

Reference ID	Date	Classification	Origin
08BRASILIA 43	2008-01-08 10:10	SECRET//NOFO RN	Embassy Brasilia

VZCZCXRO6761
RR RUEHRG
DE RUEHBR #0043/01 0081047
ZNY SSSSS ZZH
R 081047Z JAN 08
FM AMEMBASSY BRASILIA
TO RUEHC/SECSTATE WASHDC 0804
INFO RUEHAC/AMEMBASSY ASUNCION 6502
RUEHBU/AMEMBASSY BUENOS AIRES 5225
RUEHLP/AMEMBASSY LA PAZ 5863
RUEHMN/AMEMBASSY MONTEVIDEO 7167
RUEHSG/AMEMBASSY SANTIAGO 0089
RUEHRG/AMCONSUL RECIFE 7580
RUEHRI/AMCONSUL RIO DE JANEIRO 5662
RUEHSO/AMCONSUL SAO PAULO 1436
RUEAWJA/DEPT OF JUSTICE WASHDC
RHEHNSC/NSC WASHDC
RUEATRS/DEPT OF TREASURY WASHINGTON DC
RUEKJCS/SECDEF WASHDC
RHMCSSU/FBI WASHINGTON DC
RHEFHLC/HOMELAND SECURITY CENTER WASHINGTON DC
RUEAIIA/CIA WASHDC
S E C R E T SECTION 01 OF 04 BRASILIA 000043

SIPDIS

NOFORN
SIPDIS

E.O. 12958: DECL: 01/07/2028

TAGS: [PTER](#) [PGOV](#) [PREL](#) [KCRM](#) [AR](#) [PA](#) [BR](#)

SUBJECT: COUNTERTERRORISM IN BRAZIL: LOOKING BEYOND THE TRI-BORDER AREA

REF: BRASILIA 1664

Classified By: DEPUTY CHIEF OF MISSION PHIL CHICOLA FOR REASONS
1.4 B A ND D

¶1. (S/NF) Summary: The Government of Brazil remains highly sensitive to public claims suggesting that terrorist or extremist organizations have a presence or are undertaking activities in Brazil--a sensitivity that appears to be the rise and is resulting in more than symbolic reactions. At an operational level and away from the public spotlight, however, the GOB is a

cooperative partner in countering terrorism and terrorist-related activities. Even though the Argentina-Brazil-Paraguay tri-border area (TBA) exclusively dominates headlines, the primary counterterrorism concern for both Brazilian officials and the U.S. Mission in Brazil is the presence and activities of individuals with links to terrorism--particularly several suspected Sunni extremists and some individuals linked to Hizballah--in Sao Paulo and other areas of southern Brazil. To a lesser extent, the TBA remains a concern, primarily for the potential that terrorists may exploit conditions there--including lax border controls, smuggling, drug trafficking, easy access to false documents and weapons, movement of pirated goods, uncontrolled cash flows--to raise funds or arrange logistics for operations. Post will focus over the coming year on keeping the higher levels of the Brazilian government engaged politically and diplomatically on CT objectives, and on seeking to ensure that they do not undermine the productive partnerships at the operational level. End Summary. -----

Policy-Level Sensitivities -----

T2. (S/NF) The Brazilian government is a cooperative partner in countering terrorism and terrorist-related activity in Brazil--to include investigating potential terrorism financing, document forgery networks, and other illicit activity--that could contribute to the facilitation of attacks in the region or elsewhere. Nonetheless, the highest levels of the Brazilian government, particularly the Ministry of Foreign Relations, are extremely sensitive to any public claims that terrorists have a presence in Brazil--whether to raise funds, arrange logistics, or even transit through the country--and will vigorously reject any statements implying otherwise. This sensitivity results, in part, from their fear of stigmatizing the large Muslim community of Brazil (estimated, but unconfirmed, by some sources at over 1 million) or prejudicing the area's image as a tourist destination. It is also a public posture designed to avoid being too closely linked to what is seen as the US's overly aggressive War on Terrorism. This sensitivity manifests itself in various symbolic and concrete ways. -- (C) The GOB participates reluctantly in the "3 1 Mechanism on Security in the Triborder Area," which annually gathers diplomatic, law enforcement, and intelligence representatives of the three Triborder (TBA) countries together with the U.S. to deliberate strategies to deter a host of transnational criminal activities that could be exploited by potential terrorists to facilitate attacks. At the conferences, the Brazilian delegations often decry statements made by U.S. officials claiming that the TBA is a hotbed of terrorist activity and challenge U.S. participants to present the evidence on which U.S. officials base those statements. Itamaraty officials repeatedly question the value of this four-way cooperation, insisting that "bilateral concerns should be

