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PAGE 01 LIMA 19117 01 OF 04 191913Z
ACTION ARA-01

INFO	LOG-00	ADS-00	AID-01	CG-00	CIAE-00	CTME-00	DEAE-00
	DPR-01	EB-01	EUR-01	FBIE-00	HA-09	H-01	INM-01
	INRE-00	INR-05	IO-19	JUSE-00	L-03	NRRC-01	NSAE-00
	NSCE-00	OIC-02	OIG-01	OMB-01	PA-01	PM-01	PRS-01
	P-02	SCT-03	SDEL-01	SNP-01	SP-01	TRSE-00	T-01
	USIE-00	/060W					

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FM AMEMBASSY LIMA
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~~SECRET~~ SECTION 01 OF 04 LIMA 19117

E.O. 12356: DECL: OADR
TAGS: PGOV, SNAR, PHUM, MARR, PTER, PARM, ETTC, PE
SUBJECT: ON MONTESINOS; AUTONOMOUS
- ALTERNATIVE DEVELOPMENT AUTHORITY IN THE
- UPPER HUALLAGA; SENDERO LUMINOSO; ARMS
- PROCUREMENT/DIVERSION CORRUPTION;

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REF: A) LIMA 12153, B) LIMA 9127, C) LIMA 11756
- D) 89 LIMA 454, E) LIMA 18651, F) LIMA 18797

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PAGE 02 LIMA 19117 01 OF 04 191913Z

2. SUMMARY: PERU'S
FEARS THAT VLADIMIRO MONTESINOS
REMAINS AN INFLUENTIAL BEHIND THE SCENES ADVISOR WITH
KEY GOVERNMENT CONTACTS DESPITE HIS RECORD OF LINKS
TO NARCO-TRAFFICKERS. HERNANDO DE SOTO'S WASHINGTON
CONNECTIONS SHOULD "GUARANTEE" THAT PERU AVOIDS
DECERTIFICATION IN MARCH. THE AADA WILL NOT
SERIOUSLY HAMPER NARCO-TRAFFICKING, THE INCOME FROM
WHICH SEES AS VITAL TO THE COUNTRY'S SURVIVAL
ABSENT MASSIVE FOREIGN ECONOMIC ASSISTANCE. SENDERO

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DEPT OF STATE APPEALS REVIEW PANEL (ARP)

FOIA/PA	Mandatory Review
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() Deny	() Class. Ret/Renew

Exemptions B1
ARP Action Cert. 247 Date 5/22/02

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IS STRONGER THAN COMMONLY ACCEPTED AND GAINING GROUND STEADILY. KICKBACKS FOR FOREIGN ARMS PURCHASES AND A PATTERN OF INVOLVEMENT IN ILLEGAL THIRD-COUNTRY TRANSFERS TO PARIAS REGIMES HAS FUELED CHRONIC MILITARY CORRUPTION.

END SUMMARY.

3. IN A THREE-HOUR TOUR D'HORIZON WITH DCM AND POLCOUNSELOR

OFFERED INTERESTING OBSERVATIONS ON THE CONTINUING ROLE OF VLADIMIRO MONTESINOS AS AN EMINENCE GRISE, HERNANDO DE SOTO'S MISSION TO SAVE PERU FROM CONGRESSIONAL DECERTIFICATION IN MARCH 1991, GROWING SENDERO STRENGTH, CORRUPTION IN ARMS PROCUREMENT/ILLEGAL THIRD-COUNTRY ARMS TRANSFERS AND A POSSIBLE STRATEGY

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SECRET

PAGE 03 LIMA 19117 01 OF 04 191913Z

MONTESINOS: NEITHER DOWN NOR OUT

4. EXPRESSED CONCERN ABOUT THE CONTINUING ROLE OF VLADIMIRO MONTESINOS, WHO SERVED BRIEFLY AS DEPUTY DIRECTOR OF THE NATIONAL INTELLIGENCE SERVICE (SIN). MONTESINOS WAS REMOVED AS DEPUTY-SIN DIRECTOR IN RESPONSE TO GROWING ACCUSATIONS THAT HE HAD ORCHESTRATED REMOVAL OF THE NATIONAL POLICE COMMAND STRUCTURE. HE WAS ALSO ACCUSED OF INVOLVEMENT WITH DRUG TRAFFICKERS AND INSTITUTING ILLEGAL WIRETAPS OF LEADING POLITICAL FIGURES (SEE REFS A-C). ACCORDING TO MONTESINOS CONTINUES TO BE A KEY FUJIMORI ADVISOR, WITH FREE ACCESS TO THE PRESIDENTIAL PALACE, DIRECTOR OF THE INTELLIGENCE SERVICE, AND SIN HEADQUARTERS.

