

UNCLASSIFIED

RELEASED IN PART
B1, 1.5(B), 1.5(D)

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ACTION INM-01

INFO LOG-00 ADS-00 AID-01 ARA-01 CG-00 CIAE-00 CTME-00
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SP-01 TRSE-00 USIE-00 /035W
-----6968F8 222310Z /72 38

P 222302Z MAY 91
FM AMEMBASSY LIMA
TO SECSTATE WASHDC PRIORITY 8262
INFO AMEMBASSY BOGOTA
AMEMBASSY CARACAS
AMEMBASSY LA PAZ
AMEMBASSY QUITO
DEAHQS WASHDC
DIA WASHDC
USAFSO HOWARD AFB PM
USCINCSO QUARRY HTS PM

EXTEND CLASSIFICATION

SECTION 01 OF 07 LIMA 06837

DIA FOR OA-5/OS-1D/DB-612/JSI-4B/DB-3C1
DEA FOR AO, DO, OF, OC, OISL, OIOC

E.O. 12356: DECL: OADR
TAGS: SNAR, PREL, PGOV, PE
SUBJECT: NARCOTICS CORRUPTION IN PERU: SEVERAL SHADES
- OF BLACK
1. (S/NF) SUMMARY. CORRUPTION IS ENDEMIC TO PERU,

PAGE 02 LIMA 06837 01 OF 07 222306Z
BUT NARCOTICS CORRUPTION IN THE COCA PRODUCING AREAS
IS RAMPANT. ITS EFFECTS FURTHER UP THE FOOD CHAIN
ARE BELIEVED SIGNIFICANT, BUT OF A LOWER MAGNITUDE.
IN THE HUALLAGA VALLEY THE POLICE ARE DEEPLY
CORRUPTED. WHILE THERE IS ORGANIZED POLICE
COOPERATION WITH THE TRAFFICKERS, POLICE ARE MORE
WIDELY KNOWN AS "FREE LANCERS" WHO PAY TO GET
TRANSFERRED TO THE UHV AND THEN EXTORT LOCAL COCA
GROWERS AND TRAFFICKERS FOR PERSONAL GAIN. A RECENT
REPORT STATES THAT NARCOTICS
CORRUPTION AFFECTS THE ARMY AT ALL LEVELS IN THE

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UNITED STATES DEPARTMENT OF STATE
REVIEW AUTHORITY: JOHN L. MILLS
DATE/CASE ID: 6 MAY 2002 199700716
CLASSIFICATION: SECRET REASON: 1.6(1), 1.6(5), 1.6(N)
DECLASSIFY AFTER: 22 MAY 2016

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HUALLAGA. ARMY CORRUPTION IS MORE ORGANIZED. UNIT COMMANDERS OFFER PROTECTION TO AIRPORTS AND SAFE PASSAGE TO TRAFFICKERS. IN SOME CASES THE PROFITS FROM NARCOTICS SKIMMING ARE USED TO FEED THE TROOPS. THERE IS LESS EVIDENCE AVAILABLE ON POLICE AND MILITARY NARCOTICS CORRUPTION AT THE NATIONAL LEVEL, BUT IT ALMOST CERTAINLY EXISTS.

2. (S) THE JUDICIAL SYSTEM IN THE HUALLAGA IS ENTIRELY OWNED BY THE TRAFFICKERS. ONLY ONE IMPORTANT NARCOTICS FIGURE HAS BEEN CONVICTED IN PERU IN THE PAST FIVE YEARS; NONE OUTSIDE OF LIMA. IN LIMA THERE ARE AT LEAST TWO WELL-DOCUMENTED CASES OF CORRUPTION DURING TRIALS OF IMPORTANT PERUVIAN DRUG FIGURES. NARCOTICS INFLUENCE IN LIMA COURTS IS RARER BECAUSE MOST TRIALS ARE OF MINOR DRUG OFFENDERS. IN THESE CASES, 46 PERCENT OF THOSE CHARGED ARE CONVICTED. A SENIOR MILITARY INTELLIGENCE FIGURE AND THE SECRETARY GENERAL OF THE GOVERNMENT PARTY BELIEVE THAT NARCOTICS CORRUPTION IS A SERIOUS - BUT

[REDACTED]
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CONTAINABLE - PROBLEM AMONG THE PERUVIAN POLITICAL ELITE. ONE CONGRESSMEN HAS CHARGED WITH TRAFFICKING IN 1990.

