

Russia in Latin America

A Strategic Analysis

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In recent years, Russian President Vladimir Putin has hardly veiled his desire to lead Russia back to superpower status. Putin's rhetoric emphasizes a multipolar world where the United States is no longer the dominant power, and his actions present Russian global leadership as a viable alternative to the United States'. Increasingly visible is the multifaceted nature of Russia's tactics for undermining U.S. power projection in multiple theaters, including Latin America. Leaders of the U.S. defense and intelligence communities have responded to Russia's growing global assertiveness by repeatedly singling out Russia as the primary military and strategic threat to the United States, particularly following Russia's recent annexation of Crimea and hostile activities in Ukraine.

In March 2015, Director of National Intelligence James R. Clapper labeled Russia a "threat actor" and an example of a nation where "the nexus among organized crime, state actors, and business blurs the distinction between state policy and private gain."¹ The 2015 National Military Strategy presented by the Joint Chiefs of Staff noted that Russia "has repeatedly demonstrated that it does not respect the sovereignty of its neighbors and it is willing to use force to achieve its goals. Russia's military actions are undermining regional security directly and through proxy forces."²

The accuracy of these assessments of Russian intentions and capabilities can be documented throughout many parts of the world. Yet this lens is seldom used in analyzing the burgeoning Russian diplomatic and military presence in Latin America – particularly in Central America. The formal Russian state presence is accompanied by state business ventures, soft power overtures, increasing Russian organized criminal activity, and the reactivation of Cold War proxy networks. While seldom part of the strategic analysis of the new Russian state, there is clear evidence that

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Latin America, considered an area of vital interest to the United States, is now an area of intense Russian state interest and activity.

As General John Kelly, commander of the U.S. Southern Command (SOUTHCOM) noted in recent Congressional testimony, “it has been over three decades since we last saw this type of high-profile Russian presence” in Latin America.³ In his command’s 2015 Posture Statement Kelly added that:

Periodically since 2008, Russia has pursued an increased presence in Latin America through propaganda, military arms and equipment sales, counterdrug agreements, and trade. Under President Putin, however, we have seen a clear return to Cold War tactics. As part of its global strategy, Russia is using power projection in an attempt to erode U.S. leadership and challenge U.S. influence in the Western Hemisphere. . . While these actions do not pose an immediate threat, Russia’s activities in the hemisphere are concerning and underscore the importance of remaining engaged with our partners.⁴

This is not to say that Russia in Latin America presents an imminent military threat to the United States. But Russian officials have been brazen about their desire to undermine and confront the United States in the Western Hemisphere, its main sphere of influence, to counter what Russia perceives as U.S. interference in Russia’s border territories. In the current Latin American context Russia has made greater progress toward their goals than is usually acknowledged.

While the U.S. position remains preeminent – due to geographic proximity, cultural ties, and trade ties – it is eroding more quickly than is often understood. Also eroding, as

Russia and other extra-regional actors such as China and Iran strengthen the hands of a bloc of radical populist governments, is the long-standing U.S. goal of establishing functioning democracies under the rule of law with stable economic growth. The U.S. is simultaneously facing a concerted effort by a significant alliance of Latin American governments to erase any trace of U.S. military and security doctrine, weaken economic and cultural ties, and portray any and all U.S. policy decisions as seeking to recolonize Latin America.

The once-shared hemispheric values of a functioning democratic system are being replaced by a toxic mix of anti-democratic values, massive corruption, and a doctrine that draws on totalitarian models, embraces multiple terrorist groups, and includes an explicit justification for the use of weapons of mass destruction against the United States.⁵

This article is not intended to cover the full range of Russian commercial, diplomatic, and military activity in Latin America, which was recently done by R. Evan Ellis of the U.S. Army War College.⁶ Rather, it aims to illuminate the nexus described by Clapper, the strategic objectives behind that nexus, and the real and potential threat the nexus poses to U.S. interests. A brief case study on Central America is included to provide a more in depth view of Russian expansion in the hemisphere.

Russia’s Expansion in the West: Past and Present

During the Cold War, the Soviet Union relied on its allies Cuba and Nicaragua (the latter for only a decade), but Russia now has at least seven unconditional allies in the region.⁷ Most of its allies are among the least democratic and most repressive states in the hemisphere.

During the past two years Russia has expanded its dealings with these nations at a rapid pace.

The dominant organization of Latin American nations allying with Russia is the Bolivarian Alliance for the Peoples of Our America (known by the Spanish acronym, ALBA);⁸ a bloc of nations, many of whose leaders had long-standing ties with the former Soviet Union. They share Russia's perception of the United States as an imperialist nation bent on dominating and interfering with the sovereignty of others that must be suppressed.⁹ The ALBA nations have increasingly become an alliance of highly criminalized states that, on

the world stage, consistently sides with anti-U.S., totalitarian governments such as Russia, Syria, North Korea, and Zimbabwe. The bloc also supports organizations designated as terrorists by the United States and Europe, such as the Colombian Revolutionary Armed Forces of Colombia (*Fuerzas Armadas Revolucionarias de Colombia* – FARC), Hezbollah, and the Basque separatist ETA. It is worth noting that the U.S. Treasury Department has formally designated at least six senior Venezuelan officials for materially supporting the FARC and the FARC's cocaine trafficking activities.¹¹



Presidency of the Nation of Argentina

Argentinian President Cristina Fernández de Kirchner and Russian President Vladimir Putin toast during his first visit to Argentina (July 2014).

Russia's ALBA allies include several of Latin America's most important countries, including Venezuela, whose late President Hugo Chávez used Venezuela's oil wealth to become Russia's main weapons client in the region; and Argentina, whose mercurial president Cristina Fernández de Kirchner signed a 2014 "strategic partnership" agreement with Putin and who regularly posts on her Twitter account high praise for the Russian president. While not formally a member of ALBA, Fernández de Kirchner has led Argentina to become one of the most fanatical and vocal supporters of the ALBA bloc, both financially and politically (even hosting ALBA's ten year anniversary summit),¹² while vociferously backing Russia at every opportunity.

