

MEMORANDUM OF JUSTIFICATION FOR MAJOR ILLICIT DRUG TRANSIT OR  
PRODUCING COUNTRIES FOR FISCAL YEAR 2019

BOLIVIA

During the past 12 months, the Bolivian government has failed demonstrably to make sufficient efforts to meet its obligations under the international counternarcotics agreements or to uphold the counternarcotics measures set forth in Section 489 (a) (1) of the Foreign Assistance Act (FAA) of 1961, as amended.

According to coca cultivation estimates from the United States Government and the United Nations (UN) Office on Drugs and Crime (UNODC), Bolivia remains the world's third largest source of coca in the world. It also is a major transit zone for Peruvian cocaine. Coca cultivation in Bolivia continues to increase; the United States Government estimated coca cultivation increased by three percent to 37,500 hectares (ha) in 2016 from 36,500 ha in 2015. Per United States Government estimates, potential pure cocaine production has more than doubled in Bolivia over the past decade, and increased 8 percent to 275 metric tons from 2015 to 2016.

In addition to excessive production levels, Bolivia's inadequate controls over its legal markets are of concern. Until 2017, Bolivian law permitted 12,000 ha of licit coca production per year. In March 2017, President Evo Morales signed into law a bill that replaces Bolivia's former counternarcotics law and nearly doubles those limits: the area available for licit coca production will increase from 12,000 to 22,000 ha. This exceeds the amount of coca needed for traditional purposes by approximately 38 percent, according to a European Union (EU) estimate. UNODC officials have estimated that 90 percent of the Chapare region's coca cultivation is destined for illicit cocaine production and not traditional consumption.

In 2013, Bolivia re-acceded to the 1961 UN Single Convention on Narcotic Drugs with a reservation permitting coca to be used only within Bolivia for traditional, cultural, and medicinal purposes. Despite these stated conditions, Bolivia continues to promote the use of coca in other countries and discuss potential export opportunities for coca products. These actions undermine Bolivia's commitments to its international drug control obligations.

As a matter of official policy, the Government of Bolivia does not encourage or facilitate illegal activity associated with drug trafficking. However, President Morales and other senior government officials have acknowledged serious corruption problems in the judiciary and police. Approximately 60 police officers were investigated for corruption associated with drug trafficking in 2015, the most recent year for which data is available. Corruption, interference by other branches of government, and insufficient judicial resources undermine due process and create delays in the administration of justice.

Increased Bolivian counternarcotics cooperation with other countries and in international fora would be welcome. Bolivia receives most of its foreign assistance to counter illicit drugs from the EU. The EU is currently implementing a 3-year (2016-2018) assistance program budgeted at \$50 million, and provides an additional \$10 million to support UNODC drug control assistance programs through a contractor. The United States has not had a counternarcotics presence in Bolivia, but United States officials consult with international organizations and third-party governments involved in supporting Bolivian drug control goals efforts to strengthen the rule of law. A customs mutual assistance agreement between the Government of Bolivia and the United States to foster improved information sharing was signed in July 2017, which permits information exchanges and collaboration to prevent illegal shipments and related criminal activities, including drug trafficking.

Bolivia participated in the semi-annual Multilateral Maritime Counter Drug Summit held in May 2018, which included 165 maritime counterdrug professionals from nearly 25 countries and over 65 international agencies. The United States and Bolivia are parties to a 1995 extradition treaty that permits extradition of nationals for the most serious offenses, including drug trafficking. Bolivia and the United States do not have a mutual legal assistance treaty, but both countries can request assistance through various multilateral conventions to which both are parties.

In accordance with United States legislation, the determination that Bolivia has failed demonstrably to make substantial efforts to adhere to its obligations under international counternarcotics agreements and to take counternarcotics measures set forth in the FAA results in the withholding of certain kinds of U.S. assistance, though humanitarian and counternarcotics assistance is allowed to continue. United States assistance to and relations with Bolivia are extremely

limited. It is not in the vital interest of the United States to grant a national interest waiver to Bolivia, given that bilateral programming necessitating such a waiver is neither contemplated by the United States, nor actively pursued by the Bolivian national government.

#### VENEZUELA

During the past 12 months, the Venezuelan government failed demonstrably to make sufficient efforts to meet its obligations under the international counternarcotics agreements or to uphold the counternarcotics measures set forth in section 489 (a) (1) of the Foreign Assistance Act of 1961 (FAA), as amended. A national interest waiver for Fiscal Year 2019 for Venezuela permits support for United States Government-funded bilateral assistance programs vital to the national interest of the United States, such as democracy building and human rights advocacy.

Venezuela remained a major drug-transit country in 2017. Venezuela is one of the preferred trafficking routes for illegal drugs, predominately cocaine, from South America to the Caribbean region, Central America, the United States, Western Africa, and Europe, due to its porous western border with Colombia, weak judicial system, sporadic international counternarcotics cooperation, and permissive and corrupt environment.

