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PTQ8519

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PTQ8519

PAGE 01 LIMA 00343 01 OF 02 121647Z
ACTION ARA-01

INFO	LOG-00	ACDA-12	ACDE-00	AID-00	CIAE-00	INL-01	OASY-00
	DODE-00	DOEE-00	SRPP-00	EB-01	FBIE-00	INLB-01	H-01
	TEDE-00	INR-00	IO-00	LAB-01	L-01	ADS-00	M-00
	NSAE-00	NSCE-00	OIC-02	OMB-01	PA-01	PM-00	PRS-01
	P-00	SP-00	SSO-00	SS-00	STR-00	TRSE-00	T-00
	USIE-00	PMB-00	PRM-10	PRME-01	PRMC-01	DRL-09	G-00

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O 121643Z JAN 96
FM AMEMBASSY LIMA
TO SECSTATE WASHDC IMMEDIATE 8949
INFO AMEMBASSY SANTIAGO
AMEMBASSY LA PAZ
AMEMBASSY QUITO
AMEMBASSY BUENOS AIRES
AMEMBASSY BOGOTA
USCINCSO QUARRY HEIGHTS PM

Release additional
RELEASED IN PART
1.5(D), B1

SECRET SECTION 01 OF 02 LIMA 000343

USCINCSO ALSO FOR POLAD

E.O. 12958: DECL: OADR
TAGS: PINR, PGOV, PBTS, KJUS, PHUM, PE
SUBJECT: DEFENSE, JUSTICE AND TRANSPORTATION MINISTERS RESIGN;
REPLACEMENTS NAMED TO DEFENSE AND JUSTICE POSTS

SECRET

SECRET

PAGE 02 LIMA 00343 01 OF 02 121647Z
REFTEL: 94 LIMA 9514

1. SECRET/NOFORN -- ENTIRE TEXT. CLASSIFIED BY AMBASSADOR ALVIN ADAMS, REASON 1.6 (D).

2. SUMMARY: THE PERUVIAN GOVERNMENT ANNOUNCED JANUARY 8 THAT DEFENSE MINISTER MALCA, JUSTICE MINISTER VEGA, AND TRANSPORTATION MINISTER CASTILLA HAD RESIGNED FOR PERSONAL REASONS. ON JANUARY 9, FUJIMORI SWORE IN NEW DEFENSE AND JUSTICE MINISTERS. A NEW

Current Class: SECRET UNCLASSIFIED DEPT OF STATE APPEALS REVIEW PANEL (ARP) Page: 1

UNITED STATES DEPARTMENT OF STATE
REVIEW AUTHORITY: SAM A. MOSKOWITZ
DATE/CASE ID: 15 JUN 2001 200101053

FOIA/PA	Mandatory Review
<input checked="" type="checkbox"/> Release	<input type="checkbox"/> Declassify
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<input type="checkbox"/> Deny	<input type="checkbox"/> Class. Rel/Renew

Exemptions B1
ARP Action Cert. ave Date 070802

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TRANSPORTATION MINISTER HAS NOT YET BEEN NAMED. EMBASSY SOURCES HAVE REVEALED THAT MALCA'S DEPARTURE WAS ACTUALLY DUE TO DISPLEASURE WITH THE WAY HE HANDLED PERUVIAN ARMS PURCHASES, INCLUDING MALCA'S DESIRE FOR KICKBACKS ON ARMS PURCHASES. THE TIMING OF THE THREE RESIGNATIONS WAS LIKELY MEANT TO LESSEN ATTENTION ON MALCA'S DEPARTURE AS JUSTICE MINISTER VEGA WAS KNOWN TO WISH TO DEPART THE CABINET. THE NEW DEFENSE MINISTER, RETIRED GENERAL TOMAS CASTILLO, AND NEW JUSTICE MINISTER, CARLOS HERMOZA MOYA, ARE BELIEVED TO BE CLOSE ASSOCIATES OF ARMED FORCES CHIEF OF STAFF GEN. HERMOZA AND FUJIMORI'S NATIONAL SECURITY ADVISOR VLADIMIRO MONTESINOS. THE CHANGE IN THE MINISTRY OF DEFENSE POST SHOULD HAVE NO EFFECT ON GEN. HERMOZA'S DOMINANCE OF THE MILITARY. END SUMMARY.