Russia's expanded outreach to the ALBA bloc helps insure that Russia's Latin American allies have a powerful friend on the United Nations Security Council to veto any efforts to hold them accountable for human rights violations or electoral fraud

In Central America, Russia's leading allies are Nicaragua and El Salvador. In Nicaragua, former and current Sandinista President Daniel Ortega (1979-1990 and 2007- present) is known for having made his nation a Soviet and Cuban proxy during the Cold War. In El Salvador, President Salvador Sánchez Cerén, a former Marxist guerilla commander, has created an inner circle that is mostly comprised of Soviet-trained insurgents who fought U.S.-backed forces in the nation's civil war.

Russia's expanded outreach to the ALBA bloc helps insure that Russia's Latin American allies have a powerful friend on the United Nations Security Council to veto any efforts to

hold them accountable for human rights violations or electoral fraud.¹³ In return, these Latin American allies are shielding Russia from international isolation, providing political and diplomatic support, and an important regional media network that blankets the continent.

The media network offers coordinated messages of unstinting support for Putin and Russia's aggressive actions in Europe while casting the United States as a global aggressor. At the same time, these countries are increasing Russia's access to the hemisphere's ports and airspace, and ultimately, increasing Russia's sphere of influence in a region where the United States has seldom been so directly challenged.¹⁴

Although the Putin government, unlike the Soviet government's high point, is under significant economic stress and as a result has little to offer in terms of material support, it generously promises mega projects that rarely come to fruition. Additionally, Russia has signed dozens of memoranda of understanding with Latin American countries that are vague and, if consistent with past behavior, likely to be left unfulfilled.

But a careful review of Russia's activities in the region shows that, despite limited resources, Russia has focused on delivering in a few key areas, all designed to directly challenge the United States in areas where it has seldom faced competition before:

- The sale of weapons: In addition to hundreds of thousands of the most technologically advanced AK-47 assault rifles, sales include tanks, helicopters, supersonic combat aircraft, and surface-to-air missiles. After registering no sales of surface-to-air missiles to Latin America during most of the past decade, Russia sold more than 3,000 to the region from 2008-2011.¹⁵ Russia's primary

client has been Venezuela, which was ranked the fifth largest recipient of arms deliveries from Russia in 2011 at an estimated worth of \$1.7 billion.¹⁶ Chavez's government secured a \$2.2 billion loan in 2010 to purchase a large batch of Russian weapons for its army, including 92 T-72M1M main battle tanks, about 240 BMP 3 fighting vehicles and BTR-80 armored personnel carriers, and a variety of artillery systems. In total, it is estimated that Venezuela's arms transfer agreements with Russia amount to \$13.1 billion, noting a 52 percent increase between 2007 and 2011.¹⁷ Argentina and other nations are acquiring Russian helicopters, ships, and aircraft. El Salvador's friendly government is considering moving completely away from U.S. weapons to Russian materiel. And Nicaragua is increasingly purchasing Russian military equipment including aircraft that nations like Costa Rica argue are not necessary for mitigating current domestic security issues.

■ **Police, military, and intelligence assistance:** The Russian push includes the creation of the Marshal of the Soviet Union Georgy Zhukov regional counternarcotics training center in Nicaragua, along with a non-public agreement for a permanent presence of 130 Russian counternarcotics trainers who frequently conduct joint patrols with their Nicaraguan counterparts.¹⁸ In addition, Russia has built a munitions disposal plant¹⁹ and has promised to build a \$14 million military hospital. Russia is now offering an almost unlimited number of scholarships for regional military, police, and intelligence officials, as well as providing friendly governments with new, much more sophisticated electronic surveillance

equipment and other intelligence equipment.²⁰

■ **Access for financial institutions:** Russian bankers have long pushed for greater access to the Latin American financial structure, particularly since several of its main banks were sanctioned following the annexation of Crimea. The most active is the U.S. and E.U.-sanctioned bank Vnesheconombank (VEB), which in July, 2013 signed a memorandum of understanding with the Central American Bank of Economic Integration (CABEI).²¹ The details of this document have not been released. In December 2014, Russian Gazprombank, also sanctioned, and Argentine Banco de la Nación signed an agreement of cooperation, but the details were not made public.²² Perhaps the most direct inroad to the Latin American financial market is through Evrofinance Monsarbank, a major Russian bank whose largest shareholder is a Venezuelan state-owned National Development Fund (*Fondo Nacional para el Desarrollo Nacional-FONDEN*) known for its total lack of transparency in its handling of billions of dollars from the national oil company, PDVSA. FONDEN holds 49.98 percent of the shares of Evrofinance; the other major shareholders include sanctioned banks VEB and Gazprombank.²³ In a separate case, in March 2015 the U.S. Treasury Department designated the Banca Privada d'Andorra a bank of "primary money laundering concern," including the bank's three subsidiaries in Panama. The designation charged the bank managers with aiding both Russian organized crime groups and the Venezuelan oil company PDVSA in the laundering of billions of dollars. As a result of the designation, the bank's subsidiaries in Panama were shut down.²⁴

■ A Counter-narrative and World View: The Russians have continually used their growing diplomatic presence to present themselves as a viable alternative to U.S. imperialism in Latin America, a narrative that still has some appeal among the former armed Marxist movements in the region as well as the radical populist movements of the governments and groups affiliated with the ALBA bloc. A constant in the narrative is that a U.S. invasion is imminent and unavoidable. This is because the alleged U.S. policy is based on pillaging the region's natural resources, toppling the revolutionary regimes leading the march to Latin American independence, and subjugating its citizens.²⁵ Russia presents itself as an ally against this impending onslaught, offering to guarantee the security of the new Nicaraguan Canal (if

it is ever built), and in return acquiring easier access to deep-water ports in Nicaragua, and possibly airfields. Russia has been particularly successful in leveraging this narrative to join multiple Latin American organizations where the U.S. is not welcome. For example, Russia is invited to the meetings of the Community of Latin American and Caribbean States (*Comunidad de Estados Latinoamericanos y Caribeños – CELAC*), a body set up by Chávez from which the United States and Canada are excluded.²⁶ And on March 26, 2015, Russian Foreign Minister Lavrov presented an official solicitation for Russia to become an observer of the Central American Integration System (*Sistema de la Integración Centroamericana – SICA*).²⁷ If approved, Russia would have extra-regional observer status at SICA,