3. (S) WE BELIEVE THAT PRESIDENT FUJIMORI IS A SINCERE ANTI-DRUG CRUSADER. THERE IS NO EVIDENCE OF DRUG INFLUENCE OVER THE PRESIDENT. HIS SENIOR ADVISOR ON NATIONAL SECURITY MATTERS IS, HOWEVER, LINKED TO PAST NARCOTICS CORRUPTION. WITH THE FOCUS OF PERUVIAN DRUG BUSINESS STILL IN THE JUNGLE, NARCOTICS INFLUENCE IN LIMA IS YET NASCENT. FOR THAT REASON THERE REMAIN MANY HONEST, INFLUENTIAL MEN AND WOMEN READY TO JOIN THE U.S. IN THE FIGHT AGAINST ILLEGAL NARCOTICS. END SUMMARY.

4. (C) IN THE OLYMPICS OF INSTITUTIONAL CORRUPTION, PERU IS A WORLD CLASS PERFORMER. AS ELSEWHERE IN LATIN AMERICA, PERUVIAN CORRUPTION FALLS INTO TWO BROAD CATEGORIES: PAYING A PERSON TO DO HIS JOB AND PAYING A PERSON NOT TO. BOTH TYPES OF CORRUPTION ARE PERVASIVE HERE. NARCOTICS CORRUPTION, AS WE DEFINE IT, FALLS ENTIRELY INTO THE SECOND CATEGORY. THIS REPORT PAINTS IN BROAD STROKES A PICTURE OF NARCOTICS

[REDACTED]
n/a

[REDACTED]
n/a

CORRUPTION. OUR CONCLUSIONS ARE BASED ON PREVIOUSLY
 REPORTED CASES [REDACTED] WHERE HELPFUL, WE
 HAVE ADDED MORE RECENT EXAPES TO ILLUSTRATE OUR
 VIEWS.

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 THE POLICE

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6. (C) POLICE AND MILITARY SALARIES ARE ABYSMAL. A

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	NSAE-00	NSCE-00	OIC-02	OIG-01	OMB-01	PM-01	P-02
	SP-01	TRSE-00	USIE-00	/035W			

-----69691C 222311Z /72 38

P 222302Z MAY 91
 FM AMEMBASSY LIMA
 TO SECSTATE WASHDC PRIORITY 8263
 INFO AMEMBASSY BOGOTA
 AMEMBASSY CARACAS
 AMEMBASSY LA PAZ
 AMEMBASSY QUITO
 DEAHQS WASHDC

n/a

[REDACTED]
n/a

DIA WASHDC
USAFSO HOWARD AFB PM
USCINCSO QUARRY HTS PM

[REDACTED] SECTION 02 OF 07 LIMA 06837

DIA FOR OA-5/OS-1D/DB-612/JSI-4B/DB-3C1
DEA FOR AO, DO, OF, OC, OISL, OIOC

E.O. 12356: DECL: OADR
TAGS: SNAR, PREL, PGOV, PE
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POLICE SERGEANT CURRENTLY TAKES HOME ABOUT USD 55 A

[REDACTED]

[REDACTED]

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MONTH. AN ARMY PRIVATE IS PAID A SUBSISTENCE STIPEND
OF USD SEVEN A MONTH. IN LIMA GASOLINE COSTS TWO
DOLLARS A GALLON AND HAMBURGER NEARLY THREE DOLLARS A
POUND. THE USD 350 TRANSFER FEE INTO THE AREA OF
GREATEST TERRORIST ACTIVITY IN PERU REPRESENTS A HALF
YEAR'S SALARY. TO SOME POLICE THE INVESTMENT AND
RISK OF DEATH ARE WORTH THE CHANCE OF MAKING THE KIND
OF MONEY OF WHICH THEY HAVE HERETOFORE ONLY DREAMED.

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8. (C) UNLIKE THE MILITARY IT IS MUCH MORE COMMON
FOR POLICE TO "FREE LANCE." THE REPUTATION OF THE
POLICE IN THE HUALLAGA AS SHAKEDOWN ARTISTS IS
WIDESPREAD.

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11. (S) POLICE CORRUPTION IS WIDESPREAD NATIONWIDE, BUT THERE IS LESS FIRM EVIDENCE OF PERVERSIVE NARCOTICS CORRUPTION OUTSIDE OF THE HUALLAGA. THIS IS PROBABLY DUE TO THE FACT THAT MOST OF THE DRUG FLOW DOES NOT PASS THROUGH LIMA. THERE ARE IMPORTANT LIMA NARCOTICS MINI-CARTELS, BUT OTHER THAN PERU'S COCA LEAF AND PASTE INDUSTRY, DRUGS IN PERU REMAIN LARGELY A FOREIGN ENTERPRISE. FOR THIS REASON