addressed bilaterally" (reftel). -- (U) The GOB refuses to legally or even rhetorically label U.S.-designated terrorist groups such as HAMAS, Hizballah or the FARC as terrorist groups--the former two being considered by Brazil as legitimate political parties. As a result, their threshold for accepting evidence of terrorism financing BRASILIA 00000043 002 OF 004 activity in the region, at least publicly, is very high and any information indicating that individuals in the TBA send funds to the groups in Lebanon, in their view, does not necessarily constitute an activity supporting terrorism. -- (U) At the diplomatic level, the GOB has twice refused to officially endorse Argentina's claims that the perpetrators of the 1994 terrorism attack in Buenos Aires may have received support from individuals in the TBA by abstaining from voting in favor of issuing Interpol capture notices for the 5 Iranian and 1 Lebanese national suspected of involvement in the attack. -- (U) Two key CT-related legislative initiatives continue to languish. Neither the anti-terrorism nor the anti-money laundering legislation has been introduced to Congress, despite both being ready for more than a year. If passed, the bills would establish the crime of terrorism and associated activities and would facilitate greater law enforcement access to financial and banking records during investigations, criminalize illicit enrichment, allow administrative freezing of assets, and facilitate prosecutions of money laundering cases by amending the legal definition of money laundering and making it an autonomous offense. -----
----- Combined with Operational Cooperation -----

¶3. (S/NF) Despite negative rhetoric in Itamaraty and at higher levels of the GOB, Brazilian law enforcement and intelligence agencies--principally the Federal Police, Customs, the Brazilian Intelligence Agency (ABIN), and others--are aware of the potential threat from terrorists exploiting the favorable conditions existing in Brazil to operate and actively track and monitor suspected terrorist activity and follow all leads passed to them. The Federal Police will often arrest individuals with links to terrorism, but will charge them on a variety of non-terrorism related crimes to avoid calling attention of the media and the higher levels of the government. Over the past year the Federal Police has arrested various individuals engaged in suspected terrorism financing activity but have based their arrests on narcotics and customs charges.

¶4. (U) Brazil is capable of monitoring domestic financial operations and effectively utilizes its financial intelligence unit, the Financial Activities Oversight Council (COAF), to identify possible funding sources for terrorist groups. The GoB has carried out name checks for persons and entities on the UNSCR 1267 and 1373 terror finance lists, but has so far not found any

assets, accounts or property in the names of persons or entities on the UN terror-finance lists. Brazil also established National Strategy to Combat Money Laundering (ENCLA) and is creating a data base called the Electronic Declaration of Cash Carriage (EDPV), which will assist in monitoring individuals who transfer funds abroad. Although the system is a prototype and is still being tested, Brazilian law enforcement officials are encouraged by initial results. -----

----- Primary Concern: Individuals Linked to Terrorism in Southern Brazil -----

¶5. (S/NF) The primary counterterrorism concern for both Brazilian officials and the U.S. Mission in Brazil is the presence and activities of individuals with links to terrorism-- particularly several suspected Sunni extremists and some individuals linked to Hizballah--in Sao Paulo and other areas of southern Brazil. The Federal Police, and to a lesser extent ABIN, monitor the activities of these suspected extremists who may be tied to terrorist groups abroad and BRASILIA 00000043 003 OF 004 share this information with their U.S. counterparts.