5. CITED THE APPOINTMENT OF PABLO CORDOVA SALVADOR AS THE PRESIDENT OF THE NATIONAL COMMISSION ON PARDONS ("INDULTOS") AND THE PROMOTION OF LT. GEN. JOSE VALDIVIA DUENAS, LIMA MILITARY REGION COMMANDER, AS EVIDENCE OF MONTESINOS' INFLUENCE. HE CALLED CORDOVA A LONG-TIME MONTESINOS CRONY WHO IS NOW IN A

Current Class: SECRET
Current Handling: n/a
Document Number: 1990LIMA19117

Page: 3

Channel: n/a

POSITION TO PROFIT HANDSOMELY FROM DIRECTING THE
NATIONAL PARDONS COMMISSION.

6. GENERAL VALDIVIA DUENAS OWES EVEN MORE TO
MONTESINOS, WHO SAVED HIM AFTER THE MAY 1988 CAYARA
MASSACRE AT WHICH HE WAS ARMY COMMANDER. MONTESINOS
ARRANGED AND PARTICIPATED IN A SERIES OF MEETINGS
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PAGE 04 LIMA 19117 01 OF 04 191913Z
WHERE THEN-MINISTER OF DEFENSE LOPEZ ALBUJAR
PERSUADED THE ATTORNEY GENERAL TO QUASH THE
DETERMINED INVESTIGATION OF CARLOS ESCOBAR, WHO HAS
SUBSEQUENTLY BEEN GRANTED POLITICAL ASYLUM IN THE
U.S. (COMMENT: WE CANNOT CONFIRM THE PARTICULARS,
BUT WE KNOW FROM A VARIETY OF WELL-PLACED SOURCES
THAT ATTORNEY GENERAL DENEGRI PERSONALLY INTERVENED
IN THE CAYARA INVESTIGATION, OVERRIDING THE VIEWS OF
THEN-JUSTICE MINISTER DELGADO, WHO FELT THE
INVESTIGATION SHOULD CONTINUE. SEE REF D. END
COMMENT.) PROBED UNSUCCESSFULLY FOR OUR
COMMENTS ON WHY MONTESINOS HAD SUCH GREAT INFLUENCE
OVER FUJ IMORI.

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PAGE 01 LIMA 19117 02 OF 04 201724Z
ACTION ARA-01

INFO	LOG-00	ADS-00	AID-01	CG-00	CIAE-00	CTME-00	DEAE-00
	DPR-01	EB-01	EUR-01	FBIE-00	HA-09	H-01	INM-01
	INRE-00	INR-05	IO-19	JUSE-00	L-03	NRRC-01	NSAE-00
	NSCE-00	OIC-02	OIG-01	OMB-01	PA-01	PM-01	PRS-01
	P-02	SCT-03	SDEL-01	SNP-01	SP-01	TRSE-00	T-01
	USIE-00	/060W					

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P 191907Z DEC 90 ZDK CTG HCB2065 MISSING MCN
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TO SECSTATE WASHDC PRIORITY 3917
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Current Class: SECRET

Page: 3

S E C R E T SECTION 02 OF 04 LIMA 19117

E.O. 12356: DECL: OADR
TAGS: PGOV, SNAR, PHUM, MARR, PTER, PARM, ETTTC, PE
SUBJECT: _____ ON MONTESINOS; AUTONOMOUS

B1

HERNANDO DE SOTO AND GOP ANTI-NARCOTICS POLICY

7. _____ WAS PLEASED THAT HERNANDO DE SOTO HAD EMERGED AS FUJIMORI'S ANTI-NARCOTICS COORDINATOR. DE SOTO KNOWS LITTLE ABOUT THE PROBLEM AND HIS AMORPHOUS CONCEPT FOR AN AUTONOMOUS ALTERNATIVE DEVELOPMENT

B1

SECRET

PAGE 02 LIMA 19117 02 OF 04 201724Z
AUTHORITY (AADA) IN THE UPPER HUALLAGA VALLEY (UHV) IS NOT A SOLUTION. DE SOTO'S REAL SKILL SAID _____ IS AT ORGANIZING OTHERS TO THINK; HE IS ALSO DEFUSING THE DRUG ISSUE TO SAVE PERU'S ECONOMIC RECOVERY PROGRAM FROM U.S. DECERTIFICATION.