Presidency of the Nation of Argentina

Representatives of CELAC member nations stand together at the Teresa Carreño theater in Caracas, Venezuela for the organization's first summit. (Dec 2011)

recently a bulwark of U.S. regional allies. The Foreign Minister's site noted that the request was welcomed unanimously.²⁸

Russian leaders have explicitly stated their intentions in the region, which are noted as retaliatory for what the Russian government views as U.S. meddling close to Russian borders, particularly in Ukraine.

When Russian Defense Minister Sergi Shoigu visited Cuba, Nicaragua, and Venezuela in February 2015, the official Pravda news service ran an extensive article quoting a Russian military analyst on the importance of the trip. The analyst, close to the Kremlin, noted that the much-publicized new canal through Nicaragua, when and if completed, would allow the Russian fleet "to enter the Gulf of Mexico, that is exit the Pacific Ocean to enter the Atlantic." The analyst further noted:

This is highly important, because in this case, Russia will be able to ensure so-called nuclear deterrence, because the Russian navy has long-range cruise missiles. If such Russian vessels are deployed somewhere near the territory of Cuba, they will be able to attack the United States. This is our response to the deployment of U.S. military objects near the Russian border. The United States is quite vulnerable ... One may eventually have to create missile defense from the side of Florida, rather than Alaska. All these issues arise and require huge financial resources. I think it will convince the United States of the short-sightedness of this kind of policy.²⁹

The most tangible signs of Russia's growing interest and footprint are the constant visits to the hemisphere by senior Russian political and military figures, including: Putin in

2014; and multiple visits in the past two and a half years by Defense Minister Sergei Shoigu, General Valeriy Gerasimov, Foreign Minister Sergi Lavrov, Counter-narcotics chief Viktor Ivanov, Prime Minister Dmitry Medvedev, Speaker of the Russian Federation Council Valentina Matvienko, and other senior officials.

One of the repeat visitors to Latin America is General Valery Gerasimov. Gerasimov is Chief of Staff of the Russian Federation and architect of the Gerasimov Doctrine.³⁰ The Doctrine provides a useful lens for understanding Russian activities in the region.

The influential Russian doctrine posits that the rules of war have changed, there is a "blurring of the lines between war and peace," and "nonmilitary means of achieving military and strategic goals has grown and, in many cases exceeded the power of weapons in their effectiveness." Gerasimov argues for asymmetrical actions that combine the use of special forces and information warfare that create "a permanently operating front through the entire territory of the enemy state." He further noted that:

New information technologies have enabled significant reductions in the spatial, temporal, and informational gaps between forces and control organs. Frontal engagements of large formations of forces at the strategic and operational level are gradually becoming a thing of the past. Long-distance, contactless actions against the enemy are becoming the main means of achieving combat and operational goals ... The information space opens wide asymmetrical possibilities for reducing the fighting potential of the enemy.³¹

An overview of Russian activity in the region shows an adherence to Gerasimov's doctrine of waging constant asymmetrical warfare against one's enemies through a combination of means. These include military or hard power as well as shaping and controlling the narrative in public opinion, diplomatic outreach, military sales, intelligence operations, and strategic offerings of intelligence and military technology. All are essential components of the Russian presence and Gerasimov's view that the lines between war and peace are blurred and that non-military means of achieving power and influence can be as effective, or more effective, than military force.

As we will examine in detail below through an extended case study in Central America, this Doctrine is indicative of how and why Russia is engaging with select Latin American states.

Central America

In Central America, historically the Latin American region most closely aligned with the United States, Russia has been especially successful in courting its old allies in Nicaragua and El Salvador, while maintaining a robust presence in Panama and Guatemala. In a milieu of increasingly precarious governance, spiraling violence, drug trafficking, and rampant corruption, the Russian government, its proxies, and businesses are creating rapidly expanding military, law enforcement, and intelligence alliances.

The steadily expanding Russian presence in Central America is spearheaded by two old allies from the Cold War: Nicaraguan President Ortega and José Luis Merino, a Communist Party leader in El Salvador.

The Russian presence is most visible in Nicaragua, where Ortega, who successfully led

a Marxist insurgency to topple the U.S.-backed dictatorship of Anastacio Somoza, closely aligned with the Soviet Union in the 1980s. While now portraying himself as a less orthodox ideologue, Ortega and his inner circle have been effusive in their praise of Russia's return to the region. Nicaragua now consistently and publicly backs Russia in its conflicts with the United States and European Union.

Merino in El Salvador has worked tirelessly to promote Russian diplomatic and business interests. Merino was originally trained in the Soviet Union while leading an elite urban commando unit of the Marxist-led guerrillas during El Salvador's civil war. Today, he is the leader of one of the wealthiest business consortiums in the region. While holding no formal political position within the government, which is led by former guerrilla commander Sánchez Cerén, Merino is widely recognized as the most powerful person in the governing Farabundo Martí National Liberation Front (*Frente Farabundo Martí Para la Liberación Nacional* – FMLN). He has personally escorted large Russian business delegations to meetings with senior officials, pushed hard for the opening of a Russian embassy in San Salvador, and thanked the Russians for creating an alternative to the U.S. presence in the region.³²

These are the most visible and public aspects of Russian activities in Central America. Yet, as the case study below shows, there is a much less visible, but very active network behind the ostentatious diplomatic and business presence that demonstrates how the Russian state, much like the Soviet state, deploys a wide network of senior intelligence service members, businessmen, and think tanks to bolster its efforts.

