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*Directorate  
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Intelligence Memorandum  
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[REDACTED]

## Narco-Insurgent Links in the Andes

### *Summary*

Relations between traffickers and insurgents in Colombia and Peru will continue to be characterized by both cooperation and friction. In general, the insurgents are seeking larger profits from narcotics and diversifying their roles in the drug trade. Besides extorting money for protecting trafficker infrastructure and drug shipments, many insurgents directly participate in coca growing and processing. Moreover, Colombian guerrilla groups have become increasingly involved in that country's emerging opium and heroin trade. Although traffickers occasionally benefit from guerrilla protection, they resent the insurgents and sometimes have used force to resist their encroachment. Andean government assertions that increased attacks against the insurgents would affect the drug trade are primarily an attempt to convince the US to allow the use of counternarcotics aid for counterinsurgency operations; in fact, many traffickers would support government counterinsurgency operations.

This memorandum was prepared by [REDACTED] DCI Counternarcotics Center, with contributions from [REDACTED] Office of African and Latin American Analysis. Comments and queries are welcome and may be directed to the Director, DCI Counternarcotics Center, [REDACTED]

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### Cooperation Yields Gains for Traffickers

Colombian and Peruvian insurgents help facilitate the drug trade in areas they control by protecting key trafficking infrastructure and engaging in trafficking activities. Guerrillas guard coca fields and processing laboratories and protect drug transshipment operations by providing security at clandestine airstrips. They have also become more directly involved in the transportation of drugs.

[REDACTED]

In addition, traffickers occasionally use the insurgents to attack their enemies--both government and rival traffickers. This activity is particularly pronounced in Colombia,

[REDACTED]

Although such cooperation has been less discernible in Peru, Sendero Luminoso (SL)--the most powerful Peruvian insurgent group--has, on at least one occasion, attacked a government outpost at the behest of traffickers.

[REDACTED] some Colombian guerrilla groups have increased their involvement in the region's emerging opium and heroin trade. FARC and ELN units reportedly have been providing protection to poppy fields since the late 1980s,

[REDACTED] Since then, [REDACTED] poppy cultivation by Colombian insurgents has increased, [REDACTED]

Although some far-left groups in Bolivia--the world's second largest coca producer--

[REDACTED] they have only a marginal role in supporting the drug trade.

[REDACTED]

All of these groups, however, are too small, poorly organized, and lack popular support to have a significant hand in drug trafficking. [REDACTED]

### Financial Gains for Guerrillas

Guerrillas are involved with the narcotics industry primarily to raise funds. [REDACTED]

[REDACTED]

Assessments of drug revenues collected by Colombian insurgents are more uncertain, but because of their more extensive involvement in the drug trade we believe that the drug earnings of Colombian insurgents exceeds that of their Peruvian counterparts. [REDACTED]

