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CONFIDENTIAL PTQ0329

DENIED-IN FULL B<sub>1</sub>, 1.5(D)

Release in Full

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C O N F I D E N T I A L SECTION 01 OF 02 LIMA 004555

## DECAPTIONED

ONDCP FOR DIRECTOR MCCAFFREY FROM LIMA NARCOTICS COUNTRY TEAM SECSTATE FOR WHA AND INL

E.O. 12958: DECL: 1.6X6

TAGS: SNAR PE

SUBJECT: D/ONDCP VISIT - THE MONTESINOS FACTOR

- 1. (U) CONFIDENTIAL. CLASSIFIED BY CHARGE' HEATHER HODGES. REASON 1.6(XL).
- 2. (C) THE GOOD NEWS: THE PROPOSED VISIT OF GENERAL MCCAFFREY TO PERU IN LATE AUGUST 1999 CAN BE EXTRAORDINARILY POSITIVE AND HELPFUL IN EMPHASIZING THE UNITED STATES CONFIDENTIAL

LIMA 04555 01 OF 02 222018Z PAGE 02 GOVERNMENT'S CONTINUED COMMITMENT TO SUPPORT PERU IN ITS EFFORTS TO FURTHER REDUCE COCA CULTIVATION AND REVERSE RECENT UPWARD TRENDS IN COCA PRICES.

3. (C) THE NOT SO GOOD NEWS: THE VISIT WILL ALMOST CERTAINLY OPEN SOME OLD WOUNDS THAT HAVE NOT FULLY HEALED IN THE AFTERMATH OF PUBLIC STATEMENTS MADE IN WASHINGTON IN MAY 1998 ABOUT THE ALWAYS CONTROVERSIAL PERUVIAN NATIONAL SECURITY ADVISOR VLADIMIRO MONTESINOS TORRES. THOSE STATEMENTS RESULTED IN A MEDIA FRENZY IN LIMA THAT GAVE THE OPPOSITION AND THE MANY MONTESINOS BASHERS HERE ONE OF THEIR BETTER DAYS. THE RETURN OF GENERAL MCCAFFREY TO PERU DURING A PRESIDENTIAL ELECTION YEAR WILL SPELL MEDIA CIRCUS WITH THE OPPOSITION USING THEIR OUTLETS TO RESURRECT THE PAST AND ADD NEW FUEL TO THE FIRE BASED ON RECENT U.S. CONGRESSIONAL

> DEPT OF STATE APPEALS REVIEW PANEL (ARP) Mandatory February
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> ( ) Class. Retirement Release ( ) Excise ) Deny Exemptions \_ ARP Action Cert





RESOLUTIONS CRITICAL OF USG COOPERATION AND THE PERUVIAN NATIONAL INTELLIGENCE SERVICE. THE FUJIMORI ADMINISTRATION'S SPIN DOCTORS, ON THE OTHER HAND, WILL TRY TO DOWNPLAY MAY 1998 AND LOOK FOR OPPORTUNITIES TO DEMONSTRATE THAT NO HARD FEELINGS LINGER. BUT, WHATEVER IS SAID OR NOT SAID PUBLICLY ABOUT MONTESINOS, WHATEVER SLIGHT IS SENT HIS WAY WILL BE CONSTRUED AS CRITICISM OF THE FUJIMORI ADMINISTRATION AND COULD FURTHER DAMAGE USG-PERUVIAN COUNTERDRUG COOPERATION.