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8. _____ SAID IT WAS A "FOREGONE CONCLUSION" THAT DE SOTO'S WASHINGTON CONNECTIONS WOULD PROTECT PERU FROM DECERTIFICATION. DE SOTO'S PLAN WILL NOT PRODUCE ANY REAL PROGRESS, BUT SPIN OUT ENOUGH PROPOSALS AND ENLIST ENOUGH PROMINENT AMERICAN CONSULTANTS TO PLAY WELL IN THE "INCSR." CERTIFICATION WILL PASS UNEVENTFULLY THIS YEAR AS IN THE PAST.

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9. DE SOTO'S IDEA FOR THE AADA (ALREADY ESTABLISHED BY SUPREME DECREE, REF E) IS PROBABLY IRRELEVANT.

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CIVILIAN DESTINED TO RUN THE AADA, CHARGED WITH UHV SECURITY AS WELL AS ALTERNATIVE DEVELOPMENT. ANDEAN COMMISSION OF JURISTS (ACJ) PRESIDENT DIEGO GARCIA SAYAN AND/OR IVAN DE REMENTERIA WERE MORE LIKELY CANDIDATES. (REMENTERIA, A FORMER UNFDAC ADVISER, WORKED WITH THE UCHIZA COOPERATIVE AND COLLABORATED ON THE ACJ'S PROPOSAL FOR A \$1.3 BILLION ALTERNATIVE DEVELOPMENT PROGRAM FOR THE UHV.) _____ (APPLAUDED DE SOTO'S PLAN FOR GUARANTEEING CONTINUED U.S. SUPPORT FOR PERU WITHOUT ENDING PERU'S ONE BILLION-PLUS YEARLY COCA INCOME, WHICH HE TERMED ESSENTIAL TO PERU'S FINANCIAL SURVIVAL, ABSENT

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MASSIVE EXTERNAL ASSISTANCE.

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SECRET

PAGE 03 LIMA 19117 02 OF 04 201724Z

GOP LOSING TO TERRORISTS

10. SAID THE GOP IS STILL DENYING THAT THE
TERRORISTS ARE WINNING, BUT THE MILITARY MAY BE
LOSING THEIR CERTAINTY

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SENDERO IS FAR STRONGER
THAN GENERALLY RECOGNIZED: THE EJERCITO GUERRILLERO
PERUANO (EGP) HAS ABOUT 5,000 MAIN-FORCE UNDER ARMS
BACKED UP BY ANOTHER 5-10,000 POORLY ARMED REGIONAL
MILITIA. SENDERO NOW HAS THE COMMAND STRUCTURE TO
OPERATE AT BATTALION STRENGTH. THIS YEAR THE GOP
LOST THE ENTIRE ENE AND TAMBO RIVER VALLEYS OF
EASTERN JUNIN. HE ESTIMATED SL HAD 30,000 TOTAL
CADRE, INCLUDING "POPULAR FRONTS," AND A SUPPORT BASE
OF SOME 800,000 PEOPLE UNDER THEIR CONTROL/INFLUENCE
THROUGH COERCION OR INTIMIDATION.

11. COMMENT: THE EMBASSY HAS REPORTED ESTIMATES OF
2-3,000 SL MAIN-FORCE AND 5,000 LOCAL MILITIA. WE
WOULD NOT RULE OUT [] ESTIMATES NOR
BATTALION-SIZED SL OPERATIONS SOON IN SELECTED
AREAS. MOST WEAPONS SEIZED BY SECURITY FORCES FROM
SL ARE SMALL-CALIBER AND OFTEN IN POOR REPAIR.
HOME-MADE WEAPONS ARE COMMON. SL EXPANDED INTO THE
ENE/TAMBO RIVER VALLEYS IN 1990 BECAUSE THEY WERE
HELD ONLY BY UNARMED ASHANINKAS.

