

## **An Alternative Perspective on the Illegal Drug Trade in Latin America (Part I)**

### **Drug Cartels, International Trafficking Syndicates & Other Tales (Some Tall, Some True)**

By Daniel Edgar

#### **Introduction**

The objective of this report is to conduct a preliminary analysis and critique of the Trump administration's decision to send a particularly large and menacing naval force to the Caribbean, supposedly on a mission to extirpate the scourge of international drug trafficking once and for all. It is however difficult to know where to start given the large number of complex issues, unreliable information, dubious claims and ulterior motives involved. It will be argued that although nothing can be completely ruled out in the confused and chaotic world of illegal drug trafficking, until this year there was no substantive evidence indicating that powerful interests connected to the government and military command in Venezuela were major players in any of the main components or stages of the respective supply chains and distribution networks connected to the global cocaine market (or other illegal drugs), and it would appear that Trump's more recent allegations concerning President Nicolas Maduro and the so-called 'Cartel de los Soles' in particular are based entirely on very dubious sources and falsified evidence, a series of claims which completely contradict the findings and conclusions of the most rigorous and authoritative studies and investigations that have been conducted over the last twenty years.

Of course, the basic tactical concept and *modus operandi* of duplicity and subterfuge as a cover for deeper US strategic interests and corporate ambitions is nothing new, even if Trump's brash manner, neo-imperial hubris, reckless military adventurism, contempt for human life and disdain for international law have lent a somewhat outlandish Mafia-boss flavour to the planning and conduct of US foreign policy and 'gunboat diplomacy'. One of the best known precedents of such blatant US subterfuge and duplicity would undoubtedly be the 'Weapons of Mass Destruction Dossier', consisting of a range of 'intelligence' documents and 'expert' opinions based on information, testimony and allegations that were known to be false or extremely unreliable, a summary of which was subsequently presented to the UN Security Council to try to justify the United States' intention to launch a massive military attack against Iraq, overthrow the government, and occupy the country's vast oil fields and most strategic military bases.

(And if I'm not mistaken, the first time the US tried to get rid of Saddam Hussein and take over Iraq's oilfields in the early 1990s, it was subsequently reported that the daughter of the Kuwaiti ambassador was presented before the US Congress as an eyewitness to give heart-wrenching testimony about how the cruel Iraqi troops were taking the babies out of their incubators in the hospitals and leaving them on the floor to die. Presumably, if the Iraqis were decent and civilized - like everyone in the US military, the White House and the Congress - they would have simply blown the entire hospital, and everyone in it, to hell along with everything else in Kuwait City, like the US invaders did to Baghdad a short time thereafter).

Somewhat closer to home, there is also the extravagant military invasion of Panama in 1989 which mobilized some 26,000 troops to capture the country's president (Manuel Noriega) on drug trafficking charges (causing approximately 200 civilian deaths in the process according to the US – families of the victims in Panama put the figure closer to 4,000 civilian deaths, many of whom were dumped in mass graves). While no one doubts that Panama was heavily involved in the illegal drug trade at the time, or that those implicated in having some type of direct involvement in related activities went to the highest levels of the State, Panama was far from the only country in the region where this was clearly the case (particularly Guatemala, but also to some extent in Honduras, El Salvador, Mexico and Colombia – indeed, just about everywhere except, possibly, Venezuela and Cuba), and neither the arrest of Noriega nor the temporary military occupation of the country in order to install a post-invasion regime did anything to stem the flow of illegal drugs throughout the region generally and into the United States in particular.

This was just one manifestation of a similar trend that is clear throughout the course of the 'war on drugs' – a very selective enforcement of the law. As just one of many possible examples from more recent times, after many years of reports and investigations indicating that Honduras was a significant transshipment point or trafficking hub for most of the 2010s, reliable US ally Juan Orlando Hernandez completed two presidential terms without criticism or complaint from the US before being whisked off to face trial in US courts shortly after his second term ended, where he was duly convicted for multiple drug trafficking-related charges.

Or the other great staple of US domestic politics and foreign policy – blaming everyone else for their own foibles, failings and fuck-ups, and externalizing the costs to other countries as much as possible. Including their patent inability to develop a viable border security scheme capable of detecting even the thousands of illegal immigrants flooding into the country every month, much less small packages of contraband, or to provide a safe and secure environment for many communities within the country: it seems that every other day either there is a mass shooting, or the police have callously shot down another unarmed person. Meanwhile, the Big Tech companies have no trouble at all tracking every physical movement, communications and financial transaction of most US citizens in real time.

It is of course much easier to blame others rather than acknowledging the distinct possibility that the source of most of their problems are domestic rather than foreign, and may include (for example) the legions of bought and paid for politicians, the insatiable US war machine and the astronomical military budget that pays for it, the lack of clear and coherent political platforms, or the chronic inability to elaborate integrated and consistent long-term national infrastructure projects and strategic economic development plans for industry and agriculture (such as providing support programs to local producers and enterprises rather than just giving massive contracts and subsidies to the largest corporations). Meanwhile, almost all major US corporations have relocated most of their production facilities offshore, gutting the nation's industrial capacity and employment opportunities in order to maximize profits and dividends for the finance sector Cartel (BlackRock, Vanguard and a few others).

In the current case, even a perfunctory analysis and cross-checking with other sources immediately reveals that most of Trump's allegations were cast from the same basic mould or script as the Iraq Dossier, particularly the

accusation that Venezuelan President Nicolas Maduro is the head of an extremely powerful and dangerous drug cartel ('Cartel de los Soles'), and that he and other senior members of the Venezuelan government and military are personally in command of or actively assisting and collaborating with the criminal syndicates responsible for much of the trafficking of illegal drugs into the US: an unwieldy mix of facts and theories derived from dubious sources, speculation, wishful thinking and outright fabrications.