- 4. (C) THE PAIN LINGERS: EMBARRASSED AND ANGERED IN MAY 1998, THE ALWAYSIMAGE-CONSCIOUS MONTESINOS RETALIATED BY CLOSINGDOWN SOME USG SUPPORTED COUNTERDRUG PROGRAMS UNTILA FACE-SAVING, COORDINATED PRESS RELEASE DIFFUSEDTHE SITUATION. OR DID IT? WHILE WE CANNOT CITESPECIFIC EXAMPLES, MOST IN THE COUNTRY TEAM HAVESENSED THAT PERU'S CONFIDENTIAL
- 04555 01 OF 02 222018Z PAGE 03 LIMA ENTHUSIASM FOR WORKING WITH THE UNITED STATES ON COUNTERNARCOTICS ISSUES HAS WANED SOMEWHAT SINCE MAY OF 1998. MONTESINOS, WHILE PROFESSING HIS CONTINUED DEEP COMMITMENT TO THE ISSUE HAS BEEN DISTRACTED, FIRST BY BORDER TENSIONS THAT ALMOST ERUPTED IN RENEWED HOSTILITIES WITH ECUADOR AND MORE RECENTLY BY FUJIMORI REELECTION FEVER. HOWEVER, THE MAY 1998 DUST-UP CONTINUES TO LURK IN THE SHADOWS WHERE MONTESINOS TENDS TO SPEND MUCH OF HIS TIME. WE NEED TO GET HIM AND PERU BEYOND IT. ALSO MONTESINOS WAS CLEARLY IRKED BY THE SENATE APPROPRIATIONS COMMITTEE REPORT LANGUAGE ACCOMPANYING THE PASSAGE OF THE SENATE FOREIGN AID BILL IN WHICH THE COMMITTEE EXPRESSED SERIOUS RESERVATIONS ABOUT ANY INL ASSISTANCE GOING TO THE SIN. WHEN THE U.S. PRESS AND PERUVIAN OPPOSITION EXAGGERATED THE CONSEQUENCES, MONTESINOS TURNED TO US TO CORRECT SOME OF THE COMMITTEE'S LANGUAGE IN THE LOCAL MEDIA. WHEN THE CORRECTION WAS NOT PUBLISHED FAST ENOUGH, A COPY OF OUR CORRESPONDENCE APPEARED MYSTERIOUSLY IN A FULL-PAGE ADVERTISEMENT. SIMILAR LANGUAGE THAT HAS BEEN DRAFTED FOR THE HOUSE APPROPRIATIONS COMMITTEE REPORT (MUCH OF IT INACCURATE AS OF THE LAST DRAFT WE HAVE SEEN) WILL NO DOUBT CAUSE ANOTHER ROUND OF MEDIA SPECULATION ABOUT U.S. ASSISTANCE TO THE SIN, AND A MONTESINOS RESPONSE.
- 5. (C) MONTESINOS IS PART OF THE EQUATION: SINCE 1998
  MONTESINOS HAS IN FACT BEEN A MORE PUBLIC FIGURE. PRESIDENT
  FUJIMORI HAS PUBLICLY PRAISED HIM FOR HIS WORK AGAINST
  NARCOTICS TRAFFICKERS, COMMON CRIMINALS, AND TERRORISTS. HE
  AND MONTESINOS APPEARED TOGETHER IN A TELEVISION INTERVIEW
  COMMEMORATING THE SECOND ANNIVERSARY OF THE END OF THE MRTA







HOSTAGE CRISIS AND AT A NEWS CONFERENCE ON THE CAPTURE OF THE LONG-SOUGHT TERRORIST FELICIANO. IF FUJIMORI VIEWS CONFIDENTIAL

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MONTESINOS AS A POLITICAL LIABILITY ONE WOULD NOT KNOW IT
FROM HIS PUBLIC STATEMENTS ABOUT HIS NATIONAL SECURITY
ADVISOR. IN FACT, FUJIMORI IS DEPENDING ON MONTESINOS TO
ENSURE HIS REELECTION. WITH A REALIGNED CABINET AND THE
RETIREMENT OF GENERAL HERMOSA RIOS LATE LAST YEAR, THERE IS
NO ONE WHO STANDS TOE-TO-TOE WITH MONTESINOS IN THE PERUVIAN
GOVERNMENT AND NOTHING THAT THE GOVERNMENT DOES ON
INTELLIGENCE, ENFORCEMENT, AND SECURITY ISSUES OCCURS
WITHOUT HIS BLESSING. LIKE IT OR NOT, HE IS THE GO TO GUY,
SHORT OF THE PRESIDENT HIMSELF ON ANY KEY ISSUE,
PARTICULARLY ANY MAJOR COUNTERNARCOTICS ISSUE.