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ACTION INM-01

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	SP-01	TRSE-00	USIE-00	/035W			

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P 222302Z MAY 91
FM AMEMBASSY LIMA
TO SECSTATE WASHDC PRIORITY 8264
INFO AMEMBASSY BOGOTA
AMEMBASSY CARACAS
AMEMBASSY LA PAZ
AMEMBASSY QUITO
DEAHQS WASHDC
DIA WASHDC
USAFSO HOWARD AFB PM
USCINCSO QUARRY HTS PM

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DEA FOR AO, DO, OF, OC, OISL, OIOC

E.O. 12356: DECL: OADR
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ALLEGATIONS OF NARCOTICS CORRUPTION AMONG SENIOR

n/a

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n/a

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LIMA-BASED POLICE OFFICIALS ARE NOT WELL-DOCUMENTED.

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12. (C) EVEN THOUGH THE EVIDENCE IS LESS CLEAR, SENIOR POLICE OFFICIALS WHO HAVE SERVED IN THE HUALLAGA OR WHO ENJOY COMMAND RESPONSIBILITY OVER UNITS THERE MAY WELL PROFIT FROM THE UPWARD FLOW OF NARCOTICS GRAFT. FOR THAT REASON THE GOVERNMENT OF PRESIDENT FUJIMORI HAS PARTICULARLY ATTEMPTED TO REDUCE POLICE CORRUPTION. ACCORDING TO MINISTRY OF INTERIOR FILES, 1,500 POLICE OFFICERS WERE DISCHARGED FOR "UNETHICAL CONDUCT" IN 1990. THE MOI REPORTED THAT 400 HAVE BEEN FIRED THIS YEAR. SHORTLY AFTER ASSUMING OFFICE ON JULY 28, PRESIDENT FUJIMORI ORDERED A SWEEPING PURGE OF MID- AND SENIOR-LEVEL POLICE RANKS. MANY OF THOSE FIRED WERE SUSPECTED OF NARCOTICS OR OTHER CORRUPTION.

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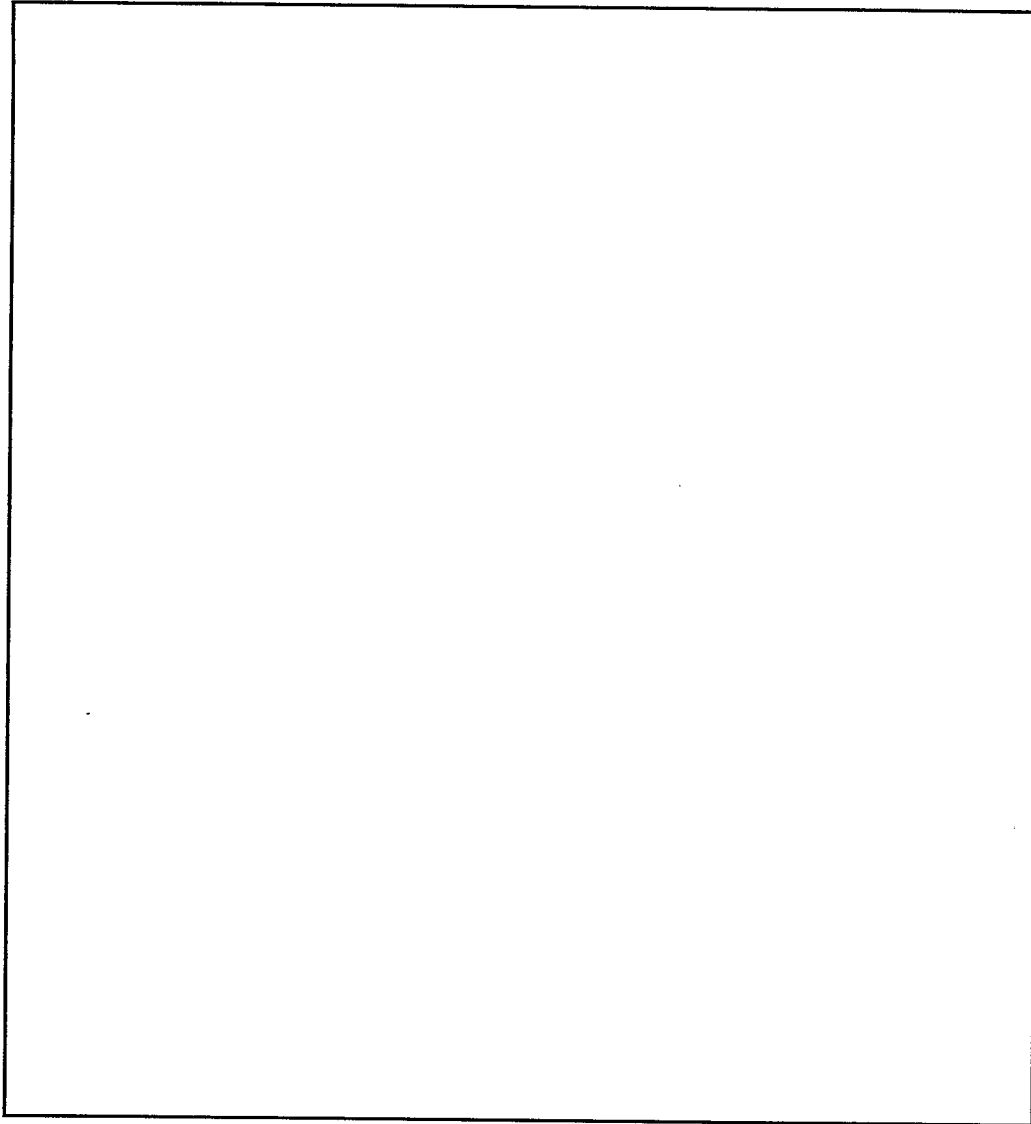
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INFO	LOG-00	ADS-00	AID-01	ARA-01	CG-00	CIAE-00	CTME-00
	DPR-01	FBIE-00	INRE-00	INR-01	IO-19	JUSE-00	L-03

