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**REPORT OF THE REPUBLIC OF PARAGUAY ON THE FIGHT AGAINST TERRORISM:  
MEASURES TAKEN IN 2007**

REPORT OF THE REPUBLIC OF PANAMA  
ON THE FIGHT AGAINST TERRORISM

MEASURES TAKEN IN 2007

Washington, D.C., March 5, 2008

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**1. Fight against terrorism**

For the Republic of Paraguay, the fight against terrorism necessarily means action taken by the state and/or the organized international community, in a framework of unconditional respect for human rights and the provisions of international humanitarian law.

Admittedly there is no evidence of terrorist activities in Paraguay: this has been reported by the pertinent agencies of the Government of Paraguay. Nor have these agencies discovered any signs of funding of terrorist acts. Both of these conclusions have been reported to the countries of the region and to other countries interested in the problem. Further these countries have been told that law enforcement personnel are constantly monitoring the national territory and regularly collecting pertinent data and sharing relevant information with intelligence agencies both within and outside the region.

This does not prevent Paraguay from recognizing that organized criminal gangs are operating in some parts of its territory and conducting transnational criminal activities with similar or associated gangs from other countries of the region. Paraguay acknowledges that the enormous proceeds from various forms of transnational organized crime might at times be diverted to finance terrorist activities. Although it does not recognize a direct, automatic link between terrorism and transnational organized crime, it acknowledges a dangerous circumstantial link that could occasionally exist.

Consequently, we can affirm that the fight against terrorism requires special and distinctive treatment if it is to deal adequately with possible attacks on state security, whether systemically or on any of its components.

In the area of training, Paraguay has been involved in the following activities with CICTE:

- Asunción, July 2007. International Workshop on “Security and Fraud Prevention in Identity and Travel Documents.” Training was provided to immigration, customs, and national police officials from Argentina and Paraguay. Cooperation was received

from the U.S. Department of Homeland Security, through the Forensic Document Laboratory (FDL).

- Asunción, October 2007. Determination of “Critical Infrastructure.”
- Asunción, December 2007. Interagency meeting on “Security, Cybercrime, and Cyberterrorism.” Coordination between the government, private, and academic sectors. Purpose: to establish the Paraguayan Node of the Inter-American Cybersecurity Network through the Cybersecurity Incident Response Team (CSIRT), 24 hours a day, seven days a week (24/7).

Likewise, in Asunción, in September 2007, the seminar “Combating Terrorism and Drug Trafficking” was held with experts from Great Britain. It was organized by the Ministry of Foreign Affairs of Paraguay and the Government of the United Kingdom of Great Britain and Northern Ireland. This workshop was intended for security forces of the Republic of Paraguay.

My government reiterates its appreciation to the Governments of the Argentine Republic, the Federative Republic of Brazil, the Republic of Chile, the Republic of Colombia, the United States of America, CICTE, and other multilateral organizations for the cooperation they extended to training its human resources and for shoring up law enforcement institutions competent to prevent and fight terrorism, whatever its manifestations.

## **2. Fight against transnational organized crime**

On the basis of good faith and transparency and in a spirit of cooperation, I shall report briefly on the role played by the law enforcement agencies in 2007 to combat transnational organized crime. Additional information can be transmitted to governments that request it through the corresponding channels. I expect that the legal forces and agencies will join forces to prevent and combat any acts that threaten regional security and/or their financing, both operationally and from the point of view of judicial investigation.

In the area of drug control, from 2003 to 2007 more than 5,500 hectares of crops were destroyed, more than 300,000 kg of market-ready marijuana were seized, more than 2,600 kg of cocaine were intercepted, and 1,068 drug traffickers were arrested, including renowned mafia heads and their children. Paraguay extradited 14 persons to Brazil, among them 13 Brazilian nationals and one Paraguayan. Another nine Brazilians were deported to Brazil.