In the first place, of the many detailed studies and investigations of illegal drug trafficking in the region since the 1970s, all have concluded that the vast majority of drugs (particularly cocaine, which up until recent times was by far the most lucrative and strategically important) have passed from Colombia (and to a lesser extent Peru and Bolivia) to the US via Central America, Mexico, and to a lesser extent via a peripheral network of secondary routes through the Caribbean or along the Pacific coast. Meanwhile, numerous detailed reports and investigations into the main source and transit countries involved in the production and trafficking of methamphetamines or the more recent scourge of fentanyl and other synthetic drugs and opioids have concluded that, as far as can be determined, the primary source or transit countries for many such drugs or related precursor chemicals and ingredients include Mexico, India and China, supplemented by a not insignificant amount of production in the US itself and the European Union, the two main consumer markets.

Even if some of the most recent allegations against Venezuela could be proven to be true to some extent, it is most unlikely that removing President Maduro from power (or even killing him) would make the slightest impression on the illegal drug trade, which has constantly demonstrated its ability to shift trafficking routes and change sources of supply and production within a very short period of time, even after having suffered what appeared to be enormous setbacks (such as the extrajudicial execution of Pablo Escobar and the liquidation of the Medellin and Cali Cartels in Colombia, the dismantling – or fragmentation, splintering and dispersal – of the Guadalajara Cartel in Mexico, or even the dramatic capture of Noriega in Panama). In none of these cases was there anything more than a temporary disruption to production and supply, one from which the criminal syndicates organizing and directing the illegal drug trade rapidly recovered.

Trump's barrage of spurious claims and dire threats followed up by a brazen offer of a \$50 million reward for the capture of the Venezuelan President resembles a bizarre agglomeration of Hollywood scripts taken from a host of B-grade Wild West and Mafia movies more than anything else. However, it follows more than two decades of obsessive efforts by the Wall Street owned-and-operated, Pentagon-backed US regime of the day – Bush Jr., Obama, Trump (I) and Biden – to stigmatize, destabilize and overthrow the Venezuelan government by any and all means possible, starting with the failed coup attempt that temporarily ousted Hugo Chavez in 2002 (a coup which was obviously organized and executed with full US complicity, encouragement and support – for example, the documentary 'The Revolution will not be Televised' managed to clearly identify many of the key plays, sub-plots and actors involved in the coup attempt).

As just one more out of countless other examples of the types of unscrupulous and criminal activities orchestrated by the US regime in the course of its long succession of coup attempts and associated programs of political destabilization, economic strangulation and sabotage that followed the first all-out coup attempt in

2002, is the range of tactics and schemes that were advocated in an extraordinary document attributed to ‘SouthCom’ titled ‘Masterstroke – Plan to Overthrow the Venezuelan Dictatorship’, a document that was first revealed in 2018: whether the attribution to SouthCom is correct or not, the authors of the document appear to have had a very good idea of US strategic assets and capabilities in the region, and of how they could be deployed or activated to destabilize and destroy the Venezuelan government and economy and to make life a living hell for all Venezuelans (except the Guaidos and Machados, who seem to spend most of their time and have most of their assets in Miami or New York anyway). (Calloni, 2018) Although the implications, impacts and legacy of this largely uninterrupted twenty-years long ‘regime change’ agenda are of course extremely relevant to ongoing events, the topic has been covered in detail in other studies and is for the most part beyond the scope of the present analysis. (Edgar, 2024)



**The Other Great Oil Heist: Exxon Mobil is producing almost as much oil from the disputed maritime zone between Venezuela and Guyana as Venezuela’s total annual production**

## **The Drug Trade and Major Distribution Routes in Latin America – A Preliminary Overview**

A media report from Italy quotes some statements made by a former director of the UN Office on Drugs and Crime (Pino Arlacchi) concerning the deployment of a large naval force to the Caribbean, supposedly on an elaborate and decisive anti-drug trafficking operation. Among other responsibilities, Arlacchi's duties during his tenure at the UNODC involved regular consultations with international, regional and national authorities and investigators involved in tracking the production and distribution of illegal drugs worldwide, including several extended periods in Latin America to consult with local authorities and experts (mainly in Colombia, Peru, Brazil and Bolivia). The analysis and arguments made in the report (Arlacchi, 2025) provide a useful starting point for a more detailed assessment of Trump's claims and assertions in the broader context of both the history of the 'war on drugs' and the persistent efforts by the US to overthrow the Venezuelan government ever since Hugo Chavez was first elected president.

Referring to the information he had access to during his tenure at the UNODC, Arlacchi stated that all the evidence indicated that Cuba and Venezuela were two of the countries that were least involved in either the main components and stages of the relevant production and supply chains in the region, or in the main international trafficking networks involved. Indeed, both countries had actively and voluntarily cooperated with the UN agency to combat drug trafficking throughout the period, while Venezuela was also accredited by the Agency as being a national territory free from significant production-related activities as well as being a territory free from the entrenched presence of major international criminal cartels and other illegal armed groups that often typify areas located adjacent to major production zones and trafficking routes (in some of the countries most affected by the drug wars, particularly in Colombia and Mexico, such heavily armed criminal groups have established a high degree of social and territorial control in key locations and regions throughout the country over very long periods of time).