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[REDACTED]
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NSAE-00 NSCE-00 OIC-02 OIG-01 OMB-01 PM-01 P-02
SP-01 TRSE-00 USIE-00 /035W
-----6969AF 222317Z /72 38

P 222302Z MAY 91
FM AMEMBASSY LIMA
TO SECSTATE WASHDC PRIORITY 8265
INFO AMEMBASSY BOGOTA
AMEMBASSY CARACAS
AMEMBASSY LA PAZ
AMEMBASSY QUITO
DEAHQS WASHDC
DIA WASHDC
USAFSO HOWARD AFB PM
USCINCSO QUARRY HTS PM

[REDACTED] SECTION 04 OF 07 LIMA 06837

DIA FOR OA-5/OS-1D/DB-612/JSI-4B/DB-3C1
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E.O. 12356: DECL: OADR
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n/a

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[REDACTED]

18. (C) NOT ALL NARCOTICS-RELATED GRAFT GOES DIRECTLY INTO THE POCKETS OF SENIOR OFFICERS. THE USE OF NARCOTICS REVENUES TO FEED AND CLOTHE THE TROOPS IS COMMON. IN OTHER AREAS OF PERU COMMANDERS SUPPLEMENT THEIR MISERLY UNIT BUDGETS BY SELLING GROUND-UP SEA SHELLS OR DISCARDED ORDINANCE. IN THE

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[REDACTED]

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HUALLAGA PROFITS FROM NARCOTICS PROTECTION FEED SOME SOLDIERS. THE SKIM MAY BE IN THE FORM OF CONTRIBUTIONS FROM LOCAL MERCHANTS WITH NARCOTICS INTERESTS OR DIRECT PAYMENT FROM TRAFFICKERS. THIS KIND OF CORRUPTION IS TO BE DISTINGUISHED AT LEAST IN KIND FROM OFFICERS WHO MAY SHARE THE PROFITS WITH THEIR SOLDIERS, BUT NOT TO FACILITATE THE UNIT MISSION. NOTWITHSTANDING SUCH CLAIMS OF ALTRUISTIC MOTIVATIONS, THE RESULTS OF SUCH A POLICY ARE THE SAME; NARCOTICS ACTIVITIES THRIVE UNDER THE PROTECTION OF THOSE CHARGED WITH ENFORCING LAW AND ORDER.

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20. [REDACTED] RECENT MILITARY ACTION AGAINST NARCOTICS CORRUPTION. A CLASSIFIED NAVY REPORT DETAILS THE REFUSAL OF MARINE OFFICERS NEWLY ASSIGNED TO THE PUCALLPA/AGUAYTIA AREA TO COOPERATE WITH LOCAL TRAFFICKERS, REFUSING BRIBES OF AS MUCH AS USD 15,000. IT IS NOTEWORTHY THAT OFFICIAL ARMY AND NAVY REPORTS ARE NOW DETAILING NARCOTICS CORRUPTION IN THE HUALLAGA, COMPLETE WITH NAMES AND AMOUNTS PAID. THIS IS A RECENT

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INFO	LOG-00	ADS-00	AID-01	ARA-01	CG-00	CIAE-00	CTME-00
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	NSAE-00	NSCE-00	OIC-02	OIG-01	OMB-01	PM-01	P-02
	SP-01	TRSE-00	USIE-00	/035W			