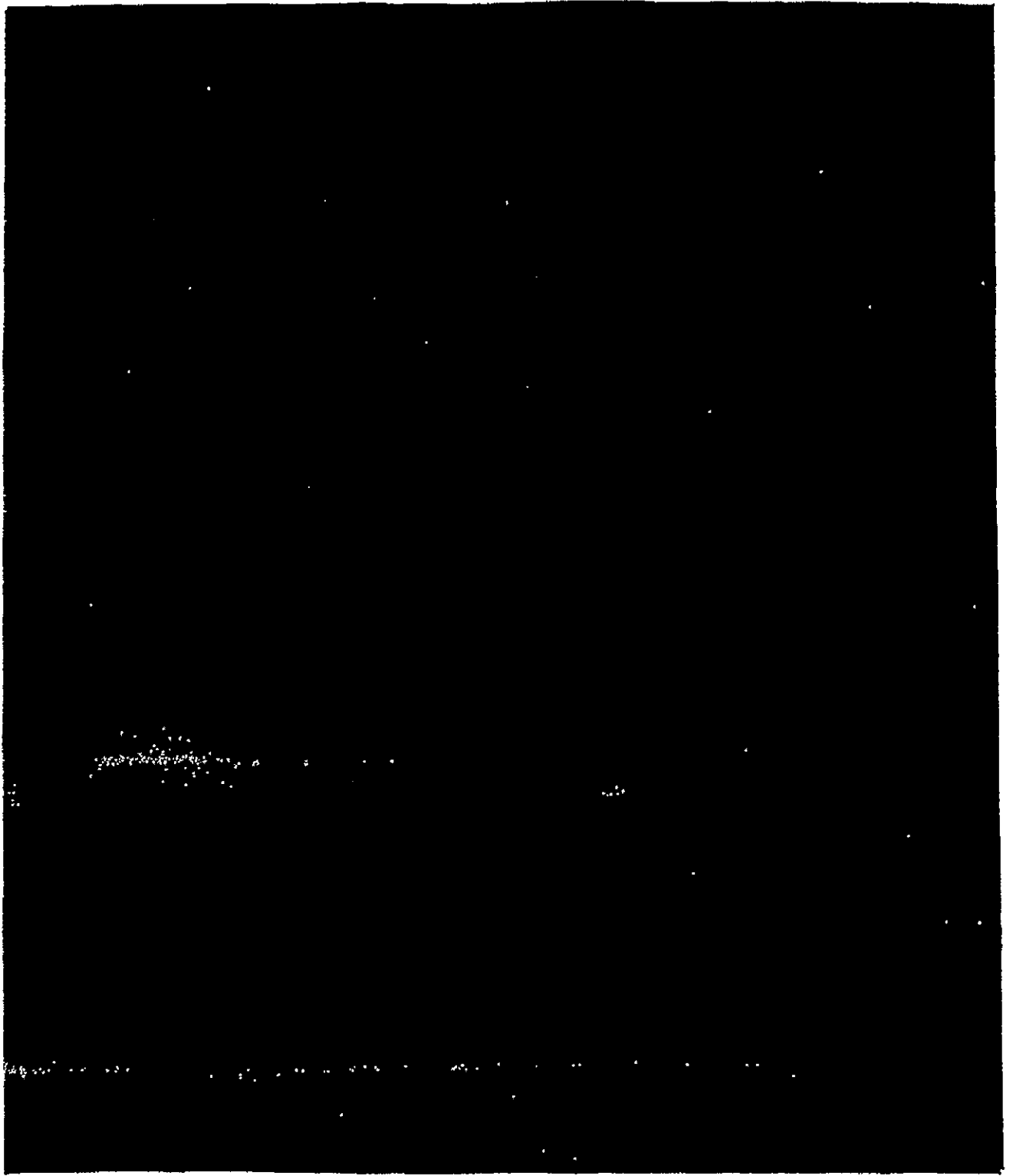
[REDACTED] Colombian insurgents probably continue to raise much of their funding through extortion and kidnapping. [REDACTED]

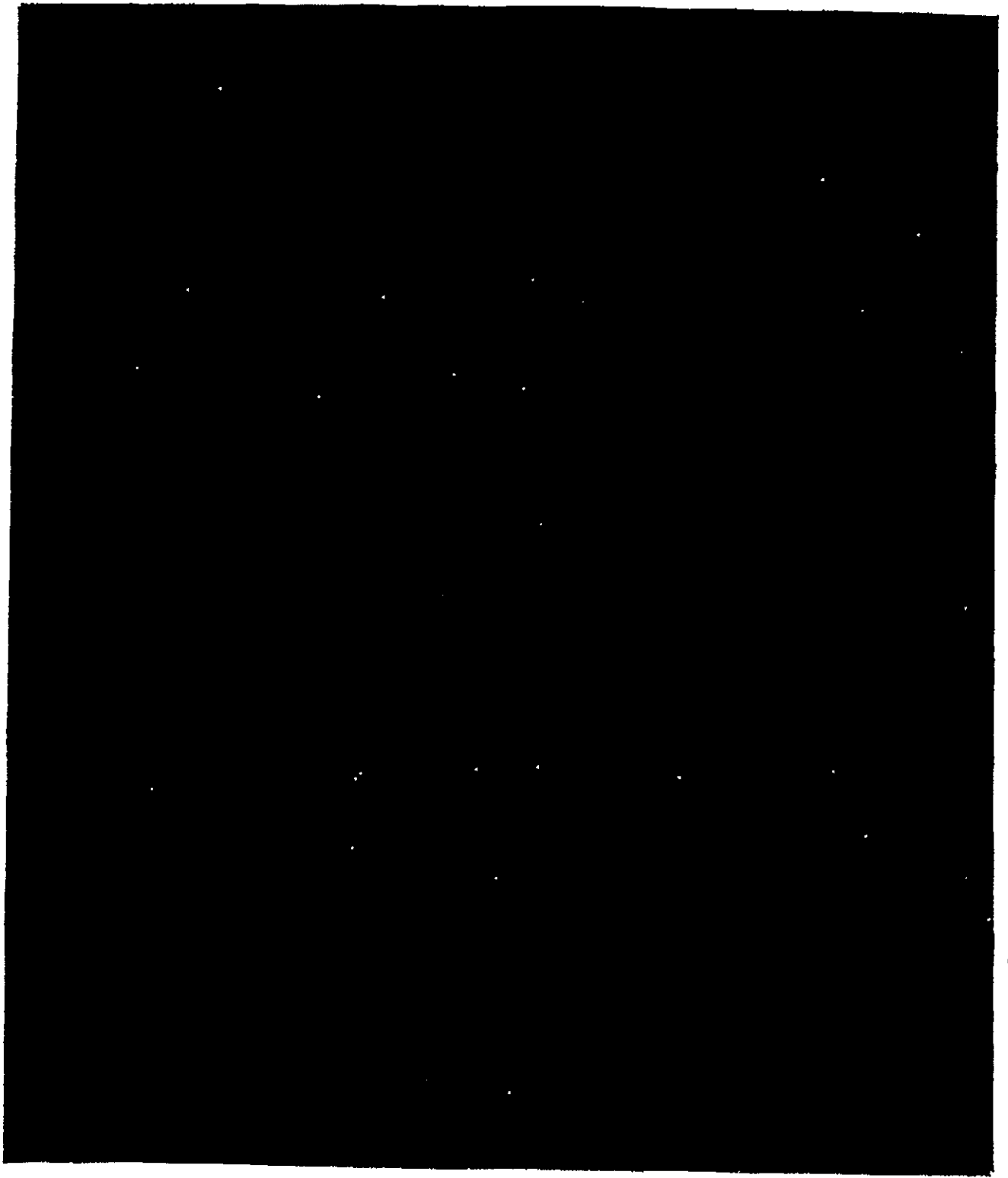
Andean insurgents first became involved in the drug trade by imposing "war taxes" on coca growers and traffickers in their operational areas, a method that continues to be their primary means of collecting drug revenues. In the late 1970s, FARC fronts in Colombia charged growers and traffickers for safe passage through areas under the group's control; this activity was officially sanctioned by FARC's National Directorate in 1982. Since opening a front in Peru's primary coca growing region--the Upper Huallaga Valley--in the mid-1980s, the Sendero Luminoso has been taxing drug enterprises and exacting contributions in kind from coca growers there.

