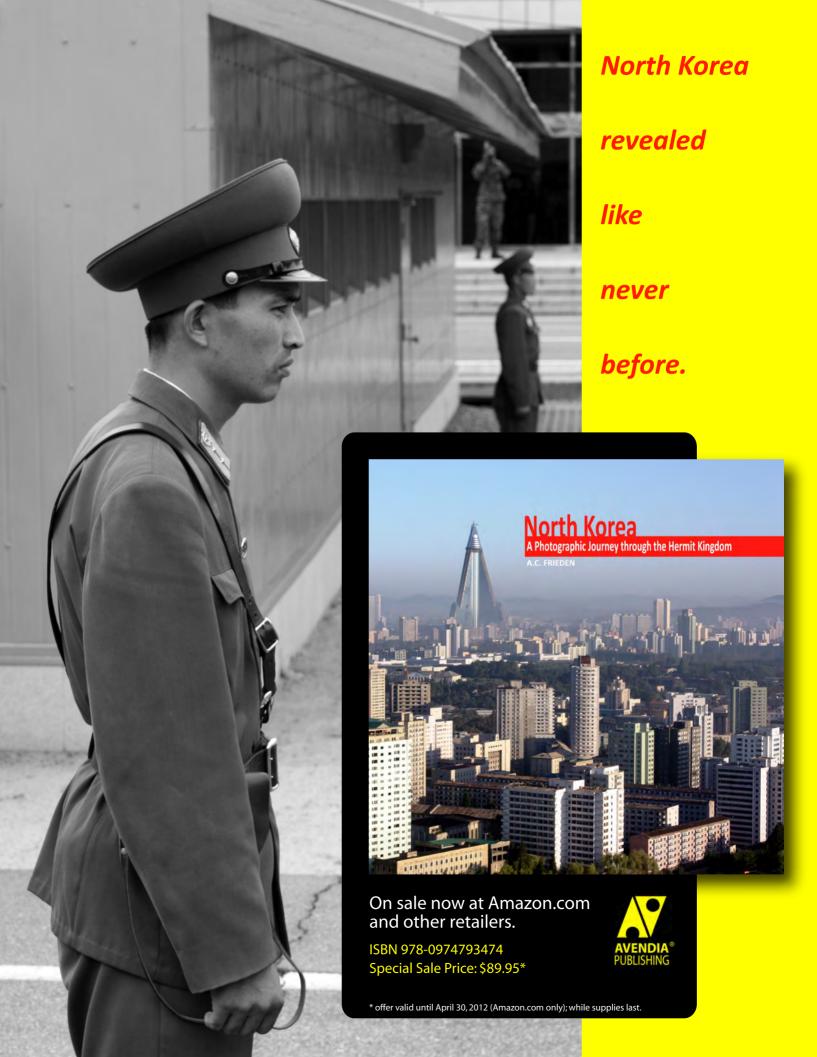
where Kim Il-Sung's embalmed body is on display.

Below: Former Chinese leader Mao Tse-tung's body is on display in this mausoleum in the center of

Tiananman Square, Beijing,



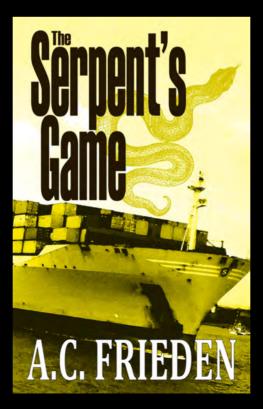






Hasan Okyar 37, Target

Only one will survive.



Find out who...
July 2012



The venerable American U-2 spy plane is most often remembered for its role in the Cold War, and most prominently when one piloted by Francis Gary Powers was shot down over Russia in 1960. However, a far lesser known fact is that several U-2 aircraft were lost in hostile territory, but over China instead.

In 1958, nearly ten years after the communist revolution swept through mainland China and forced the former regime to find refuge on Taiwan, the United States entered into a secret pact to station U-2 aircraft on Taiwanese soil. Secrecy was crucial for this sensitive mission, codenamed Project The Central Intelligence Agency ran the operation, rather than with the U.S. Air Force. Taoyuan Air Base, located on the western coast of Taiwan, was selected as the deployment site, which was less than 100 miles from mainland China. From there the planes were to fly in China's airspace and take photographs of the

ations and troop deployments. The major difference from other U-2 missions was that the aircraft would be flown by Taiwanese pilots rather Americans. However, surveillance film taken by the aircraft during each flight would be sent to U.S. intelligence facilities in Okinawa and Guam without being shared with Taiwan's military. Only a small fraction of the strategic and tactical information derived from the photographs and electronic surveillance was shared with Taiwan, and very selectively at that. Only ten years after the first flights did the U.S. finally agree to allow Taiwan access to the imagery and also give it the ability to process and analyze its own film.