¶6. (S/NF) Brazilian law enforcement officials actively monitor the presence of several suspected Sunni extremists with possible ties to terrorist groups abroad who may be capable of lending logistical support--through financing, safehaven, false travel documents-- for terrorist attacks in the region or abroad. In 2007, the Federal Police arrested a potential Sunni extremist terrorist facilitator operating primarily in Santa Catarina state for failure to declare funds entering the country and is in the process of deporting him. Also in 2007, Brazilian Federal Police took down a Rio de Janeiro-based false document ring that was supplying falsified Brazilian documents to non-Brazilians, among them suspected international drug traffickers. -----

----- Secondary Concern:
Argentina-Brazil-Paraguay Tri-Border Area -----

¶7. (S/NF) To a lesser extent, the TBA remains a concern for the U.S. Mission and Brazilian counterparts, primarily for the potential that terrorists may exploit the favorable conditions there--lax border controls, smuggling, drug trafficking, easy access to false documents and weapons, movement of pirated goods, uncontrolled cash flows--to raise funds or arrange logistics for operations. While there are some individuals suspected of having links to Hizballah and HAMAS, there is little evidence these groups have an operational terrorist presence in the region. According to Brazilian security service sources, the Muslim presence in Foz do Iguacu represents a very small percentage of the Muslim population in Brazil, and even those who provide some

financial support to the groups have little or no connection to them. The GOB pursues CT investigations in the TBA and shares the results of their investigations, but their principal concern remains the array of other transnational criminal activity that takes place in the region. The area is a major entry point for drug traffickers into Brazil. In addition, it is a focus of concern for Brazil in other areas such as arms trafficking, smuggling of pirated and counterfeit goods, as well as money laundering and terrorist financing.

¶8. (S/NF) To cover this range of transnational criminal activity, the GOB's police and intelligence services have an extensive presence in the region and liaison relationships with Argentine, Paraguayan, and other national intelligence services, including USG agencies. Furthermore, the GOB has attempted to institutionalize some of this cross-border cooperation, although with mixed success. For example, Brazilian Customs completed a new inspection station at the Friendship Bridge in the TBA. This should enable the GOB to intensify its crack down on contraband crossing the bridge, though law enforcement officials expect that traffickers will respond to the tough controls by trying to move their goods clandestinely across the border elsewhere via boat. Brazil also conducts maritime patrols on their side of the Itaipu Lake to deter smuggling activity, although resource constraints and lack of equipment hampers their effectiveness. The long-standing goal of conducting joint patrols with the Paraguayans remains elusive. Finally, in order to more effectively combat trans-border criminal organizations with its neighbors, Brazil established a joint intelligence center (JIC) in the TBA, but staffing issues have hampered its operations, and it is not apparent that the GOB has pushed the other countries too vigorously to send representatives. ----- Comment: -----

¶9. (S/NF) Operational elements of the various Brazilian security and law enforcement agencies understand that the BRASILIA 00000043 004 OF 004 full scope of the problem goes beyond the TBA, and is almost certainly more significant in Sao Paulo and other parts of Brazil. However, the constant barrage of terrorism-related media coverage regarding the TBA tends to heighten GOB sensitivities, and particularly those of Itamaraty, increasing their reluctance to countenance any claims that terrorists could possibly have a presence in any part of Brazil. While this sensitivity generally manifests itself in nothing more than public rebukes of declarations by U.S. officials and sniping during meetings by Itamaraty officials, it does occasionally result in more than symbolic reactions by the GOB. Brazil's AMIA abstention at Interpol, reversal on CT legislation, and inflexibility on 3 1 all represent concrete challenges to local law enforcement officials and regional partners in advancing CT

cooperation. Post will focus over the coming year on keeping the higher levels of the Brazilian government engaged politically and diplomatically on this issue, and on seeking to ensure that they do not undermine the work being done at the operational level.

End Comment.

SOBEL 2008-01-08