Elaborating on the relatively limited and peripheral role of Venezuela in most activities related to the illegal drug trade, Arlacchi noted that while the most authoritative and comprehensive investigations and estimates have consistently identified the 'Mexico-Central America Corridor' as being responsible for around 80-90% of cocaine shipments from Colombia to the US, they have also consistently concluded that perhaps around 5% or at most 10% of the cocaine produced in Colombia was being shipped to or through Venezuela: in this respect, he further points out that the European Drug Report for 2025 does not even mention Venezuela in the sections examining the presence of significant corridors for the international drug trade and major trafficking networks and criminal syndicates in Latin America. With respect to the 2025 annual report produced by the UNODC, Arlacchi states:

**The report only briefly mentions Venezuela, stating that a small amount of Colombian drug production passes through the country en route to the United States and Europe. According to the UN, Venezuela has consolidated its status as a territory free from the cultivation of coca leaves, cannabis and similar crops, as well as from the presence of international criminal cartels. This document merely confirms the findings of the previous thirty annual reports, which did not address Venezuelan drug trafficking because it does not exist. Only 5% of Colombian drugs transit through Venezuela.**

Logically also this would make sense from another perspective (that is, that the role of Venezuela in the international drug trade has traditionally been – and remains – relatively insignificant). In the first place, as has been consistently determined by all major investigations and analysis of the international supply chain, trafficking routes and criminal syndicates involved in the production and distribution of cocaine since the 1970s (which has historically been by far the most lucrative sector of the international drug trade): the producer countries have always been Colombia, Peru and Bolivia (notwithstanding some diversification into Central America and Mexico over the last decade or so); the biggest consumer market by far has always been the United States (though the value of the European market has increased significantly, as well as in some Asian countries in more recent times); and the main transit routes have always been centred around Central America and Mexico (with numerous secondary or alternative transshipment points and trafficking networks branching into the Caribbean, while in more recent times several other South American countries apart from Colombia have assumed an increasing structural role in the international trade including Brazil, Peru and Ecuador).

It is worth adding that apart from Mexico, it is equally clear that none of the main masterminds and organizers of the international drug trade originate from the Central American countries as such, notwithstanding the plethora of local criminal syndicates that have been recruited into related activities along the various trafficking routes, and even a succession of presidents and military regimes in different countries that had a starring role over certain periods of time, particularly during the 1980s and 1990s (most notably Noriega in Panama, but also to a significant extent in Guatemala, Honduras and El Salvador) and again in the 2010s (with both Honduras and Guatemala consistently identified as major trafficking hubs). Although the structural roles and power of Noriega and other local powerbrokers and intermediaries in the region were no doubt substantial while they lasted, this structural power and influence was probably limited for the most part to specific activities in their own country, with other (mostly external) actors and intermediaries controlling or directing the most strategic and lucrative stages along the internationally dispersed production and distribution networks involved (such as the main production areas and exit points from Bolivia, Peru and Colombia, as well as the main entry points into and distribution networks within the US and Europe).

From a historical and structural or systemic perspective, during most of the 1970s and 1980s, the cocaine market demonstrated an extremely hierarchical structure operated at first instance by the Medellin and Cali Cartels, featuring a highly integrated international supply chain and distribution network, with the two Cartels controlling most of the cocaine supplies from Colombia to the US throughout this formative period of the modern international drug trade in the region. Meanwhile, the cartels in Mexico have grown exponentially since the 1980s, and they appear to have exercised control over (or at least to have consistently had ready access to) a very substantial part of the broader transnational infrastructure involved in international cocaine trafficking routes since at least the early 1990s – including, most significantly, the main entry points into the United States itself, which typically constitutes the most critical and complex stage of the entire supply chain for the cocaine industry.

Of course, these unavoidable historical and logistical facts concerning the most widely known and well documented production and trafficking networks in the region do not necessarily mean that powerful figures in the Venezuelan government and military are not involved in managing and directing the illegal drug trade in some way, either directly or by way of strategic alliances and tacit agreements with powerful non-State criminal groups based in or operating out of the country. However, ever since the cocaine trade took off in the 1970s there has been very little if anything to indicate that Venezuela (or major non-State criminal groups based in Venezuela) has ever been a significant player in the embedded structures for the production and transport of cocaine from Colombia to the US – unlike the most powerful Mexican and Colombian Cartels (along with other powerful illegal armed groups in Colombia) for example, which between them have dominated many key structural components of the international supply chain for cocaine from the 1970s up to current times.

Moreover, as mentioned previously, in terms of the most important operating structures and trafficking routes involved in the passage of cocaine from Colombia to the US, the most critical smuggling points and distribution networks are located at the border crossing-points and major transport hubs out of the producer countries (mainly Colombia) and into the high-value consumer countries themselves (particularly North America and Europe) – places where neither Cuba nor Venezuela would generally be expected to have significant stocks of (or easy access to) the types of logistical networks, operatives, accomplices and other assets required to conceal, disguise and move large shipments of contraband.

Just as Venezuela has never featured as a significant player in the various supply chains and distribution networks for the international drug trade in the annual reports or investigations of major law enforcement agencies at the national, regional or international levels, the criminal organization ‘Cartel de los Soles’ is not even mentioned in the annual reports produced by the world’s leading anti-drug agency (the UNODC), nor has it been previously identified as a significant player by other major anti-drug or law enforcement agencies in Europe or elsewhere. In this respect, Arlacchi commented that the organization seems to be a relatively small and loosely articulated network of criminal syndicates of delinquents or street gangs (that is, mainly involved in low-scale criminal activities at the local level). There is no credible evidence suggesting that the organization has managed to build up the types of networks of transnational contacts and capabilities that would be necessary to impose or insinuate itself into being a major player in the mega billion-dollar illegal drug trade.