Public corruption, including among senior officials, is a major problem in Venezuela, making it easier for drug-trafficking organizations to smuggle illegal drugs. The Venezuelan government as a matter of policy does not encourage or facilitate illicit drug production or distribution, nor does it condone laundering the proceeds of the sale of illicit drugs; however, the Maduro regime knowingly maintains a United States designated Narcotics Kingpin in its Cabinet.

On February 13, 2017, the United States designated then-Venezuelan Executive Vice President Tareck El Aissami pursuant to the Foreign Narcotics Kingpin Designation Act for his involvement in international narcotics trafficking activities. El Aissami facilitated, coordinated, and protected other narcotics traffickers operating in Venezuela. Specifically, El Aissami received payment for the facilitation of drug shipments belonging to Venezuelan drug kingpin

Walid Makled Garcia. El Aissami also is linked to coordinating drug shipments to Los Zetas, a violent Mexican drug cartel, as well as providing protection to Colombian drug lord Daniel Barrera Barrera and Venezuelan drug trafficker Hermagoras Gonzalez Polanco. El Aissami assumed Vice President of Economy post in June.

In November 2016, nephews of Venezuelan first lady Cilia Flores, Efrain Campo Flores and Francisco Flores de Freitas, were convicted by a federal court in New York of conspiracy to traffic 800 kilograms of cocaine to the United States. In 2017, the nephews were unsuccessful in overturning their convictions on appeal. In August 2016, the United States unsealed indictments against General Nester Luis Reverol Torres, the former director of Oficina Nacional Antidroga (ONA) and former commander of the National Guard, and Edylberto Jose Molina Molina, former sub-director of ONA, for participating in an international cocaine trafficking conspiracy. Immediately following the United States indictments, President Nicolas Maduro appointed Reverol as Minister of Interior, Justice, and Peace, in which he is responsible for overseeing both ONA and the National Guard.

In 2015, the United States unsealed indictments against former Bolivarian Intelligence Service (SEBIN) chief of finance Pedro Luis Martin Olivares and former anti-drug official in the Scientific, Penal, and Criminal Investigative Corps (CICPC) Jesus Alfredo Itriago for alleged involvement in drug trafficking activities affecting the United States. In 2013, the Department of the Treasury added Vassyly Kotosky Villarroel-Ramirez, a former captain in the Venezuelan National Guard, to the "Specially Designated National and Blocked Persons (SDN)" list under the Foreign Narcotics Kingpin Designation Act (Kingpin Act). The Venezuelan National Guard reported the arrest of Villarroel-Ramirez in July of 2015.

In 2008, the Treasury designated former Minister of Defense and current Trujillo state Governor, Henry Rangel Silva and Guárico state Governor Ramón Emilio Rodríguez Chacín as "Specially Designated Narcotics Traffickers" pursuant to the Foreign Narcotics Kingpin Designation Act for assisting the *Fuerzas Armadas Revolucionarias de Colombia (FARC)* in trafficking narcotics.

The Venezuelan government has yet to take action against these or other government and military officials with known links to the FARC or Mexican drug cartels.

In 2017, the Venezuelan government engaged in minimal bilateral law enforcement cooperation with the United States. Venezuelan authorities do not effectively prosecute drug traffickers, in part due to political corruption. Additionally, Venezuelan law enforcement officers lack the equipment, training, and resources required to significantly impede the operations of major drug trafficking organizations. The Venezuelan government occasionally reports drug seizures, arrests, and destruction of drugs and airstrips to the public, but did not share evidence about the destruction of illicit drugs with United States officials.

Drug control cooperation between Venezuela and the United States has been limited and inconsistent since 2005, when Venezuela refused to sign a negotiated amendment to the United States-Venezuela bilateral Letter of Agreement on drug control cooperation. The United States and Venezuela have a bilateral agreement for counter drug operations. The agreement enables both countries to stop, board, and search vessels flying the other's flag. Furthermore, this agreement enables direct case information sharing, and expedited vessel registry checks. In 2016, the Venezuelan government cooperated with the United States Coast Guard in 6 documented maritime drug interdiction cases, compared to 10 cases in 2015. Venezuela did not attend the 2017 International Drug Enforcement Conference for the first time in four years.

To advance cooperation with the United States, the Venezuelan government could increase the exchange of narcotics-related information to lead to more drug-related arrests, help dismantle criminal networks, aid in the prosecution of criminals engaged in narcotics trafficking, and stem the flow of illicit drugs transiting Venezuela.

The United States and Venezuela are parties to an extradition treaty that entered into force in 1923. Although the 1999 Venezuelan constitution bars the extradition of Venezuelan nationals, Venezuela periodically extradites or deports non-Venezuelan nationals to the United States for prosecution.

Pursuant to section 706 of the Foreign Relations Authorization Act of Fiscal Year 2003, though Venezuela has failed demonstrably, a national interest waiver under the FAA allows the continuation of certain U.S. bilateral assistance programs to Venezuela; counternarcotics and humanitarian assistance can be provided to Venezuela without a national interest waiver.