B1, 1.5(D)

release

3. THE PERUVIAN GOVERNMENT ANNOUNCED JANUARY 8 THE RESIGNATIONS FOR "PERSONAL REASONS" OF DEFENSE MINISTER VICTOR MALCA VILLANUEVA, JUSTICE MINISTER FERNANDO VEGA SANTA GADEA, AND TRANSPORTATION MINISTER JUAN CASTILLA MEZA. ON JANUARY 9, FUJIMORI SWORE IN GEN. TOMAS CASTILLO MEZA AS THE NEW DEFENSE MINISTER AND FORMER PROVISIONAL (ACTING) SUPREME COURT JUSTICE, CARLOS HERMOZA MOYA, AS JUSTICE MINISTER. THE NEW TRANSPORTATION MINISTER HAS NOT YET BEEN

SECRET

PAGE 03 LIMA 00343 01 OF 02 121647Z
NAMED. CASTILLA MEZA HAS AGREED TO REMAIN AT HIS DESK AT THE TRANSPORTATION MINISTRY UNTIL HE IS REPLACED.

CHANGES AT THE DEFENSE MINISTRY

4. MALCA'S RESIGNATION FOLLOWED MEDIA REPORTS THAT HE HAD PROBLEMS WITH THE AIR FORCE LEADERSHIP REGARDING THE PURCHASE OF OBSOLETE AIRCRAFT FROM THE FORMER SOVIET UNION. DESPITE THE ANNOUNCEMENT THAT THE RESIGNATIONS WERE DUE TO PERSONAL REASONS, IT APPEARS THAT MALCA'S DEPARTURE STEMMED FROM THESE CONCERNS AS WELL AS MALCA'S ALLEGED ATTEMPTS AT OBTAINING LARGE KICKBACKS FROM THESE PURCHASES.

B1, 1.5(D)

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Withhold

ALTHOUGH MALCA WAS CONSIDERED AN INSTITUTION IN FUJIMORI'S CABINET, HAVING ENTERED IT IN APRIL 1991 AS INTERIOR MINISTER AND MOVING TO THE DEFENSE MINISTRY IN NOVEMBER 1991, HE WAS NEVER CONSIDERED A HEAVY HITTER ON DEFENSE ISSUES, WHICH WAS PRINCIPALLY THE PURVIEW OF ARMED FORCES CHIEF GEN. HERMOZA AND FUJIMORI'S NATIONAL SECURITY ADVISOR VLADIMIRO MONTESINOS.

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5. SPEAKING TO JOURNALISTS JANUARY 9 MALCA DENIED THAT HIS DEPARTURE HAD ANYTHING TO DO WITH ARMS SALES OR DISAGREEMENTS WITH

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THE NAVY AND AIR FORCE. MALCA EXPLAINED THAT HE HAD SUBMITTED HIS RESIGNATION AT THE END OF THE YEAR ALONG WITH ALL THE OTHER MEMBERS OF THE CABINET, WHICH HE POINTED OUT WAS CUSTOMARY IN ORDER TO GIVE THE PRESIDENT "FLEXIBILITY IN ORDER TO REORGANIZE THE CABINET."

6. THE NEW DEFENSE MINISTER IS RETIRED ARMY GEN. TOMAS GUILLERMO CASTILLO MEZA, FORMER CHIEF OF STAFF OF THE ARMED FORCES JOINT COMMAND. CASTILLO WAS PREVIOUSLY CHIEF OF THE SECOND MILITARY
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SECRET

PAGE 04 LIMA 00343 01 OF 02 121647Z
REGION IN LIMA, AND COMMANDING GENERAL OF THE FIFTH MILITARY REGION IN IQUITOS. CASTILLO RETIRED FROM THE ARMED FORCES DECEMBER 31, 1995. HE IS SAID TO GET ALONG WELL WITH GEN. HERMOZA AND WITH PRESIDENTIAL ADVISOR MONTESINOS. PRESS REPORTS INDICATE CASTILLO WAS BORN DECEMBER 21, 1938 IN THE PROVINCE OF POMABAMBA, ANCASH DEPARTMENT. HE IS MARRIED TO DAYSI LOZADA AND HAS FIVE CHILDREN.