Indeed, the organization was not even included in the list of ‘foreign terrorist organizations’ promulgated by the Trump administration (regime) in February 2025, when the US State Department designated eight Latin American crime groups as foreign terrorist organizations: Tren de Agua (widely reported to have been originally founded in Venezuela); MS-13 (founded by criminal syndicates in El Salvador and Los Angeles); and, six of the major cartels based in Mexico (Sinaloa, Jalisco Nueva Generación, Carteles Unidos, Noreste, Golfo, and La Nueva Familia Michoacana). In an apparent bait-and-switch operation, the imminent threat posed by the Tren de Agua syndicate has all of a sudden been replaced by the ‘Cartel de los Soles’, a previously little known and according to most accounts relatively insignificant criminal syndicate.

Before proceeding to a more detailed examination of specific topics and related aspects of the burgeoning global market for illegal drugs, it is however also important to emphasize that the illegal drug trade is an extremely complex and multi-faceted phenomenon comprising multiple layers and levels of both legal and criminal organizations, intermediaries and activities located within many different States and territories which provide the basis for a plethora of extended networks of interconnected transnational markets and smuggling routes, many of which are organically embedded within conventional power structures and society generally, variously interacting with or permeating key State institutions, the private sector, the domestic economy and international trade and commerce. Hence, just because Venezuela doesn't feature among the most widely and frequently identified lists of suspects and culprits in terms of major trafficking routes or in other key components of the international supply chains for the illegal drug trade, this doesn't necessarily mean that powerful interests in the country might not be involved in some way. Of course, this applies equally to all other States and non-State actors, including in the US itself.

The absence of credible evidence in this respect could be due to what the European Drug Report refers to in one report as 'Intelligence Gaps' – that is, that law enforcement officials and other investigators simply haven't managed to detect the activities of some of the major players in the international supply chain and infrastructure or to identify the deeper criminal syndicates and their extended networks of collaborators and accomplices. Indeed, the high degree of continuity that has persisted at the core of the major international supply chain and trafficking routes between the producer countries (mainly Colombia) and the main consumer markets (the US and, more recently, Europe) suggests that this may well be the case (that is to say, that there are some very powerful actors at the highest echelons of the power structures and extended networks involved who have not yet been identified – criminal syndicates that must have great influence in both the US and Europe as well to be able to avoid the interception of shipments in those jurisdictions on such a large scale for such a long period of time, and to establish alternative routes and procedures when one of the existing networks is discovered and dismantled).

### **Major Geographic Dimensions and Structural Components of the Drug Trade in Latin America**

Referring to the early structures and dynamics that contributed to the exponential international expansion and consolidation of the modern drug trade between South America and the United State, the authors of a recent report by the International Crisis Group state:

**The first drug trafficking networks connecting South America to the US emerged in the 1970s, (when family-based clans in northern Colombia) began moving cannabis northward. Cocaine soon followed, largely consolidated in the hands of the Cali and Medellin Cartels. These organizations were hierarchical, and they built vertically integrated supply chains stretching from coca cultivators in Peru and Bolivia and processing plants in Colombia to US-based dealers. During the two decades of their domination, the cartels honed methods of influence over politicians and for the capture of economic and political power that persist to this day. They used their immense financial capital, together with a capacity for brutality, to buy and threaten their way to immunity. (ICG, 2025)**



Ever since the declaration of the war on drugs by the US, violence, corruption and organized crime have been an inevitable corollary of the illegal drug trade – just as the prohibition of alcohol in the US in the 1920s led almost immediately to a massive increase in violence and corruption, as well as in the political and economic power of the largest organized crime syndicates, their destructive capabilities, and their propensity to resort to indiscriminate violence, intimidation and terror to capture and maintain strategic territories and markets, to eliminate rivals, or to avoid arrest. As an immediate and direct (if not inevitable) consequence of Prohibition, during the 1920s the major Mafia families and other organized crime syndicates in the US (and Canada) went from running relatively small-time numbers and extortion rackets or bootlegging of alcohol, cigarettes and other contraband, facilitated and protected by the corruption or coercion of a few local police, politicians and other officials, to fielding heavily armed private militias and developing elaborate transnational networks and infrastructure, all of which was protected by a long list of collaborators, informants and accomplices from the local police commander to the highest levels of the Establishment.

And, of course, overshadowing and underpinning these systemic developments, the dramatic explosion in related violence and urban warfare as rivals sought to defend or expand their territories and market share. Although revenues fell just as dramatically as they had risen when Prohibition ended, some of the integrated local and transnational infrastructure and support networks that the most powerful syndicates had built up over the period remained intact and were readily modified and adapted for the conduct of other criminal activities. The authors further note that basically similar trends and developments have manifested throughout the modern era of the illegal drug trade in Latin America:

**From these early days, violence was a feature of the drug market, but one that played out in distinct ways across the region. In Mexico, an authoritarian state kept narco-traffickers' ambitions and infighting in check while allowing the market to grow and taking a cut of the proceeds. In Colombia, Medellín Cartel boss Pablo Escobar used violence to wield power over the state, infiltrating its every level, from local police forces to the national Congress in Bogotá.**

Although starting from different origins and in a very different social and political environment, similar developments to those in Colombia were occurring in Mexico, where the highly centralized hierarchical structures created by the leadership of the most powerful cartel built up a no less imposing position of power and influence in the country before they were heavily targeted by the authorities and many of the most prominent leaders were captured:

**In the mid-1980s, US law enforcement intensified operations against cocaine trafficking through the Caribbean by air and sea, prompting routes to shift toward Mexico. Here, existing smuggling groups with a long history of trafficking alcohol, marijuana and heroin began to export cocaine over the US border. Starting out as junior partners in the business, Mexican groups soon raked in unprecedented profits and their power expanded. Around the same time, a joint Mexican-US operation captured the leader of the then dominant Guadalajara Cartel, a confederation of trafficking clans formed under the wings of the country's erstwhile one-party system. The group split into four: the Sinaloa Cartel, the Gulf Cartel, the Tijuana Cartel and the Juárez Cartel. (ICG, 2025)**

Nonetheless, as in Colombia, although the most notorious leaders of the respective cartels were arrested, summarily executed or went into hiding during the late 1980s and early 1990s, both local production and supply

networks as well as the elaborate transnational infrastructure which had been built up by the international trafficking syndicates either remained in operation, or were rapidly replaced by others.