Paraguay participated voluntarily in operations organized by the International Narcotics Control Board (INCB), such as “Crystal Flow,” and will continue to do so through its replacement program “Ice Block.” The country has updated its annual reports to the INCB and has appointed competent authorities for “extradition,” “mutual legal assistance,” and “illicit traffic by sea,” in accordance with Articles 6, 7, and 17 of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, of 1988.

In September 2007, Paraguay held the V Joint Anti-drug Meeting with Bolivia and has committed to holding similar activities in 2008 with Argentina, Brazil, Chile, Colombia, Mexico, and Peru.

Paraguay's efforts to fight drugs have been acknowledged by major countries in the international community. Because of the country's achievements, its officials feel committed and driven to renew their commitment in a concerted effort to combat drug trafficking and related crimes.

With regard to efforts against piracy, the damage caused by transnational criminal gangs in 2007 was approximately US\$48 million, quite a significant amount for a country like Paraguay. Added to this figure are the costs of institution-building by the National Customs Office, which received the ISO 9001/2000 certification and achieved the best possible level of professional training for its human resources. Lastly, we should mention the positive action taken by the Specialized Technical Unit of the Ministry of Industry and Trade and the establishment of the Trade Transparency Unit, which will examine possible discrepancies between trade data. In taking that measure, Paraguay will be complying with Special Recommendation VI of the GAR on the use of alternative systems for fund transfers.

As concerns the fight against arms trafficking, according to the War Materiel Directorate (*Dirección de Material Bélico* – DIMABEL) some 1,594 arms of different types and calibers were seized in various operations. For its part, the anti-drug force, SENAD, has seized genuine arsenals of heavy armaments, explosives, and ammunition of different calibers. These arms and explosives were about to be sent to organized criminal gangs in countries of the region.

The fight against trafficking in persons is another positive component of Paraguay's interagency efforts. Of the cases detected, 87 percent were international and 13 percent domestic; 67 percent involved adults and 33 percent children. The main destination points were: Argentina, 52 percent; Spain, 25 percent; Bolivia, 2 percent; Brazil, 2 percent; and other destinations, 7 percent. The special prosecutor's office has dealt with 31 cases of persons charged with trafficking; another 18 cases are being processed, and six have resulted in conviction. Paraguay has spearheaded interagency coordination by establishing the Interagency Board for the Prevention of and Fight against Trafficking in Persons in Paraguay, through Decree 5093/05. This body is composed of entities from the government sector and civil society and receives support from international organizations. Noteworthy among its accomplishments are the synergy achieved between the public sector and civil society; the sharp increase in judicial cooperation, primarily between Argentina and Spain; the addendum to the Protocol of San Luis in MERCOSUR, for judicial cooperation with an emphasis on trafficking in persons; the Nin@sur initiative; increased social awareness; and training of government agents in the administrative, judicial, and legislative areas.

As concerns the fight against money laundering, although there are still some regulatory weaknesses preventing more effective action by law-enforcement entities, we can report that Paraguay has regularized its membership status with GAFISUD, which had been irregular since 2002. The law enforcement entity, the Secretariat for the Prevention of Money and Asset Laundering (SEPRELAD), has expressed its firm commitment, in its capacity as a member of the EGMONT Group, to sharing information with any Financial Intelligence Units that so request, either directly or through international organizations. The Suspicious Operations Reports (ROS) and the Total Operations Reports (TOR) prepared by those obligated to do so have increased considerably in the recent past and are maintaining a steady pace. This notwithstanding, SEPRELAD has expanded the spectrum of those obligated to cooperate to include cooperative entities, the Insurance Commission, individuals and corporations involved in real estate transactions, and pawnshops, and is paying close attention to unauthorized foreign exchange dealers.

The Paraguayan authorities express their concern over the physical movement of money to other countries, which is taking place outside legal financial channels. These authorities are almost certain that the money generated from trade in border cities in their territory does not remain in the country and, assuming it leaves the country, it is not channeled through the legal financial channels. For that reason, SEPRELAD is working with its counterparts in the region on stronger control of physical movements of cash and considers it essential to streamline mechanisms for information exchange among the countries concerned, so as to enable the Intelligence and the Financial Analysis Units to work more effectively.