Case Study: NK SESLA

The following case study was conducted entirely through open sources in conjunction with C4ADS, a non-profit organization specializing in data analysis. This study does not allege any criminal activity. It is intended to show the overlapping nature of the Russian state, former senior intelligence officers, and businessmen in a network that reaches the highest levels of the Russian government and security apparatus.

NK SESLA is a parastatal agency whose acronym in Russian means “the Russian National Committee for the Promotion of Economic Trade with Countries of Latin America.” It is a non-commercial partnership of several Russian companies and the Russian Ministry of Foreign Affairs. Formed in 1998 with the approval of the office of the Russian President, today it includes high-ranking representatives from various Latin America departments within the Ministry of Foreign Affairs, Ministry of Economic Development, Chamber

The NK Sesla Network

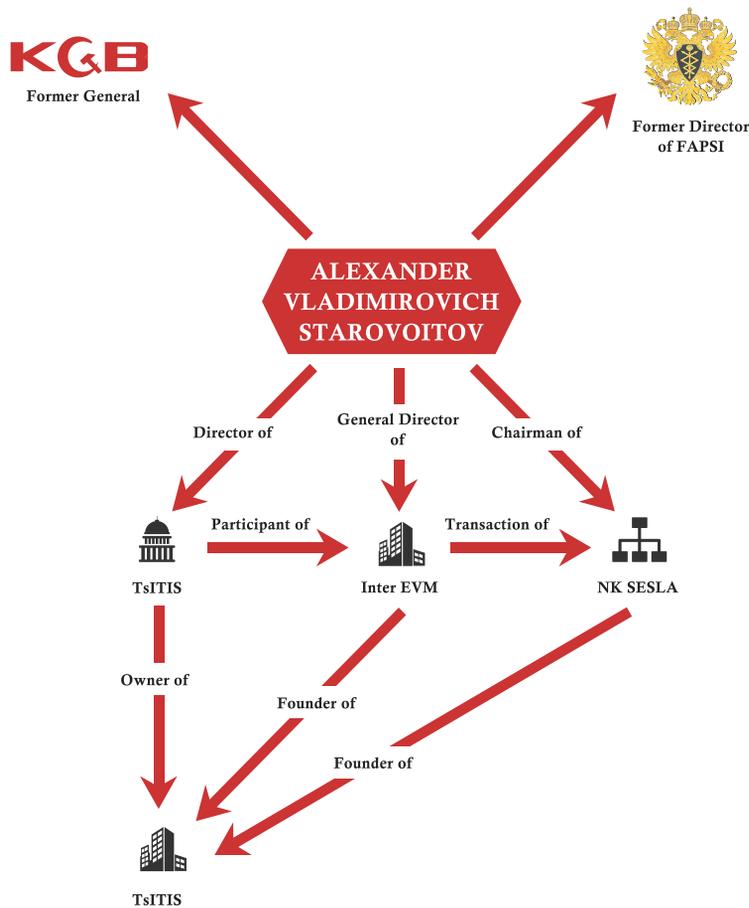


Figure 1: Flow Chart connecting NK SESLA’s Director Starovoirov to Russian Agencies.

of Commerce, Rosnauka (Russian Science), the Institute of Latin America of the Russian Academy of Sciences, and other state structures.³³

The main public activity of the NK SESLA is organizing meetings with Russian and Latin American businessmen and diplomatic representatives, promoting investments in Latin America, and keeping a record of the operations of Russian businesses in the region. According to its news page, NK SESLA frequently holds meetings with representatives of Latin American states in Moscow and has 91 members.³⁴ Its representatives also regularly attend meetings of the anti-U.S. blocs of Latin America such as ALBA and CELAC.

One of its two directors is Alexander Starovoitov, a former general in the Soviet KGB intelligence service. His publicly identified specialties include electronic communications

technology and cryptography. He is listed on the NK SESLA Spanish and Russian language websites as President of NK SESLA, Director General of Inter EVM, and Director of TsITIS. Inter EVM and TsITIS are two related companies operating extensively in Latin America, both of which are closely tied to the Russian defense ministry and the FSB, the successor intelligence agency to the KGB.³⁵ These organizations, in turn have direct ties to the Russian military and intelligence establishments. Starovoitov is the Director of the Cryptography Academy of the Russian Federation. He is decorated as a Hero of the Russian Federation and served on Russia’s Security Council from 1998-1999.

In 1986, Starovoitov was named the Vice Director Technical Supply for the Directorate of Government Communications of the KGB. That same year he received the rank of Major General in the KGB. In 1991, as the Soviet Union collapsed, he was named Director of the Federal Agency of Government Communications and Information of the Russian Federation (FAPSI), roughly the equivalent of the NSA, a post he held for eight years. During that time, he was responsible for his nation’s “signals intelligence, cryptography, cryptology, and secret government communications.”³⁶ FAPSI was dissolved in 2003 and folded into the FSB.

Starovoitov, however, does not seem to have fully retired from government service. As the Director General of Inter EVM, meaning the International Center for Informatics and Electronics, he manages a parastatal Science and Technology and Information Consortium to “jointly solve the problems of the creation and development of advanced information technology, computer hardware and



Figure 2: License from the Russian military displayed on the Inter EVM website

microelectronics.” The group lists itself as a member of NK SESLA on its website.³⁷

The Inter EVM website also displays the company’s licenses from the FSB and Russian military on behalf of those institutions “using information constituting state secrets,” advanced cryptographic information systems, and “activities in the field of information tools.”³⁸ This clearly links the company directly to the most secretive and powerful parts of the Russian state, rather than a simple purveyor of information technology and computer hardware.