The increasing pressure on and targeting of the remaining cartels and the most readily identifiable trafficking routes continued throughout the 1990s as the war on drugs and related law enforcement activities intensified. At the same time, the level of international cooperation steadily increased (in some countries at least), culminating in ‘Plan Colombia’ in 1999 followed by Mexico’s enlistment into the war on drugs following the election of Felipe Calderón in 2006. However, the increasingly hostile operating environment did not manage to significantly diminish, much less eliminate, the thriving illegal drug trade and the main international trafficking routes scattered throughout the region:

**Despite apparent law enforcement successes, Mexican criminal operations were able to adapt and grow. Illegal organizations fractured into a plethora of smaller groups which clashed with one another to gain a foothold in various illicit businesses. Over the next fifteen years, the number of criminal groups increased tenfold, from fewer than 20 in 2006 to over 200 in 2021. (At the same time, the) role of Central American countries as transit and storage hubs, particularly Guatemala and Honduras, grew. By 2011, the amount of cocaine seized in Mexico was a small fraction of the total indicted in Central America, a region already grappling with chronic violence stemming from its legacy of civil wars. (ICG, 2025)**

While the largest Mexican cartels were splintering, regrouping, and shifting or expanding and diversifying their operations into other countries (particularly Central America) during the 1980s and 1990s, there were some equally dramatic developments in Colombia. Although the rapid demise and disappearance of the Medellín and Cali Cartels generated a similar fragmentation and dispersal of the cartels’ highly centralized leadership structures and integrated logistical networks, they were not dismantled entirely and the supply of cocaine to the US market was scarcely affected (apart from occasional temporary shortages or bottlenecks in the domestic supply chain or international distribution networks).

Other details and developments related to the sudden emergence and equally sudden demise of the Medellín and Cali Cartels are described in the final report of the Truth Commission (2022), including how they meshed fluidly into existing political and economic power structures in a variety of ways (some – or possibly many – of which were never clearly identified and dismantled):

**Almost immediately the narco-traffickers sought judicial and political protection, buying political campaigns, informants and operatives in the judicial system and the military. They used their private armies to defend their interests with fire and fury. The Medellín Cartel controlled the supply chain, from the cultivation of coca to retail sales in the streets of the United States, and they maintained clear agreements with the mafia in Cali. The latter assumed the task of laundering the proceeds of drug sales through a network of front companies and businessmen that was so extensive that some remnants of the network remain in existence as of the time this report is being prepared. The narco-traffickers emerged as agents of an illicit economy that was widely tolerated.**

There was however another ominous development in Colombia, as most of the local components of the cocaine industry were taken over by other illegal armed groups (particularly those born out of the armed conflict – the ‘guerrillas’ and ‘paramilitaries’ – but also opening territorial niches or specialized market roles, services and functions to a myriad of smaller drug cartels and criminal syndicates of all kinds), many of whom were becoming extremely powerful and increasingly dangerous, the immense revenues from the cocaine trade

resulting in a quantitative and qualitative leap in terms of their military capabilities, their resource base, and the reach and effectiveness of their underlying support structures and extended networks of informants and collaborators.

As had occurred in Guatemala, El Salvador and Peru, the course and intensity of the armed conflict(s) in Colombia during the 1970s and 1980s would be heavily impacted by the exponential growth in the value of the illegal drug trade due to the primordial strategic importance that control over the production and distribution networks represented and the advantages that could be obtained, with the immense revenues generated by the illegal drug trade funding and supplying both the counterinsurgency war being waged by the burgeoning paramilitary groups, as well as the activities of the most powerful armed insurgent groups.

Consequently, the illegal drug trade became irrevocably entangled in the dynamics of the armed conflict, producing a terribly destructive explosion in the intensity and scale of associated violence and atrocities being committed throughout the country – indeed, the exponential growth of all of the main illegal armed groups during the 1980s was probably fueled more by the vast fortunes generated by the illegal drug trade than by any other single factor, albeit having very different characteristics and impacts in different regions and social sectors. Ultimately, the demise of both of the major Colombian cartels in the early 1990s merely resulted in the consolidation of control over the production and supply of cocaine by the main illegal armed groups:

**Governments spent a decade chasing Escobar, yet his downfall in December 1993 only opened the way for new players to fill the lucrative void. Violent right-wing paramilitary groups forged ties with former Escobar allies, first to finance their fight with leftist guerrilla groups, but soon thereafter primarily to enrich themselves. The rebel Revolutionary Armed Forces of Colombia (FARC) also sought to control production of the coca leaf to finance its rebellion. In 1999, the US and Colombia signed Plan Colombia, an aid package that reached over \$10 billion in value over fifteen years, mixing drug eradication and interdiction with a military counterinsurgency campaign and an overhaul of local security forces. (ICG, 2025)**