Given the country's efforts against money laundering, we deplore the reference made to Paraguay on the official Website of the United States Embassy in Asunción as a "key money-laundering center." My country rejects this characterization and demands its immediate rectification. At the same time, it maintains that this type of unfounded statement does not contribute to mutual confidence-building among our countries, which is essential in the fight against money laundering.

In concluding my remarks on this topic, the Paraguayan authorities involved in combating money laundering hope to have access as soon as possible to the information to be provided by the U.S. Attorney General's office on alleged remittances that, while supposedly originating in the region, were then channeled through U.S. banks and destined ultimately to organizations regarded as terrorist.

Lastly, I should report that as regards criminal investigation, the Paraguayan Office of the Attorney General has established specialized units in efforts to combat the following: drugs, kidnapping, trafficking in persons, economic crimes, and trademark infringement. In the course of 2008, we hope that both the Specialized Unit against Cybercrime and the Paraguayan link of the inter-American cybersecurity network will have begun operating.

### **3. Conclusions**

Since transnational organized crime activities take place in countries of origin, transit, and destination, Paraguay wishes to issue a friendly reminder that the fight against international crime must be governed by the principle of shared responsibility. This means that transnational organized criminal activities must be tackled, jointly and severally, by the countries of origin and by the countries of transit and destination. Action must be taken against both demand and supply, and against criminal brokerage.

In other words, effective action against transnational crime calls for joint efforts against demand, supply, drug brokerage, money laundering, arms trafficking, trafficking in persons, etc.

With regard to drug control efforts, Paraguay, as a cannabis-growing country—perhaps the most important in the region—regrets that the developed world is reluctant to cooperate more actively in the fight against marijuana. On more than one occasion we have heard spokespersons for very large countries say that "marijuana is NOT our problem," as if they were unaware that transnational organized crime had diversified its criminal activities and that the proceeds from marijuana transactions could, for example, finance other more dangerous, cruel, or degrading activities or directly finance terrorist acts.

Marijuana is grown by poor peasant farmers, with the help of their entire families, because they do not have access to alternative licit gainful employment in the form of decent jobs. They too are victims of this criminal activity. It is the obligation of the international community, but primarily of the countries concerned by the principle of shared responsibility, to provide the poor peasant cannabis farmers with licit development alternatives, not merely as a corrective or restorative measure but rather as a preventive one.

In this regard, we draw attention to a perverse practice—one that distorts international trade—in which preferential-access quotas are given to cocaine-producing countries. This sends a negative message to other countries affected by the production of other, apparently less harmful, drugs as it encourages cocaine production as a means of gaining access to developed world markets.

Lastly, the Paraguayan officials would like to express their interest in the proposal put forward by the Minister of Defense of Brazil—the South American Defense Council. It has been said that the purpose of the initiative would be to strengthen cooperation between police and military forces in the Hemisphere, develop logistics to curb various forms of transnational organized crime, and using, on a cooperative basis, the infrastructure and equipment of the best equipped countries, for example to prevent and combat illegal flights and locate clandestine take-off and landing strips.

This is important for Paraguay. Reference is made in various reports and documents to Paraguay's use as a transit zone through which 50 tons of cocaine pass each year, without being intercepted. It seems that the drugs go to cities in Brazil and are then redistributed to centers of consumption in the developed world, where there is high demand.

Paraguay has said that, if these reports were true, even if the amounts were smaller, it would be prepared to do its utmost to combat that trafficking. However, it has also clearly stated that on its own it was unable to deal with the powerful forces of drug trafficking in the region because of the economic might of these organized, transnational criminal gangs and because of the limited regulatory and legal resources available to the forces of law and order.

Although the Constitution stipulates that it is within the sole purview of the Paraguayan military to protect national sovereignty and defend its constituted authorities, it hopes to get direct information about the proposal's aspects in order to find the appropriate means to coordinate and strengthen the action of security forces in the fight against transnational organized crime.