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P 222302Z MAY 91
FM AMEMBASSY LIMA
TO SECSTATE WASHDC PRIORITY 8266
INFO AMEMBASSY BOGOTÁ
AMEMBASSY CARACAS
AMEMBASSY LA PAZ
AMEMBASSY QUITO
DEAHQS WASHDC
DIA WASHDC
USAFSO HOWARD AFB PM
USCINCSO QUARRY HTS PM

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[REDACTED]
n/a

DIA FOR OA-5/OS-1D/DB-612/JSI-4B/DB-3C1
DEA FOR AO, DO, OF, OC, OISL, OIOC

E.O. 12356: DECL: OADR
TAGS: SNAR, PREL, PGOV, PE
SUBJECT: NARCOTICS CORRUPTION IN PERU: SEVERAL SHADES
DEVELOPMENT. IT WOULD NOT HAVE OCCURRED WITHOUT HIGH
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[REDACTED]

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LEVEL IMPETUS. WHILE THERE ARE YET NO CRIMINAL
CONVICTIONS, THE MERE INVESTIGATION OF ALLEGED
CORRUPTION AND THE REPORTING OF THESE INVESTIGATIONS
THROUGH OFFICIAL CHANNELS, MARKS A NEW MILITARY
AWARENESS OF THE DANGER OF NARCOTICS CORRUPTION.
ACCORDING TO THE RECOMMENDATIONS OF THE ARMY
INVESTIGATIVE REPORT, AS MANY AS 17 OFFICERS MAY BE
CHARGED WITH NARCOTICS CORRUPTION PURSUANT TO
ADDITIONAL INVESTIGATIONS.

THE COURTS

21. (C) ONCE A SUSPECTED TRAFFICKER IS OFFICIALLY
ARRESTED, HE CANNOT BE RELEASED WITHOUT AT LEAST THE
TACIT COOPERATION OF A FISCAL OR A JUDGE. THERE IS
NO QUESTION THAT STATES' ATTORNEYS AND JUDGES IN THE
HUALLAGA ARE DEEPLY CORRUPTED BY NARCOTICS. IT IS
NOT UNEXPECTED THAT WE HAVE NO RECORD OF THE
CONVICTION OF ANY MID OR HIGH LEVEL TRAFFICKER IN THE
HUALLAGA. THE CAPTAIN OF THE NAVY SHIP "ETEN" WAS
THROWN OUT OF THE SERVICE FOR RUNNING COCAINE, BUT
HAS YET TO BE CONVICTED IN CIVIL COURT A YEAR AFTER
THE OFFENSE. THE ARMY OFFICERS CHARGED IN THE RAMAL
DE ASPUZANA INCIDENT WERE LIKEWISE DISCHARGED FROM
THE ARMY, BUT WERE ACQUITTED IN CIVIL COURT FOR "LACK
OF PROOF."

22. (C) THERE HAVE BEEN TWO WELL-PUBLICIZED
NARCOTICS TRIALS IN LIMA OF HIGH-LEVEL NARCOTICS
[REDACTED]
[REDACTED]

n/a
[REDACTED]

[REDACTED]
n/a

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FIGURES (REYNALDO RODRIGUEZ LOPEZ AND PERCILES
SANCHEZ) IN WHICH THERE WERE CREDIBLE CHARGES THAT
JUDGES AND PROSECUTORS WERE SUBORNED. SUCH
ALLEGATIONS OF JUDICIAL NARCOTICS CORRUPTION ARE
RARE, PRIMARILY BECAUSE IMPORTANT TRAFFICKERS ARE
RARELY BROUGHT TO TRIAL IN LIMA. ACCORDING TO THE
LATEST FIGURES AVAILABLE TO US (1987), OF THE MINOR
NARCOTICS OFFENDERS BROUGHT TO TRIAL IN LIMA, 46
PERCENT ARE CONVICTED. PRISON AUTHORITIES REPORT
THAT 80 PERCENT OF THE CONVICTED PRISONERS CURRENTLY
IN THE WOMEN'S PRISONS ARE SMALL TIME VENDORS OR
TRAFFICKERS.