CHANGES AT THE JUSTICE MINISTRY

B1, 1.5(D)

7. VEGA, JUSTICE MINISTER SINCE NOVEMBER 1991, REPORTEDLY HAD WISHED TO LEAVE HIS POSITION FOR OVER A YEAR. VEGA HAS BEEN CONTROVERSIAL WITHIN THE HUMAN RIGHTS COMMUNITY FOR HIS DEFENSE OF THE GOP'S JUDICIAL AND HUMAN RIGHTS RECORD. AS A RESULT, WHEN FUJIMORI TRIED TO NOMINATE VEGA AS AMBASSADOR IN MADRID, SPAIN REFUSED TO GIVE HIM AGREEMENT IN 1995, REPORTEDLY TO VEGA'S GREAT DISAPPOINTMENT. VEGA'S DISPLEASURE WITH HIS JOB INCREASED IN MID-1995 WHEN HE REFUSED TO SIGN THE AMNESTY LAW, WHICH FORGAVE MILITARY OFFICERS WHO COMMITTED HUMAN RIGHTS ABUSES DURING THE FIGHT AGAINST TERRORISTS SINCE 1980. (THE LAW NEVERTHELESS WENT INTO EFFECT WITHOUT VEGA'S SIGNATURE.) VEGA IS CREDITED WITH DOING MUCH TO IMPROVE PERUVIAN PRISONS.

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8. THE NEW JUSTICE MINISTER, CARLOS HERMOZA MOYA, HAS BEEN

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SECRET

PTQ8520

PAGE 01 LIMA 00343 02 OF 02 121647Z
ACTION ARA-01

INFO	LOG-00	ACDA-12	ACDE-00	AID-00	CIAE-00	INL-01	OASY-00
	DODE-00	DOEE-00	SRPP-00	EB-01	FBIE-00	INLB-01	H-01
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UNCLASSIFIED

Current Class: SECRET
Current Handling: n/a
Document Number: 1996LIMA00343

Page: 4

Channel: n/a

NSAE-00 NSCE-00 OIC-02 OMB-01 PA-01 PM-00 PRS-01
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O 121643Z JAN 96
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S E C R E T SECTION 02 OF 02 LIMA 000343

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SECRET

B1, 1.5(D)

SECRET

PAGE 02 LIMA 00343 02 OF 02 121647Z
REPORTED TO BE A COUSIN OF ARMED FORCES CHIEF HERMOZA. (HOWEVER,
HERMOZA MOYA HAS DENIED TO AN EMBASSY CONTACT ANY FAMILIAL
CONNECTION TO THE ARMED FORCES CHIEF.) ONE CONTACT TOLD US HERMOZA
HAD BEEN INVOLVED IN CORRUPTION (COMMON AMONG JUDGES). ANOTHER
CONTACT TOLD US THAT HERMOZA WOULD HOLD HIS OWN IN THE CABINET AND
NOT BE A "YES-MAN." HERMOZA MOYA IS ALSO REPORTEDLY CLOSE TO
MONTESINOS. HE WAS NAMED PROVISIONAL SUPREME COURT JUSTICE AFTER
THE APRIL 1992 FUJIMORI AUTOCOUPE. HOWEVER, IN 1993 THE JUDICIAL
HONOR TRIBUNAL DID NOT FIND HIM QUALIFIED TO REMAIN A SUPREME COURT
JUSTICE. LAST MONTH, HERMOZA MOYA FAILED BY SEVEN VOTES TO ACHIEVE
THE TWO-THIRDS MAJORITY REQUIRED IN CONGRESS TO BECOME THE FIRST
CONSTITUTIONALLY-MANDATED DEFENDER OF THE PEOPLE (HUMAN RIGHTS
OMBUDSMAN) AND THAT POSITION REMAINS VACANT. OPPOSITION TO HERMOZA
MOYA'S BECOMING THE OMBUDSMAN CENTERED AROUND THE PERCEPTION THAT
HE WAS TOO PRO-GOVERNMENT TO ACT INDEPENDENTLY. ACCORDING TO PRESS
REPORTS, HERMOZA MOYA WAS BORN SEPTEMBER 12, 1934 AND RECEIVED HIS
LAW DEGREE FROM THE UNIVERSITY OF SAN MARCOS IN LIMA IN 1960.