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PAGE 04 LIMA 19117 02 OF 04 201724Z

PERUVIAN CONDUIT FOR ILLEGAL ARMS SALES

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B1

Current Class: SECRET
Current Handling: n/a
Document Number: 1990LIMA19117

Page: 6
Channel: n/a

B1

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PAGE 01 LIMA 19117 03 OF 04 192002Z
ACTION ARA-01

INFO	LOG-00	ADS-00	AID-01	CG-00	CIAE-00	CTME-00	DEAE-00
	DPR-01	EB-01	EUR-01	FBIE-00	HA-09	H-01	INM-01
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	NSCE-00	OIC-02	OIG-01	OMB-01	PA-01	PM-01	PRS-01
	P-02	SCT-03	SDEL-01	SNP-01	SP-01	TRSE-00	T-01
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INFO RUEHRO/AMEMBASSY ROME
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S E C R E T SECTION 03 OF 04 LIMA 19117

E.O. 12356: DECL: OADR
TAGS: PGOV, SNAR, PHUM, MARR, PTER, PARM, ETTC, PE
SUBJECT: ON MONTESINOS; AUTONOMOUS
13. DENIED KNOWLEDGE OF WIDE-SCALE
NARCOTICS-RELATED CORRUPTION IN THE NAVY. THE BAP
ETEN INCIDENT WAS AN EXCEPTION. BUT HE SAID
DIVERTING HIGH TECH WEAPONRY WAS A MAJOR SOURCE OF
PROFITS. THE NICARAGUAN CONTRAS HAD BEEN A PRIME
CUSTOMER WITH OLIVER NORTH AS A GO-BETWEEN.

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PAGE 02 LIMA 19117 03 OF 04 192002Z

Current Class: SECRET

Page: 6

B1

Current Class: SECRET
Current Handling: n/a
Document Number: 1990LIMA19117

Page: 8
Channel: n/a

18. COMMENT:

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PAGE 04 LIMA 19117 03 OF 04 192002Z

19.

OBSERVATIONS ABOUT
MONTESINOS' IMPORTANT ADVISORY ROLE, IF TRUE, ARE
DISTURBING. AFTER BEING CASHIERED FROM THE MILITARY
MONTESINOS EVENTUALLY BECAME A WELL-PAID DEFENSE
LAWYER FOR ACCUSED NARCO-TRAFFICKERS. EVIDENCE
CONTINUES TO MOUNT THAT THOSE CONNECTED TO
MONTESINOS, LIKE MOI EXECUTIVE OFFICE FOR DRUG
CONTROL (OFECOD) DIRECTOR ALFONSO CALDERON OTOYA (REF
F), ARE THEMSELVES LINKED TO DRUG FIGURES.

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PAGE 01 LIMA 19117 04 OF 04 192003Z
ACTION ARA-01

INFO	LOG-00	ADS-00	AID-01	CG-00	CIAE-00	CTME-00	DEAE-00
	DPR-01	EB-01	EUR-01	FBIE-00	HA-09	H-01	INM-01
	INRE-00	INR-05	IO-19	JUSE-00	L-03	NRRC-01	NSAE-00
	NSCE-00	OIC-02	OIG-01	OMB-01	PA-01	PM-01	PRS-01

Current Class: SECRET

Page: 8

Current Class: SECRET
Current Handling: n/a
Document Number: 1990LIMA19117

Page: 9

Channel: n/a

P-02 SCT-03 SDEL-01 SNP-01 SP-01 TRSE-00 T-01
USIE-00 /060W

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P 191907Z DEC 90
FM AMEMBASSY LIMA
TO SECSTATE WASHDC PRIORITY 3919
INFO RUEHRO/AMEMBASSY ROME
SECDEF WASHDC
USCINCSO QUARRY HTS PM

S E C R E T SECTION 04 OF 04 LIMA 19117

E.O. 12356: DECL: OADR
TAGS: PGOV, SNAR, PHUM, MARR, PTER, PARM, ETTC, PE
SUBJECT: _____ ON MONTESINOS; AUTONOMOUS
20

B1

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B1

PAGE 02 LIMA 19117 04 OF 04 192003Z

21

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Current Class: SECRET

Page: 9