23. (C) THERE IS CIRCUMSTANTIAL EVIDENCE OF
SIGNIFICANT NARCOTICS INFLUENCE IN THE LIMA COURTS,
THE PUBLIC PROSECUTOR'S OFFICE, AND THE PRISON
SYSTEM. INMATES AT TWO OF LIMA'S PRISONS HAVE TOLD
POLOFFS THAT DRUGS ARE WIDELY AVAILABLE, IF NOT FROM
PRISON AUTHORITIES, AT LEAST WITH THEIR KNOWLEDGE AND
PERMISSION. THOUGH THERE ARE FEW IMPORTANT NARCOTICS
CASES IN LIMA COURTS, THE PERUVIAN JUDICIAL SYSTEM IS
NOT CAPABLE OF DEALING WITH A NARCOTICS AGENDA ON ANY
MEANINGFUL LEVEL. THE JUDICIAL SYSTEM IS SERIOUSLY
ANTIQUATED. JUDGES AND PROSECUTORS HAVE NO SECURITY
AGAINST RETRIBUTION. JUDGES ARE POORLY PAID AND
GENERALLY THE LEAST CAPABLE GRADUATES OF LIMA'S LAW
SCHOOLS. BOTH CRIMINAL AND CIVIL JUSTICE HERE
FUNCTION ALMOST ENTIRELY ON A SYSTEM OF EXTRA-LEGAL
PAYMENTS BY ACCUSERS OR THE ACCUSED. JUSTICE IN PERU
IS NEITHER SWIFT NOR SURE, BUT THE COST OF JUSTICE IS
WELL KNOWN: IF PERU'S ANTI-NARCOTICS LAWS ARE EVER

[REDACTED]
[REDACTED]

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APPLIED TO A MEANINGFUL EXTENT HERE, WE HAVE NO DOUBT
THAT THE COURT SYSTEM WOULD GRIND TO A HALT OR
COLLAPSE UNDER THE WEIGHT OF THREATS AND BRIBES.

24. PRESIDENT FUJIMORI HAS ALSO LAUNCHED AN
ANTI-CORRUPTION CAMPAIGN IN WHAT HE CALLED THE
"MINISTRY OF INJUSTICE." UNDER A NEW SUPREME COURT
CHIEF THERE HAVE BEEN ARRESTS OF COURT WORKERS
ACCUSED OF CORRUPTION. SEVERAL JUDGES HAVE BEEN
FIRED. SIGNS HAVE BEEN POSTED THROUGHOUT ALL LIMA
COURT BUILDINGS WARNING PATRONS THAT NO FEES SHOULD

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BE PAID WITHOUT OFFICIAL BILLINGS AND RECEIPTS.
ATTORNEYS WE HAVE SPOKEN WITH STATE THAT THERE HAS

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	NSAE-00	NSCE-00	OIC-02	OIG-01	OMB-01	PM-01	P-02
	SP-01	TRSE-00	USIE-00	/035W			

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P 222302Z MAY 91
FM AMEMBASSY LIMA
TO SECSTATE WASHDC PRIORITY 8267
INFO AMEMBASSY BOGOTA
AMEMBASSY CARACAS
AMEMBASSY LA PAZ
AMEMBASSY QUITO
DEAHQS WASHDC
DIA WASHDC
USAFSO HOWARD AFB PM
USCINCSO QUARRY HTS PM

S [REDACTED] SECTION 06 OF 07 LIMA 06837

DIA FOR OA-5/OS-1D/DB-612/JSI-4B/DB-3C1
DEA FOR AO, DO, OF, OC, OISL, OIOC

E.O. 12356: DECL: OADR
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BEEN A MODERATE DROP IN GRAFT DURING THE PAST SIX

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MONTHS.

THE POLITICAL ELITE

n/a

[REDACTED]
n/a

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25. (S) [REDACTED] NARCOTICS INFLUENCE PERMEATES THE PERUVIAN POLITICAL ELITE. HE POINTS TO ON-GOING HIGH RISE CONSTRUCTION IN LIMA'S WEALTHIER NEIGHBORHOODS. IN THE MIDST OF THE CURRENT DEPRESSION, ARGUES HESSE, THE ONLY MONEY MOVING IS DIRECTLY OR INDIRECTLY COMING FROM THE NARCOTICS INDUSTRY.

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26. [REDACTED] HE BELIEVES THERE ARE SUBSTANTIAL AMOUNTS IN LIMA AND FOREIGN BANK ACCOUNTS, DOLLARS EARNED FROM THE NARCOTICS TRADE. HE CLAIMS TO HAVE IDENTIFIED CONNECTIONS BETWEEN LIMA BUSINESSMEN AND COCAINE BUYERS IN ITALY AND SPAIN. OCCASIONALLY NAMING NAMES, [REDACTED] ALLEGES THAT LIMA'S MOST POWERFUL LAW FIRMS AND MANY OF LIMA'S WEALTHIEST FAMILIES, INCLUDING THOSE WITH MEMBERS OCCUPYING SEATS IN THE PARLIAMENT, ARE DEPENDENT ON COCA DOLLARS TO MAINTAIN LIQUIDITY. ANDRES REGGIARDO, SECRETARY GENERAL OF THE PRESIDENT'S PARTY, TOLD POLCOUNS THAT NARCOTICS MONEY EXERCISES INFLUENCE IN ALL PARTIES; "NONE ARE COMPLETELY IMMUNE." REGGIARDO DID NOT YET SEE THIS SPREADING VIRUS AS IRREVERSIBLE.