Preparations for *Project Razor* began with a contingent of Republic of

China Air Force (ROCAF) pilots arriving in Texas for training. Twenty-six pilots qualified on the aircraft and the first two U-2 planes landed in Taiwan in July 1960, joining the newly formed 35th Squadron, known as the "Black Cat." Two more aircraft joined the squadron in December 1960, the same month that the first missions over mainland China began.

The first pilot fatality occurred during training at Taoyuan in 1961, when a U-2 crashed on takeoff. But the risks were even greater over hostile territory, often at altitudes of 70,000 feet for seven or eight hours. The U-2 surveillance targeted mostly China, though some flights crossed into North Korea, North Vietnam and Laos. The planes also used other U.S. airbases in the region, including those

Wreckage of a tail section of a U-2 shot down China and now on display in Beijing.

in Thailand and South Korea.

The first shoot down of the squadron's U-2 occurred on September 9, 1962. Piloted by Lt Col Huai Chen, the aircraft was hit by a Chinese SA-2 missile as he flew over Nanchang. Chen survived the ejection but died later from his injuries. Five more U-2 aircraft were shot down over China between 1964 and 1969. The only two ROCAF pilots who survived being shot down were released in 1982, after more than fifteen years in custody.

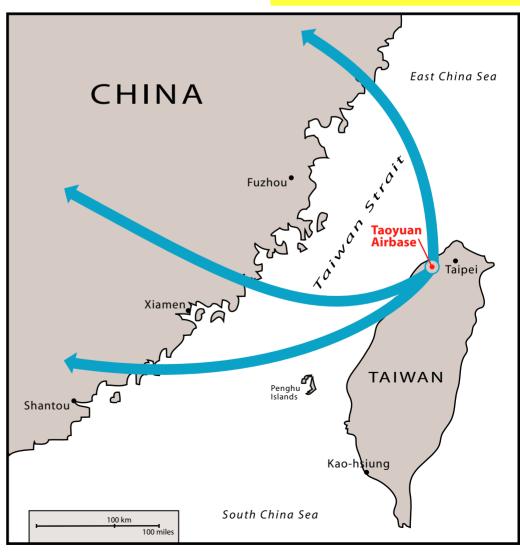
More advanced U-2R models were sent to Taiwan in 1968, but that year the U.S. ended the flights over China for fear of antagonizing the communist nation at a time when its relations with the Soviet Union were deteriorating and those with the U.S. were improving. The last U-2 to fly over the mainland did so in March 1968, and all subsequent flights were kept at least 20 miles off China's coast.

Despite the drawbacks of operating at such distances, new optics and electronics were added to the U-2 to improve effectiveness. U.S. satellites were also reducing the need for manned reconnaissance flights.

The 102 missions over hostile territory carried out by the squadron helped provide important intelligence, but they eventually ended completely. During a visit to China in 1973, U.S. Secretary of State Henry Kissinger promised that all U-2 aircraft would be removed from Taiwan within a year. The U.S. also agreed to remove all nuclear weapons and fighter aircraft stored on the island. The last flight occurred on May 24, 1974. \oplus

Key Mission Facts

- 102 surveillance flights over China
- 19 U-2 aircraft assigned to squadron
- 26 Taiwanese pilots trained
- 6 U-2 aircraft shot down over China
- 4 pilots killed in action





Financial independence starts now.

Having a tailored financial plan is the first step toward living the life you've always wanted—before and after retirement. It all begins with our unique $Dream > Plan > Track > ^{®}$ approach to financial planning. Working with you one-to-one, I'll help you define your dream, develop your plan and track your progress over time. It's a long-term relationship, designed around your dreams. To start a conversation, call 312-542-9639.



Oliver Ernst, CFP® Financial Advisor Franchise Owner Dearborn Station 47 West Polk Street Suite M-1 Chicago, IL 60605 (312) 542-9639 oliver.x.ernst@ampf.com ameripriseadvisors.com/oliver.x.ernst