The third organization Starovoitov directs is TsITIS - the Center of Informational Technology Systems of Executive Branch Organs, a secretive government agency specializing in signals intelligence and code breaking. President Putin recently charged the company with building a multi-billion dollar integrated, secure communications network for the Russian military. The network is to help detect and deter cyber attacks.³⁹

These positions place Starovoitov in the center of the nexus of the Russian state’s prized intelligence and business worlds, focusing significant efforts on Latin America. The companies he leads are part of some of the most important defense and cyber initiatives of the Russian government, making Starovoitov one of the most trusted people in Russia’s security apparatus.

One of Inter EVM’s most visible officials in Central America is Vyacheslav Petrovich Vasyagin. Vasyagin, who regularly visits Nicaragua and El Salvador, is a former Soviet military officer who served in Russia’s executive and judicial branches. From 2000-2003, he was Deputy Director of Russia’s notorious tax police, the FSPN, which was often used to go after anyone deemed an enemy of the state,

from oligarchs to dissidents. At the time it was often viewed as the successor intelligence agency to the KGB and later ceded most of its intelligence functions to the FSB.⁴⁰

In October 2014, Vasyagin led a large delegation of Russian businessmen to Nicaragua to discuss technology transfers and assistance in mining and petroleum exploration.⁴¹ In May 2015, he led a delegation of Russian businessmen to El Salvador, where they met with senior Salvadoran officials, including Vice President Oscar Ortiz.

According to the Inter EVM website, Vasyagin is also a senior leader of the All Russia Public Movement Orthodox Russia, a zealous nationalist, Russian Orthodox movement whose objective is to return Russia to its “historical traditions.” His biography on the site lists him as a “state advisor to the Russian Federation First Class,” and “State Councilor of Justice of the Russian Federation Third Class.” It is clear that Vasyagin acts not only as a private entrepreneur, but also as an agent of the Russian state.

This is only a small sampling of a much larger network of former senior Soviet intelligence and military leaders now deeply involved in Latin America, simultaneously as part of the Russian state and part of the business community. It is worth noting, as discussed below, that in the wake of the appearance of these networks, Russian organized crime is becoming much more active in the region.

An Additional Strategic Threat: Transnational Organized Crime

The Russian engagement, which is conducted through direct military contact, diplomacy, front groups, and business associations, comes as transnational organized crime groups in

Latin America, particularly in areas where Russia has been most active, are being increasingly recognized as a growing strategic threat to the United States.

In 2014 General Martin Dempsey, the recently retired chairman of the Joint Chiefs of Staff, ranked transnational organized crime (TOC) networks in the Southern Hemisphere as one of the major threats facing the United States, along with Russia and China.⁴² These TOC groups control billions of dollars derived from the drug trade, the looting of state coffers, and other illicit activities, and operate in concert with the governments of nation-states engaged in functioning criminal enterprises.

Russia's rise underscores the significant loss of Washington's ability to shape events in the region closest to home and in which the United States has fostered diplomatic ties since its inception

Yet the increasing criminalization of much of Latin America and the growing presence of Russia – a state where government, crime, and business operate as a seamless whole, as described by Clapper – are often viewed as separate phenomena rather than part of a larger mosaic where the two dynamics feed off of each other in a symbiotic relationship. The strategic implications of this potential alliance are significant and pose a direct threat to U.S. national security interests.

Regional law enforcement officials in Central America and Colombia say there is a noticeable increase in Russian organized crime activity in Central America, predominantly in cocaine trafficking via the Pacific Coast. Among the groups identified including those

who traffic primarily through the use of shipping containers are the Solntsevskaya Brotherhood and the Brother's Circle, the latter considered a top tier TOC group with close ties to the Russian state.⁴³

With U.S. cocaine consumption dropping, and prices stable at less than \$15,000 a kilo, Russia offers a significant opportunity for traffickers to access a new and growing cocaine consumption market. Exploding demand in Russia and the former Soviet states has driven prices in their domestic markets up to \$45,000 to \$50,000 a kilo.⁴⁴ With the FARC controlling the great majority of the world's cocaine production⁴⁵ it would be impossible for Russian traffickers to buy the product without dealing with the FARC.

Implications and Conclusions

Russia's rise underscores the significant loss of Washington's ability to shape events in the region closest to home and in which the United States has fostered diplomatic ties since its inception. This decline, due to waning policy attention amidst multiple global crises and severe budget constraints, is leaving a diminishing group of friends in the hemisphere. Since 2010, U.S. engagement efforts, both military and diplomatic, have been scaled back dramatically with overall aid decreasing both civilian and security assistance. And regional initiatives have been among the hardest hit by the ongoing budget austerity,⁴⁶ which has left a vacuum that is being filled by extra-regional actors and a growing group of political leaders who hope for a multipolar world where the United States is no longer the dominant power. "Our relationships, our leadership, and our influence in the Western Hemisphere are paying the price" for the ebbing of U.S. engagement in the region, Kelly said.

Russia, a state where connections between state actors, business interests, and organized criminals are heavily blurred, is rapidly expanding its relations in Latin America in an effort to undermine historic U.S. interests, as well as rebuilding, in a limited form, the alliances it had constructed during the Soviet era. Russia's partners are primarily highly criminalized states led by radical populist governments that are virulently anti-U.S. in their ideology.

Although Russia's growing presence in Latin America does not pose an imminent military threat to the United States, it is now an integral part of an alliance of state and non-state actors that have shown their hostility toward the United States in their ideology, criminalized behavior, and anti-democratic nature.

The high-level visits of senior Russian officials and the pomp and statecraft surrounding them are adept moves to exploit the vacuum left as U.S. resources and attention have withered.

The expanding weapons sales not only bring revenue to Russia's coffers, they offer the opportunity for long-term military-to-military relationships, as the purchase of weapons systems entails training, maintenance, and renewal. And the police and military training, particularly in the field of counternarcotics, also offers several benefits: it challenges the preeminent U.S. role in the region to combat the flow of drugs to the United States; and it provides Russian experts with access to a wealth of intelligence, logistical, and military information across the region, including U.S. strategies and tactics relating to counternarcotic and counterterrorism activities.