[REDACTED]

Direct revenues from cultivation and processing appear to be increasing among some groups as they accept a broader role in the trade. [REDACTED] since at least the mid-1980s, FARC and ELN units in Colombia have cultivated coca and processed cocaine paste and base. [REDACTED]

[REDACTED]





[REDACTED]

### What Drug Revenues Buy

Colombian guerrillas have long used their drug ties to obtain arms and ammunition, either buying them directly from traffickers—who have extensive ties to private dealers—or receiving them in payment for protection of coca processing, storage, and transshipment sites.

[REDACTED]

[REDACTED]

### Narco-Insurgent Friction

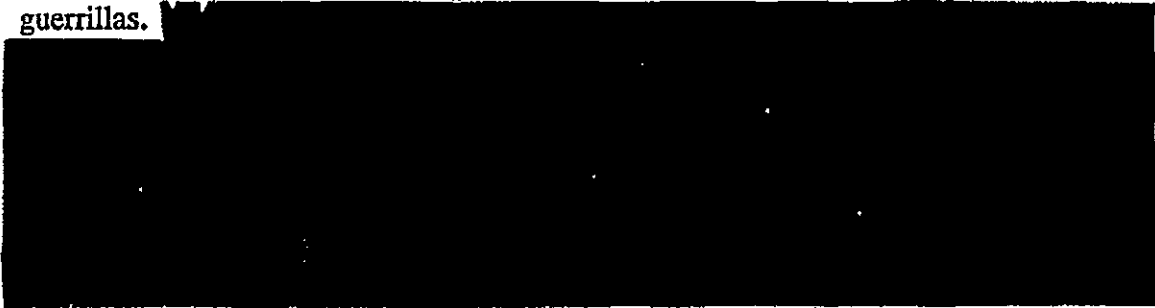
Despite benefits that traffickers derive from their links with guerrillas, insurgent participation in the drug trade has adversely affected the narcotics industry and raised tension between the two groups. In addition to losses incurred through such forced payments as "revolutionary taxes," [REDACTED] some traffickers have had their once smoothly running drug operations disrupted, their efforts to develop processing and transshipping capabilities impeded, and their control of coca prices threatened. In 1990, for example, Sendero's self-appointed role to protect peasant coca-growers from exploitation led it to set prices for coca products. Several traffickers who tried to circumvent SL price controls reportedly were killed.