6. (C) MONTESINOS OFFERS A PEACE PIPE: FOR THE PAST SIX MONTHS MONTESINOS HAS PUT OUT INFORMAL FEELERS THROUGH VARIOUS CHANNELS THAT HE WOULD VERY MUCH LIKE TO MEET WITH GENERAL MCCAFFREY WHENEVER AND WHEREVER, PRESUMABLY TO CLEAR THE AIR. WHILE UNTIL NOW WE HAVE FENDED OFF THOSE FEELERS, WITH THE PLANNED AUGUST VISIT TO PERU IT WILL BE TRULY IMPOSSIBLE TO IGNORE MONTESINOS. TO AVOID CONTACT AND INSIST ON MONTESINOS NOT BEING PRESENT AT OFFICIAL MEETINGS WOULD COMPLETELY UNDERMINE THE VALUE OF THE VISIT. SIMPLY PUT, IF GENERAL MCCAFFREY COMES TO PERU HE MUST COME

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C O N F I D E N T I A L SECTION 02 OF 02 LIMA 004555

EXDIS -

ONDCP FOR DIRECTOR MCCAFFREY FROM LIMA NARCOTICS COUNTRY TEAM SECSTATE FOR WHA AND INL



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E.O. 12958: DECL: 1.6X6 TAGS: SNAR PE

SUBJECT: D/ONDCP VISIT - THE MONTESINOS FACTOR

EXPECTING TO BE AT EVENTS WHERE MONTESINOS WILL BE PRESENT AND HE SHOULD EXPECT THAT THOSE EVENTS WILL RECEIVE SUBSTANTIAL PRESS COVERAGE AND SPIN FROM BOTH THE ADMINISTRATION AND THE OPPOSITION.

7. (C) WE STRONGLY RECOMMEND THAT GENERAL MCCAFFREY CONFIDENTIAL

04555 02 OF 02 222018Z PAGE 02 LIMA CONSIDER TAKING ADVANTAGE OF THE VISIT TO TAKE MONTESINOS U ON HIS OFFER AND HOLD A BRIEF ONE-ON-ONE ON NEURAL TURF TO HEAR OUT MONTESINOS AND IMPART WHATEER PERSONA MESSAGE THE GENERAL SEES FIT. WE BELEVE THAT SUCH A PRIVATE EXCHANGE WITH MONTESINOSUNDER CONTROLLED CIRCUMSTANCES WOULD CLEAR THE AR AND FINALLY PUT MAY 1998 BEHIND HIM AND US. WHETHER MONTESINOS LIKES THE GENERAL'S MESSAGE OR NOT IS LESS IMPORTANT THAN GIVING HIM THE OPPORTUNITY, AWAY FROM WATCHFUL EYES, TO SAY HIS PIECE AND RECEIVE CANDID FEEDBACK. WE ALSO EXPECT MONTESINOS WILL SHOW UP AT ANY OFFICIAL GOVERNMENT BRIEFING AND ANY PERUVIAN HOSTED EVENT. WE WOULD NOT BE SURPRISED IF HE ATTENDED A MEETING WITH PRESIDENT FUJIMORI. THE BOTTOM LINE, MONTESINOS ONE WAY OR THE OTHER, IN FRONT OF THE CAMERAS OR NOT, WILL GET FACE TIME WITH GENERAL MCCAFFREY AND WE MUST BE PREPARED TO ACKNOWLEDGE THIS FACT PUBLICLY. IF THAT IS NOT ACCEPTABLE THEN THE TRIP IS BEST AVOIDED. HODGES

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