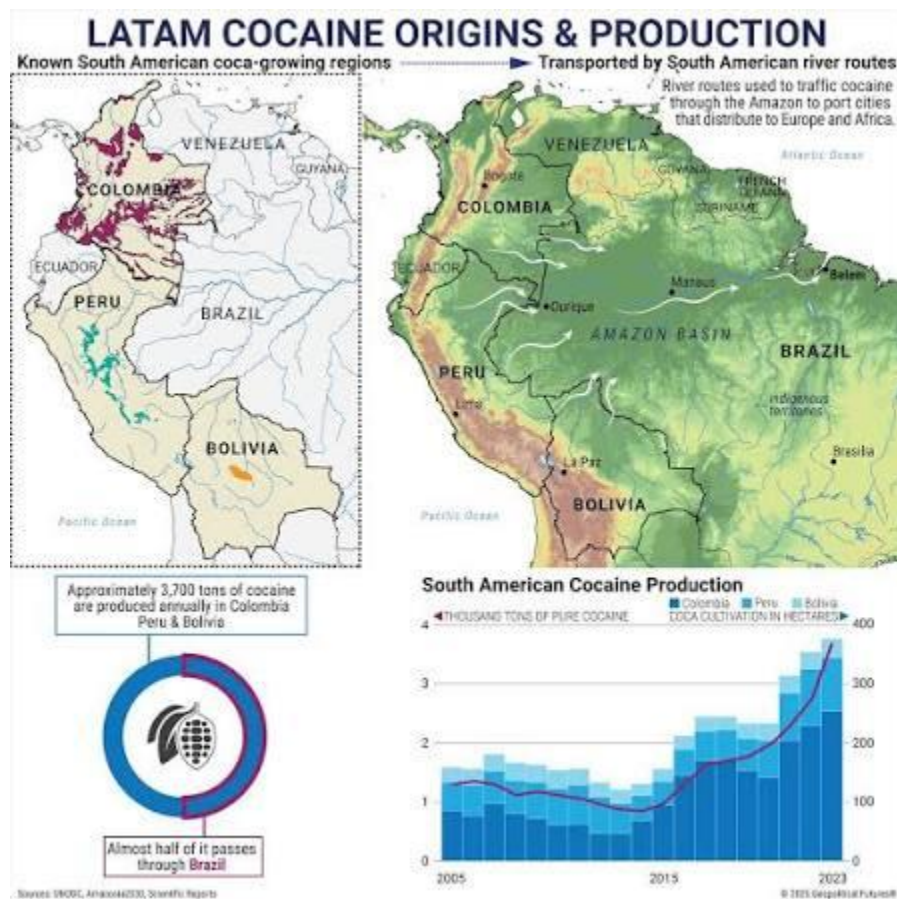
Meanwhile, although Mexico had not previously experienced a comparable situation of endemic or structural armed conflict in the modern era akin to that which has persisted in Colombia (the outbreak of the Zapatista rebellion in 1994 notwithstanding, which remained confined to the far southern regions and did not generally affect people in the rest of the country), the decision to open a major new front in the war on drugs produced an immediate explosion in the generalized violence throughout Mexico too, with the scale and horrific barbarity of the violence at its peak matching if not surpassing that which tore through Colombia during the 1980s and 1990s (while at the same time, overall Mexico's key structural role in the international drug trade continued largely unaffected):

**The example of Plan Colombia inspired a similar approach in Mexico, where Felipe Calderón declared a war on drugs in 2006 soon after winning the presidency. Also backed by the US, through the 'Merida Initiative', Calderón aimed to deploy the military against organized crime while building more effective police and judicial institutions. Mexican security forces killed or captured scores of criminal kingpins, but many of the root causes of violent crime, including persistent corruption and poverty, went unaddressed. Between 2006 and 2016, at least 73,000 people were murdered in cases that seemingly involved organized crime, while another 70,000 were reported missing between 2006 and 2021. As they fragmented, Mexican criminal networks increased their territorial presence at home and abroad. (ICG, 2025)**

### **The Resilience of Core Power Structures and Trafficking Networks in the Region**

Considered from a long-term structural and geographical perspective therefore (particularly in the case of the cocaine industry, but also to a significant extent in other transnational illegal drug markets and trafficking syndicates), beyond the apparent fragmentation, chaos, complexity, and occasional external shocks or temporary disruptions, many of the central components of the underlying regional infrastructure at the core of the illegal drug trade appear to have remained remarkably consistent in several important respects, one of which is the pivotal structural roles of Mexico, Colombia and the adjacent 'Central America Corridor' in the most strategic and lucrative stages of the global supply chain and regional distribution networks.

With respect to the main jurisdictions involved in the global cocaine market, despite the very different local political, social and security conditions in Mexico and Colombia, as well as in terms of their respective roles, functions and capabilities or structural power in the various markets for illegal drugs, both countries have retained their central roles pursuant to which they have consistently served as a primary operating base and logistical command centre for the organization and management of supply for the international cocaine market. Throughout the entire period, Colombia has also served as the main producer country, with Peru and Bolivia also producing substantial amounts of coca leaf, coca base and/ or cocaine according to prevailing market requirements and geopolitical conditions (somewhat surprisingly perhaps given the value of the trade, until very recently no other country had been identified as a significant production zone for coca leaf).



However, there appears to be another pivotal systemic or structural dimension to this continuity – the ability of the most powerful international trafficking syndicates to continue their operations largely uninterrupted (considering the remarkable stability in terms of both supply and prices in the main markets). Hence, the high degree of continuity in terms of the main geographic and territorial dimensions of the global supply chains and distribution networks for illegal drugs is also apparent to a considerable extent in terms of the main actors, intermediaries and other ‘stakeholders’ involved. Thus, direct descendants of the ‘splinter groups’ created when the Guadalajara Cartel was dismantled and its most high-profile leaders arrested continue to manage things in Mexico and the adjacent region, while in Colombia the successor groups spawned from the formal disarmament and demobilization of the main paramilitary groups around 2005 (the AUC) and the main guerrilla group in 2016 (the FARC) have taken over most of the production and processing of cocaine in the country (along with numerous ‘dissident groups’ that refused to participate in the peace process, as well as several other major illegal armed groups that defy a generic classification or description – part cartel in form and nature, part paramilitary or guerrilla, part delinquent criminal gang or local mafia, other parts unknown, depending on local circumstances and the origin and membership of the groups).