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27. (S) IN THE PAST THREE YEARS TWO SITTING MEMBERS [REDACTED]
[REDACTED]

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OF CONGRESS HAVE BEEN SERIOUSLY IMPLICATED IN NARCOTICS ACTIVITY. ONE MEMBER WAS EXPELLED FROM HIS PARTY (APRA) AND THE PARLIAMENT. HE HAS BEEN FORMALLY CHARGED BUT IS IN HIDING AND HAS YET TO BE PROSECUTED. THERE ARE OTHER, UNDOCUMENTED RUMORS OF NARCOTICS CORRUPTION AMONG MEMBERS AND THEIR SENIOR STAFFS. IN THE HUALLAGA VALLEY IT IS WIDELY KNOWN THAT THE SENATOR AND DEPUTY REPRESENTING THE AREA (BOTH FREDEMO) ARE OPENLY LINKED TO HUALLAGA TRAFFICKERS. THERE ARE A NUMBER OF SENIOR MEMBERS OF THE FORMER APRA GOVERNMENT, IMPLICATED IN NARCOTICS ACTIVITIES, FOR WHOM THERE IS NO SERIOUS, ON-GOING PERUVIAN INVESTIGATION INTO THEIR PAST OR PRESENT ACTIVITIES.

[REDACTED]
n/a

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[REDACTED]
n/aTHE PALACE

28. (C) PRESIDENT FUJIMORI HAS DRAWN MORE THAN HIS SHARE OF CRITICISM IN THE NINE MONTHS OF HIS PRESIDENCY. CORRUPTION IN GENERAL AND NARCOTICS CORRUPTION IN PARTICULAR ARE NOT AMONG THE CHARGES LAID AT THE PRESIDENT'S FEET. UNLIKE HIS PREDECESSOR, FUJIMORI HAS THUS FAR AVOIDED ANY IMPLICATION THAT HE OR HIS POLICIES HAVE BEEN INFLUENCED BY THE POWER OF THE NARCOTICS DOLLAR. TO THE CONTRARY, RECENT DECISIONS ON THE MANIPULATION OF THE EXCHANGE RATE AND THE COST OF ADDITIONAL AIR FORCE DEPLOYMENTS TO THE UHV, ARE DIRECT EVIDENCE THAT THIS ADMINISTRATION RECOGNIZES THAT NARCOTICS

[REDACTED]
[REDACTED]

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TRAFFICKING IS HAVING SERIOUS NEGATIVE CONSEQUENCES FOR PERU. HIS BROTHER SANTIAGO RUEFULLY TOLD US THAT THEY WILL DO WELL TO REDUCE CORRUPTION BY 20 PERCENT DURING FUJIMORI'S TERM - SO PERVASIVE IS THE PROBLEM. IT IS OUR VIEW THAT FUJIMORI IS A TRUE BELIEVER, AN ANTI-CORRUPTION CRUSADER MAKING SLOW HEADWAY AGAINST WHAT HE CALLS "THE SCOURGE OF CORRUPTION."

29. (C) THE SAME MAY NOT BE TRUE OF SOME OF HIS CLOSEST ADVISORS. THOUGH HE IS STILL MORE SHADOW THAN SUBSTANCE, VLADIMIRO MONTESINOS IS ALLEGED TO BE ONE OF THE PRESIDENT'S CLOSEST ADVISORS ON SECURITY-RELATED ISSUES. THIS MEANS THAT MONTESINOS'

[REDACTED]

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ACTION INM-01

INFO	LOG-00	ADS-00	AID-01	ARA-01	CG-00	CIAE-00	CTME-00
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	NSAE-00	NSCE-00	OIC-02	OIG-01	OMB-01	PM-01	P-02
	SP-01	TRSE-00	USIE-00	/035W			

n/a
[REDACTED]

[REDACTED]
n/a

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P 222302Z MAY 91
FM AMEMBASSY LIMA
TO SECSTATE WASHDC PRIORITY 8268
INFO AMEMBASSY BOGOTA
AMEMBASSY CARACAS
AMEMBASSY LA PAZ
AMEMBASSY QUITO
DEAHQS WASHDC
DIA WASHDC
USAFSO HOWARD AFB PM
USCINCSO QUARRY HTS PM