Additionally, Russia's developing relations with financial institutions not only assists Russia with avoiding the consequences of

sanctions, but it also provides a secure way for groups such as state-linked cocaine trafficking groups in Venezuela, along with the FARC and others, to launder their money through and with Russia. One of the instruments the United States has wielded effectively in its counternarcotics efforts is the freezing of assets and following the financial trail. But once the money is in Russia the financial trail will become even more difficult to follow.

Perhaps the most effective tool the Russians have deployed is the creation of a counter-narrative to the United States. Due to the long history of U.S. heavy-handedness in the region and the remnants of the radical movements that fought dictatorships and repression in the 1970s and 1980s, the narrative resonates heavily. Russian official media, along with the official media of the ALBA nations, saturate Latin American airwaves and press with their message, while a small army of authors and intellectuals, owned by Russia and/or paid by the ALBA states, write a steady stream of books, articles, and pamphlets to reinforce the message.

The cumulative effect of Russian efforts in the region has been to win an important foothold, with access to resources, deep-water ports, and airstrips while strengthening and prolonging the radical populist alliance that is destroying the democratic process in multiple countries. It is an advance the United States cannot afford to ignore any longer. **PRISM**

Notes

¹ James R. Clapper, Director of National Intelligence, “Statement for the Record: Worldwide Threat Assessment of the U.S. Intelligence Community,” House Appropriations Subcommittee on Defense, March 25, 2015, accessed at: <http://docs.house.gov/meetings/AP/AP02/20150325/103200/HHRG-114-AP02-Wstate-ClapperJ-20150325.pdf>

² “The National Military Strategy of the United States of America 2015,” June 2015, accessed at: http://www.jcs.mil/Portals/36/Documents/Publications/2015_National_Military_Strategy.pdf

³ Kristina Wong, “Putin’s quiet Latin America play,” *The Hill*, March 21, 2014, accessed at: <http://thehill.com/policy/defense/201305-putins-quiet-play-for-latin-america>

⁴ Gen. John F. Kelly, “Posture Statement of General John R. Kelly, United States Marine Corps, Commander, United States Southern Command Before the 114th Congress Senate Armed Services Committee,” March 12, 2015, accessed at: http://www.southcom.mil/newsroom/Documents/SOUTHCOM_POSTURE_STATEMENT_FINAL_2015.pdf

⁵ The doctrine was outlined by Jorge Verstrynge, a Spanish intellectual and ideologue in his seminal book *Peripheral Warfare and Revolutionary Islam: Origins, Rules and Ethics of Asymmetrical Warfare, (La Guerra periférica y el Islam revolucionario: Orígenes, reglas y ética de la Guerra asimétrica, Viejo Topo (Spain)*, 2004. Then-President Hugo Chávez of Venezuela adopted the book as part of Venezuela’s military doctrine in 2006. For a full examination of the work, see: Douglas Farah, “Transnational Organized Crime, Terrorism and Criminalized States in Latin America: An Emerging Tier-One National Security Priority,” U.S. Army War College, Strategic Studies Institute, August 16, 2012, accessed at: <http://www.strategicstudiesinstitute.army.mil/pubs/display.cfm?pubID=1117>

⁶ For a comprehensive look at Russia’s engagement on a state by state basis in Latin America and the high-level visits see: R Evan Ellis, “The New Russian Engagement with Latin America: Strategic Position, Commerce, and Dreams of the Past,” U.S. Army War College, Strategic Studies Institute, June 17, 2015, accessed at: <http://www.strategicstudiesinstitute.army.mil/pubs/display.cfm?pubID=1275>

⁷ These include the Bolivarian bloc of nations (Venezuela, Bolivia, Ecuador, Nicaragua, Cuba, and El Salvador) as well as Argentina.

⁸ ALBA is a bloc of radical populist government founded by Hugo Chávez, the late president of Venezuela. The initials stand for *Alianza Bolivariana para los Pueblos de Nuestra América* or the Bolivarian Alliance for the Peoples of Our America.

⁹ For a broader look at this phenomenon see: Douglas Farah, “The Advance of Radical Populist Doctrine in Latin America: How the Bolivarian Alliance is Remaking Militaries, Dismantling Democracy and Combatting the Empire,” PRISM, Center for Complex Operations, National Defense University, July 2015, accessed at: http://cco.ndu.edu/Portals/96/Documents/prism/prism_5-3/The_Advance_Of_Radical_Populist_Doctrine_in_Latin_America.pdf

¹⁰ For a more detailed look at this phenomenon of criminalized states in Latin America and their support for terrorists see: Farah, “Transnational Organized Crime, Terrorism and Criminalized States in Latin America: An Emerging Tier-One National Security Priority,” *op. cit.*

¹¹ For example in September 2008 the Treasury Department’s Office of Foreign Assets Control designated three of Chávez’s senior officials for “materially supporting the FARC, a Narco-terrorist organization.” The three were Henry de Jesus Rangel, head of intelligence at the time; Ramón Emilio Rodríguez Chacín, a former senior cabinet minister; and Hugo Armando Carvajal, head of military intelligence at the time. See: “Treasury Targets Venezuelan Government Officials Support of the FARC,” U.S. Treasury Department Office of Public Affairs, Sept. 12, 2008, accessed at: <http://www.treasury.gov/press-center/press-releases/Pages/hp1132.aspx>

¹² “10 Years of ALBA Commemorated in Argentina,” TELESUR, November 12, 2014, accessed at: <http://www.telesurtv.net/english/news/10-Years-of-ALBA-Commemorated-in-Arentina-20141112-0005.html>

¹³ For a comprehensive look at Russia’s engagement on a state-by-state basis in Latin America see: Ellis, *op. cit.*

¹⁴ For a detailed look at this media network see: Douglas Farah, “The Advance of Radical Populist Doctrine in Latin America: How the Bolivarian Alliance is Remaking Militaries, Dismantling Democracy and Combatting the Empire,” *op. cit.*

¹⁵ Richard F. Grimmert and Paul K. Kerr, “Conventional Arms Transfers to Developing Nations 2004-2011),” CRS R42678 (Aug 24, 2012), accessed at: <http://fas.org/sgp/crs/weapons/R42678.pdf> p. 67, which notes that Russia has sold 3000 more surface-to-air

missiles to Venezuela than any other country in the world.