[REDACTED]

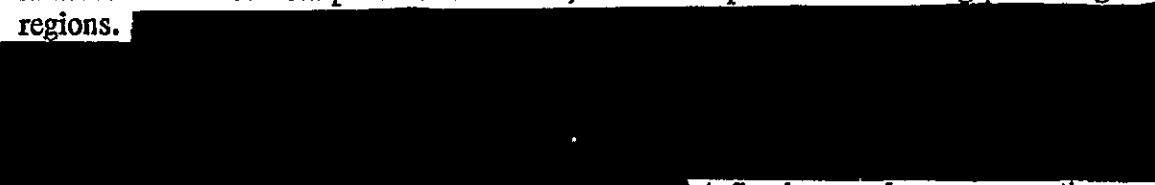
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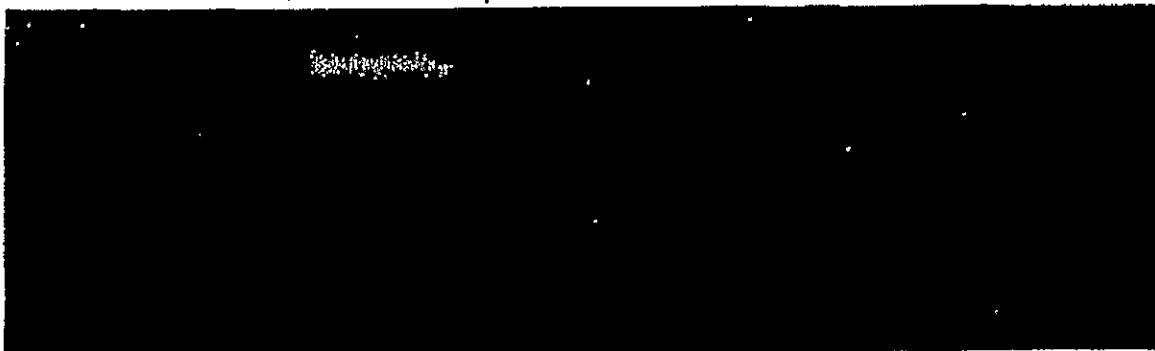
In addition, some drug groups in Peru and Colombia have retaliated with violence and have turned to corrupt military and police forces for protection against guerrillas.



Involvement in the drug trade also has caused problems for the guerrillas, although financial and other benefits probably outweigh any liabilities. Their focus on raising revenues and obtaining weapons from drug sources has tied a disproportionate number of their combat personnel to static, vulnerable positions near drug-producing regions.



A Sendero spokesman recently pledged that the insurgents would eliminate the drug problem if they assumed power, but hinted that their role in the drug trade would continue for now.



### Implications

Despite the volatility of trafficker-insurgent relations, even sporadic cooperation will continue to pose problems for government antidrug efforts. In areas of guerrilla control, traffickers in Colombia and Peru will continue to tolerate low levels of guerrilla involvement to protect their drug trade, accepting moderate "war taxes" as a necessary cost of business. Their ties to insurgents will provide them a greater retaliatory capability against government antidrug efforts, although Colombian

traffickers in particular have demonstrated an ability and willingness to use their own paramilitaries against government targets during periods of heightened counternarcotics activity. [REDACTED]

Andean governments are likely to continue to stress the links between local insurgencies and the drug trade in hopes of convincing the US that funding counterinsurgency operations with counternarcotics aid would lead to major gains against traffickers. However, we do not believe that the drug industry would be substantially disrupted in the short term by attacks against guerrillas. Indeed, many traffickers would probably welcome, and even assist, increased operations against insurgents. Moreover, we believe officials in Lima and Bogota, if given antidrug aid for counterinsurgency purposes, would turn it to pure antiguerrilla operations with little payoff against trafficking. [REDACTED]

To the extent that insurgents in Colombia and Peru can be contained, however, long term improvements in rural security could lead to more effective antidrug efforts. A more secure environment would extend the reach of police counternarcotics forces by allowing them to use forward basing in areas formerly controlled by guerrillas. Significant diminution of the insurgent threat would enable antidrug police units to rely on vehicle transport, which is cheaper and generally more available than helicopter support, and conduct some enforcement operations with fewer personnel. Nevertheless, lacking effective government anticorruption efforts, operational security would continue to be compromised by suborned civilian and military officials. [REDACTED]

Even if no longer preoccupied by counterinsurgency requirements, the militaries in Peru and Colombia would see their primary role as national defense and would be reluctant to fully support a counternarcotics mission. They have consistently expressed concerns over the legality, and potential public backlash, of armed forces participation in antidrug operations. Should their resources be diminished by budget stringencies, however, the Peruvian and Colombian militaries might overcome their misgivings about counternarcotics operations in the hopes that by enlarging their efforts they would gain increased US military aid. [REDACTED]