Indeed, instead of neutralizing or even reducing drug-related violence, ending the crime wave produced by prohibition, and prosecuting the most powerful drug barons (or simply organizing their extra-judicial execution – dead men don’t talk, and related investigations can be terminated without determining how far up the Establish

food chain their connections and accomplices went), the drug wars have simply served to perpetuate the scale and intensity of violence and corruption in the most affected areas – which also serves to provide an additional layer or veil of secrecy and confusion from which it is impossible to conduct investigations and arrive at the facts.

Somehow, in the midst of all the fire and fury, the most powerful illegal armed groups in Colombia, Mexico and elsewhere have maintained territorial control over large areas and market sectors for long periods of time – moreover, most of the occupied areas are key drug producing or trafficking zones, and even if the main illegal armed group or cartel in any particular region is dismantled, others immediately move in to resume production and trafficking activities. The identity and denomination of illegal armed groups present in any given area at any given moment may change, but strategic production and distribution activities tend to continue largely unaffected (or, if this should prove impossible, they are immediately relocated to other areas), while the territories and communities located adjacent to strategic production zones and trafficking routes remain in a condition of chronic poverty, corruption, fear and generalized violence – between drug gangs and authorities, or between the drug gangs themselves – while residents are inevitably caught in the crossfire.

Not only have many of the most powerful criminal syndicates apparently endured and survived intact after successive waves of crackdowns and massive military deployments in particular regions at different moments; they have taken advantage of the existing transnational infrastructure and capabilities to diversify their criminal (and legal) commercial activities, underlying power structures and logistical networks into new sectors, territories and markets:

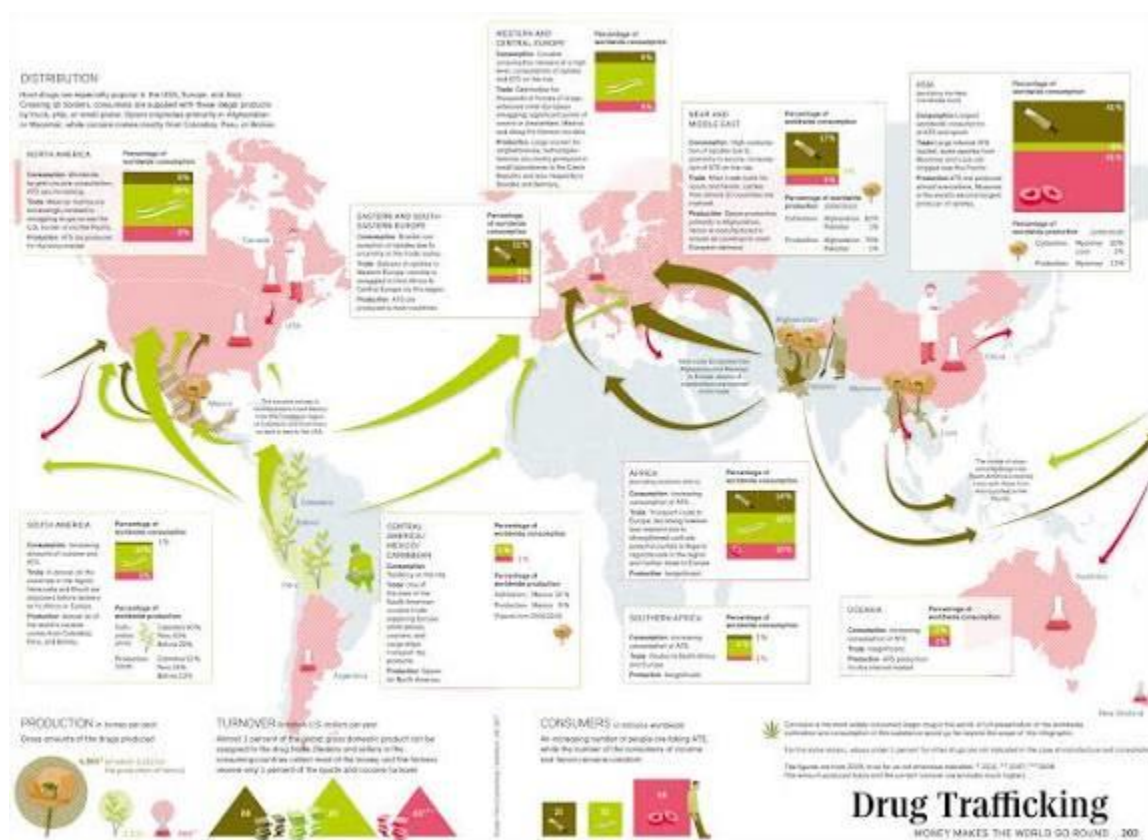
**Today, drugs are far from the only source of revenue for criminal organizations. That said, narcotics production and trafficking continue to be a mainstay of illegal business and the origin of the seed capital that allows organized crime to spread, diversify and prosper. Since their emergence in the 1970s, Latin America's illegal outfits have expanded into new countries and encroached into emerging markets. Evidence indicates that behind this growth are a host of far-reaching changes in form and structure. Transnational criminal networks in the drug supply chain are now arranged in tiers, with fluid alliances of convenience between them. Law enforcement crackdowns on one part of the supply chain have pushed violent criminals into others, in a cat-and-mouse game of shifting routes and business relationships. (ICG, 2025)**