¹⁶ 1-4 were Saudi Arabia, India, Pakistan, and the U.A.E. Grimmert and Kerr, 2011, accessed at: <http://fas.org/sgp/crs/weapons/R42678.pdf>

¹⁷ Richard F. Grimmert and Paul K. Kerr, "Conventional Arms Transfers to Developing Nations 2004-2011," CRS R42678 (Aug 24, 2012); accessed at <http://fas.org/sgp/crs/weapons/R42678.pdf>

¹⁸ For further information on the training center see: "Russia-Nicaragua: multifaceted cooperation," The Voice of Russia, April 22, 2013, accessed at: http://sputniknews.com/voiceofrussia/2013_04_22/Russia-Nicaragua-multifaceted-cooperation/. The agreement on allowing the permanent presence of 130 trainers is in possession of the author.

¹⁹ The munitions plant is to both get rid of old munitions that are dangerous and reactivate some munitions to "avoid the expense" of purchasing new ordinance. See: "Top Russian military brass visits Nicaragua," Nicaragua Dispatch, April 22, 2013, accessed at: <http://nicaraguadispatch.com/2013/04/top-russian-military-brass-visits-nicaragua/>

²⁰ Farah interviews in Nicaragua and El Salvador, January to June 2015.

²¹ http://www.veb.ru/press/news/arch_news/index.php?id_19=30426

²² Consejo Empresario Argentino-Ruso: "Presentación del banco 'Gazprom' y de empresas rusas productoras de equipos energéticos, de extracción minera y de hidrocarburos en bolsa de comercio en Argentina," accessed at: http://www.cear.org/index.php?option=com_content&view=article&id=193%3Apresentacion-del-banco-gazprom-bank-y-de-empresas-rusas-productoras-de-equipos-energeticos-de-extraccion-minera-y-de-hidrocarburos-en-la-bolsa-de-comercio-de-buenos-aires&catid=34%3Anoticias&lang=ru

²³ Daniel Cancel and Corina Rodriguez Pons, "Chavez's Russia Bank Beats Citigroup in Venezuela Bonds Sales," Bloomberg News Service, November 7, 2011, accessed at: <http://www.bloomberg.com/news/articles/2011-11-07/chavez-s-russian-bank-beats-citigroup-in-venezuela-bond-sales>

²⁴ In the designation, a senior DHS official noted that "We are seeing an increasing trend where businesses and business professionals are being recruited by transnational criminal organizations to facilitate corrupt practices, such as creating shell corporations and fronts for money laundering and other illegal activity. These corrupt individuals and institutions put profits at a premium and serve as connections between the licit and illicit worlds.

Today's action addresses the vulnerability created by BPA and helps protect the integrity of the international financial system." See: "FinCEN Names Banca Privada d'Andorra a Foreign Financial Institution of Primary Money Laundering Concern," Financial Crimes Enforcement Network, Department of Treasury, press release, March 10, 2015, accessed at: http://www.fincen.gov/news_room/nr/html/20150310.html

²⁵ For example, one prominent Bolivarian website promotes the idea that "Every U.S. military base in Our America is not only a terrible threat, but an attack on the dignity of the people and an intolerable humiliation." See: Visiones Alternativas, accessed at: <http://pl-va.prensa-latina.cu/militarizacion/mapas/mapabases.htm>. Thelma Luzzani's Territories Under Surveillance: How the Network of U.S. Military Bases Operates in South America (*Territorios Vigilados: Como opera la red de bases militares norteamericanas en sudamérica*, Debate, Buenos Aires, 2012) with a U.S. soldier wearing a Nazi helmet on the cover, is a Bolivarian best seller. It is being touted on multiple Bolivarian websites as a visionary work that explains the "massive surveillance" of the U.S. Southern Command over Latin America.

²⁶ "Russia, CELAC share common foreign policy principles," TASS Russian News Agency, January 31, 2014, accessed at: <http://tass.ru/en/russia/717131>

²⁷ "SICA estudia convertir a Rusia en el décimo sexto observador extrarregional," La Vanguardia (March 26, 2015) accessed at: <http://www.lavanguardia.com/politica/20150326/54428490520/sica-estudia-convertir-a-rusia-en-el-decimo-sexto-observador-extrarregional.html>

²⁸ The Ministry of Foreign Affairs of the Russian Federation, "Foreign Minister Sergi Lavrov's remarks and answers to questions at a joint news conference with Foreign Minister of Guatemala Carlos Raul Morales following the Russia-Central American Integration System (SICA) meeting in Guatemala," (March 26, 2015) accessed at: http://archive.mid.ru/brp_4.nsf/0/A93D25A6BF4076EF43257E16002345C3

²⁹ "Russian armed forces returning to Latin America," Pravda, February 17, 2015, accessed at: http://english.pravda.ru/russia/politics/17-02-2015/129844-russia_returning_latina_america-0/

³⁰ The title 'Gerasimov Doctrine' was authored by Mark Galeotti in his blog, In Moscow's Shadows. See Gen. Valeriy Gerasimov, "The Value of Science in Prediction," Military-Industrial Kurier, February 27, 2013, accessed at: <https://inmoscowshadows.wordpress.com/2014/07/06/the-gerasimov-doctrine-and-russian-non-linear-war/>