[REDACTED] SECTION 07 OF 07 LIMA 06837

DIA FOR OA-5/OS-1D/DB-612/JSI-4B/DB-3C1
DEA FOR AO, DO, OF, OC, OISL, OIOC

E.O. 12356: DECL: OADR
TAGS: SNAR, PREL, PGOV, PE
SUBJECT: NARCOTICS CORRUPTION IN PERU: SEVERAL SHADES

INFLUENCE ON NARCOTICS POLICY IS AT LEAST INDIRECTLY
[REDACTED]
[REDACTED]

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IMPORTANT, SINCE THE PRESIDENT HAS OFTEN FOLLOWED HIS
ADVISOR'S SUGGESTIONS ON MILITARY AND POLICE
APPOINTMENTS AND PROMOTIONS.

30. (S) THERE IS SUBSTANTIAL CIRCUMSTANTIAL EVIDENCE
LINKING MONTESINOS TO PAST NARCOTICS ACTIVITY. AMONG
POLICE /ND MILITARY FIGURES RECOMMENDED TO THE
PRESIDENT BY MONTESINOS ARE MEN WITH POSSIBLE
NARCOTICS TIES.

(THE ISSUE OF VLADIMIRO MONTESINOS, HIS ALLEGED
NARCOTICS TIES, AND THOSE OF SOME OF HIS FRIENDS,
WILL BE THE SUBJECT OF A FOLLOWING REPORT.)

31. PRESIDENT FUJIMORI ROUNDLY CASTIGATED POLICE
CORRUPTION IN A MEETING WITH THE AMBASSADOR AND ONDCP
DIRECTOR MARTINEZ. HOWEVER, HE BACKED THE ARMY'S
PROBITY. FUJIMORI PROBABLY ATTEMPTED TO CAST THE
BEST LIGHT ON A BAD CASE SINCE HE SAW AERIAL
INTERDICTION, NOT CONTROL OF MUNICIPAL ARIFIELDS, AS
THE MOST PROMISING AVENUE FOR SHORT TERM RESULTS.

n/a
[REDACTED]

[REDACTED]
n/a

UNLIKE GRANT, WE THINK FUJIMORI KNOWS THE SCORE, BUT
MUST LINE UP HIS DUCKS BEFORE CLEANING HOUSE.

CONCLUSIONS

32. (C) PRESIDENT FUJIMORI CORRECTLY STATED IN HIS
MAY 15 ADDRESS TO THE CONGRESS THAT IT IS NOT TOO
LATE TO SAVE PERU FROM BECOMING A STATE CONTROLLED BY
NARCOTICS TRAFFICKERS. DRUG LORDS MAY (HAND IN HAND
[REDACTED]
[REDACTED]

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WITH THE TERRORISTS) OWN THE HUALLAGA VALLEY AND MOST
WHO WORK THERE, BUT THOSE IN THE DRUG BUSINESS HAVE
NOT TRIED TO PURCHASE LIMA. IT COULD HAPPEN. THE
POLITICAL SYSTEM HERE IS INSTITUTIONALLY WEAK.
PERUVIAN SOCIETY IS FRAGILE, BONDED BY FEW OF THOSE
CULTURAL AND SOCIAL BARRIERS WHICH AT LEAST SLOW THE
SPREAD OF NARCOTICS CORRUPTION IN OTHER NATIONS.
DRUGS IS SEEN AS A REAL PROBLEM BY FEW, AND MANY
STILL DELUDE THEMSELVES INTO BELIEVING THAT COCA LEAF
IS THE ONLY THING KEEPING THE PERUVIAN ECONOMY AFLOAT.

33. (C) THERE ARE HONEST MEN OF CONSIDERABLE
INFLUENCE IN SENIOR POSITIONS THROUGHOUT THE
GOVERNMENT WHO SHARE OUR AGENDA. THERE IS ALSO A
GROWING GROUP OF MID-LEVEL OFFICERS CONCERNED ABOUT
THE DETERIORATION OF THEIR POLICE AND MILITARY
UNITS. ALL THESE SEE THE MID- AND LONG-TERM RISK
NARCOTICS REPRESENTS TO PERU. KEY TO OUR SUCCESS
HERE WILL BE THE GOP'S ABILITY TO FERRET OUT AND
ENLIST THOSE WHO ARE FREE FROM NARCOTICS INFLUENCE.
AND TO ISOLATE AND MARGINALIZE THOSE WHO ARE NOT.
DION
[REDACTED]

NNNN

[REDACTED]
n/a