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TRANSPORTATION MINISTRY

Current Class: SECRET

Page: 4

UNCLASSIFIED

9. AS STATED IN REFTTEL, RETIRED ADMIRAL JUAN CASTILLA MEZA, WHO WAS NAMED TRANSPORTATION MINISTER IN OCTOBER 1994, WAS INITIALLY THOUGHT OF AS A STOPGAP REPLACEMENT FOR DANTE CORDOVA, WHO HAD PULLED OUT TO HELP RUN THE PRESIDENT'S REELECTION CAMPAIGN. AFTER THE ELECTION, CORDOVA BECAME PRIME MINISTER. AS TRANSPORTATION MINISTER, CASTILLA WAS NOT A DYNAMIC FIGURE, UNLIKE HIS PREDECESSOR. WE UNDERSTAND THAT FUJIMORI WANTED A MORE CAPABLE MINISTER TO IMPLEMENT THE 800 MILLION DOLLAR RURAL ROAD DEVELOPMENT PROGRAM THAT FUJIMORI WILL USE TO CEMENT HIS SUPPORT IN THE PROVINCES.

Release

SECRET

SECRET

UNCLASSIFIED

B1, 1.5(D)

PAGE 03 LIMA 00343 02 OF 02 121647Z

10. FUJIMORI HAS NOT YET NAMED A NEW TRANSPORT MINISTER, WHO WILL ALSO BE IN CHARGE OF COMMUNICATIONS, HOUSING AND CONSTRUCTION. RETIRED GENERAL ALBERTO RIOS RUEDA IS RUMORED TO BE A LEADING CANDIDATE FOR THE TRANSPORT MINISTRY. RIOS IS A FORMER CHIEF OF THE MILITARY GUARD AT THE PRESIDENTIAL RESIDENCE.

OTHER CABINET CHANGES?

B1, 1.5(D)

11. THE POSSIBILITY OF IMMINENT CABINET CHANGES HAD BEEN RUMORED SINCE MID-DECEMBER SINCE ALL MINISTERS TRADITIONALLY SUBMITTED THEIR RESIGNATIONS FOR THE NEW YEAR. PRESS SPECULATION HAD FOCUSED ON MINISTER OF THE ECONOMY JORGE CAMET OR INDUSTRY MINISTER LILLIANA CANALE BECAUSE SEGMENTS OF THE BUSINESS COMMUNITY CONTINUE TO CALL FOR MORE SYMPATHETIC REPLACEMENTS. RUMORS CONTINUE TO CIRCULATE THAT MINISTER OF THE PRESIDENCY JAIME YOSHIMAYA WILL EVENTUALLY BE NAMED PRIME MINISTER AND MINISTER OF THE ECONOMY. HOWEVER, WE DO NOT SEE THIS HAPPENING IN THE SHORT TERM, ESPECIALLY SINCE THE POLICY ACTION IS ALREADY BEING CONCENTRATED IN YOSHIYAMA'S PORTFOLIO WITH THE TRANSFER OF ALMOST ALL OF THE PRIME MINISTER'S REGIONAL PROGRAMS.

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COMMENT

12. WE BELIEVE FUJIMORI DUMPED MALCA BECAUSE OF SOME PROBLEM REGARDING MALCA'S ROLE IN ACQUIRING NEW WEAPONRY. WHILE MALCA HAS NOT PLAYED AN IMPORTANT ROLE TO DATE IN THE FEW ACQUISITIONS THAT HAVE TAKEN PLACE, THE PROBLEM COULD WELL BE RELATED TO MALCA'S ALLEGED DESIRE FOR KICKBACKS. OTHERWISE, FUJIMORI WOULD HAVE LET MALCA -- AN UNASSUMING, NONTHREATENING MOUTHPIECE -- STAY ON.

SECRET

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UNCLASSIFIED

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PAGE 04 LIMA 00343 02 OF 02 121647Z
FUJIMORI, DID, HOWEVER, DIVERT ATTENTION FROM HIS FIRING OF MALCA
BY ACCEPTING THE RESIGNATIONS OF TWO OTHER MINISTERS WHO EVENTUALLY
NEEDED TO BE REPLACED. THE MOD CHANGE SHOULD HAVE NO EFFECT ON
ARMY COMMANDER GEN. HERMOZA'S DOMINANCE OF THE MILITARY.

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B1, 1.5(D)

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