³¹ Gen. Valeriy Gerasimov, "The Value of Science in Prediction," *Military-Industrial Kurier*, February 27, 2013, accessed at: <https://inmoscowshadows.wordpress.com/2014/07/06/the-gerasimov-doctrine-and-russian-non-linear-war/>

³² Farah interviews in El Salvador and Panama with law enforcement and intelligence officials. Merino, widely known by his nom de guerre Ramiro Vasquez, has a long and close relationship with the Colombian Marxist guerrilla movement, the Revolutionary Armed Forces of Colombia (Fuerzas Armadas Revolucionarias de Colombia – FARC). His involvement in significant weapons shipments to the FARC was discovered through internal FARC documents captured by the Colombian military. For details of his involvement with the FARC see: "The FARC Files: Venezuela, Ecuador and the Secret Archive of 'Raúl Reyes,'" *International Institute for Strategic Studies*, May 10, 2011, accessed at: <http://www.iiss.org/en/publications/strategic%20dossiers/issues/the-farc-files--venezuela--ecuador-and-the-secret-archive-of---39-ra--250-l-reyes--39-8716>

³³ This information is taken from the NK SESLA Spanish language website. In Spanish NK SESLA is known as *El Comité Nacional para la Cooperación Económica con los Países Latinoamericanos* (CN CEPLA), accessed at: <http://www.cepla.ru/es/about/>

³⁴ Ibid.

³⁵ NK SESLA Spanish-language website accessed at: http://www.cepla.ru/es/events/index.php?ELEMENT_ID=11928&phrase_id=90484

³⁶ Much of the information on Starovoitov is taken from his biography on the NK SESLA Spanish language website: <http://www.cepla.ru/es/about/president.php>. For his time as director of FAPSI, see: Mojmi Babacek, "The Threat of Information, Electronic, Electromagnetic and Psychronic Warfare," *Global Research*, September 29, 2005, accessed at: <http://www.globalresearch.ca/the-threat-of-information-electromagnetic-and-psychronic-warfare/1016?print=1> Addition information was found on the following Russian-language websites: <http://www.agentura.ru/dossier/russia/people/starovoitov/>; http://www.comprostat.ru/page_11454.htm; and <http://www.agentura.ru/dossier/russia/people/starovoitov/>

³⁷ This was taken from Inter EVM's website, accessed at: <http://www.inevm.ru/index.php>

³⁸ Accessed at: <http://www.inevm.ru/index.php>

³⁹ "Russian FSB mulls unified secure communications net," *Flash Critic Cyber Threat News*, August

21, 2013, accessed at: <http://flashcritic.com/russian-fsb-mulls-unified-secure-communications-net/>

⁴⁰ *Agentura.ru* website, specializing in dossiers on Russian leaders. Accessed at: <http://www.agentura.ru/english/dosie/fsnp/>

⁴¹ "Rusia ayudaría a Nicaragua a evaluar yacimientos minerales," *Minería Pan-americana*, October 14, 2014, accessed at: <http://www.cpampa.com/web/mpa/2014/10/rusia-ayudaria-a-nicaragua-a-evaluar-yacimientos-minerales/>

⁴² Gen. Dempsey's Remarks at the Naval Academy to Class of 2014, Joint Chiefs of Staff, March 26, 2014, accessed at: <http://www.jcs.mil/Media/Speeches/tabid/3890/Article/571951/gen-dempseys-remarks-at-the-naval-academy-to-class-of-2014.aspx>. Dempsey calls his strategic vision, 2-2-2-1 for the actors that will influence U.S. strategy in coming years: Two heavyweight nations, Russia and China; two mid-size countries, North Korea and Iran; two networks, al Qaeda and transnational organized crime from Latin America; and one domain, cyber.

⁴³ Farah interviews with U.S., Colombian, European and Central American law enforcement officials and diplomats, January to June 2015.

⁴⁴ Farah interviews with U.S., Colombian, European and Central American law enforcement officials and diplomats, January to June 2015.

⁴⁵ Press release from the Drug Enforcement Administration, "Manhattan and Brooklyn U.S. Attorneys Announce Guilty Plea in Manhattan Federal Court of Colombian Narcotics Kingpin in Massive Cocaine Conspiracy," November 20, 2014, accessed at: <http://www.dea.gov/divisions/nyc/2014/nyc112014.shtml>

⁴⁶ From FY 2008 to FY 2012, U.S. aid to Latin America dropped from \$2.1 billion to \$1.8 billion, a 13 percent drop. See: Peter J. Meyer and Mark P. Sullivan, "U.S. Foreign Assistance to Latin America and the Caribbean: Recent Trends and FY2013 Appropriations," *Congressional Research Service*, June 26, 2012. In 2013 and 2014, U.S. aid dropped by another 9 percent and 13 percent, respectively. See: Adam Isacson et al, "Time to Listen: Trends in U.S. Security Assistance to Latin America and the Caribbean, 2013," accessed at: http://lawg.org/storage/documents/Time_to_Listen-Trends_in_U.S._Security_Assistance_to_Latin_America_and_the_Caribbean.pdf. Within this context, funding for USSOUTHCOM has dropped 26 percent in fiscal 2013, after already suffering substantial cuts in previous years. See: "SOUTHCOM's Counter-Drug Efforts Hit by Budget

Cuts," Institute for Defense and Government Advancement, April 26, 2014, accessed at: <http://www.idga.org/homeland-security/articles/southcom-s-counter-drug-efforts-hit-by-budget-cuts/> Adam Isacson et al, "Time to Listen: Trends in U.S. Security Assistance to Latin America and the Caribbean, 2013," accessed at: http://lawg.org/storage/documents/Time_to_Listen-Trends_in_U.S._Security_Assistance_to_Latin_America_and_the_Caribbean.pdf.



Searching through the rubble of the AMIA Jewish community center in Buenos Aires, bombed July 18, 1994