Hence, the traditional markets for illegal drugs continue to thrive and prosper, while at the same time the criminal syndicates involved continue multiplying and diversifying into emerging markets, new synthetic drugs and other criminal activities:

**The global drug trade is more resilient and harder to combat than ever. The supply chain is composed of an array of groups, many of them easily replaceable should their leaders be captured or their structures dismantled. Profits from cocaine have been reinvested, including in fentanyl, illicit mining and human trafficking – but also in legal businesses. Corruption taints governments at the highest levels, and extortion reaches all the way to society's most vulnerable people.**

Over half a century on from the declaration of a 'war on drugs', Latin America is struggling to manage the eruption of violence tied to the narcotics trade. Though drug-related organized crime has brought notorious peaks of violence in the past, above all in Colombia and Mexico, never has it spread so wide, and rarely has it penetrated so deeply into states and communities.

Criminal groups have splintered, multiplied and diversified, adding lethal synthetics like fentanyl to the traditional plant-based supply of marijuana, cocaine and heroin, as well as moving into new rackets like extortion. As they fragmented, Mexican criminal networks increased their territorial presence at home and abroad. Where communities are poor and unprotected, criminal groups act as employers and overlords; where State officials are present, they coerce and corrupt them.



The inexorable spread and intensification of the generalized violence and institutionalized crime and corruption that the war on drugs has contributed to creates an immense and impenetrable atmosphere of secrecy, confusion and fear, greatly complicating investigations attempting to identify the most powerful members of the leadership of the criminal syndicates involved, the full extent of their transnational ‘corporate’ structures or key operational and logistical centres, and the nature and membership of their interconnected and overlapping networks of collaborators, accomplices, business partners and associates. The resulting chaotic social conditions and institutional decay are inextricable connected to the overwhelming emphasis given to the criminalization and militarization of drug-related policies and programs:

The evidence shows that the illicit drug problem had led, chiefly at the production and transit stages, to the corruption of government officials at various levels. When drugs are banned, the illegal drugs economy requires bribery and collusion, as well as omissions, on the part of civil servants in order to protect its operations and guarantee that its actions go unpunished. One finding that everybody agrees on, with respect to the illegal drugs economy, is that it and organized crime cannot survive without corruption. Both violence and corruption can only thrive in a context of extensive impunity, in which there is no certainty that the law will be enforced and the State lacks the capacity to identify and try those responsible for breaking the law. (OAS, 2013)

Along with the devastating violence therefore, corruption has continued to flourish (in varying degrees and in an innumerable variety of forms) not just in the territories and regions where major production areas are located, but also along the entire supply chain and distribution networks for the main illegal drugs. Hence, apart from being extremely adept at developing counter-measures for the most common detection methods used by police, customs and other law enforcement agencies, and the ability to rapidly shift specific activities between a variety of alternative trafficking routes and transshipment points, the most powerful criminal groups have managed to build up extensive networks of informants and collaborators both within those same intelligence and law enforcement agencies as well as throughout the entire superstructure for international trade, travel and commerce:

**To fend off interdiction, traffickers create wide networks of corruption by paying off officials at various levels, including port workers, pilots, airline and shipping company employees, officers in navies and international law enforcement agencies and senior politicians. Honduras offers an extreme example. After a coup in 2009, the Sinaloa Cartel and other criminal groups invested heavily in ensuring they would have allies in power, up to the president. As a result, they could count on having Honduras as a transshipment point for most of the cocaine trafficked from South America to the US. The chief architect of Mexico's war on drugs from late 2006 to 2012, Genaro Garcia Luna, was convicted in the US in 2023 for taking bribes from the Sinaloa Cartel to protect the group's drug shipments to the US. He was sentenced to over 38 years in prison in October 2024. (ICG, 2025)**

The earlier study by the OAS into the associated power structures and extended networks of accomplices and collaborators that radiate from the illegal drug trade also emphasizes the importance of systemic corruption and impunity at the highest levels, an almost inevitable consequence of the vast profits at stake, the militarization of anti-drugs policies, and the strategic importance of the trade more generally, the authors surmising of the overall situation: “No other illegal economy in the region has so much power to erode institutional structures.” (OAS, 2013) This corruption manifests in two key forms: at the individual or personal level, but also more generally in the political and economic institutions and power structures more generally:

**These huge profits (generated by the illegal drug trade, particularly at the international trafficking and wholesale levels) also represent huge volumes of cash, which trigger additional serious problems in our region – albeit, once again, mainly in the producing and transit countries – by feeding two forms of corruption. One is the corruption of individuals – public or private employees – who end up as facilitators or operators at some point in this economic process. The other is the corruption of institutions, particularly financial institutions, which become increasingly entangled in activities seeking to ‘launder’ that money, thereby establishing dangerous linkages between legal and illegal spheres.**

Beyond the violence, the increasing tendency and propensity of the most powerful criminal syndicates to diversify their activities and compartmentalize specific tasks and functions among a huge number of semi-autonomous organizations and intermediaries scattered across the globe is just one of many ruses that can be used to evade detection, out-manoeuvre or annihilate rivals and enemies, and maximize overall market share and profitability. The particular tactics and methods used are adapted to the specific operating conditions and structural requirements at each stage along the supply chain:

**Understanding how this rolling crime wave came about is fundamental to arresting it. Drug-related organized crime has adapted to the threat posed by law enforcement by becoming more flexible and resilient. In place of hierarchical syndicates that could be dismantled once their leaders were identified, the trade increasingly functions through networks of providers who subcontract each step of the route to lower tiers of operators.**



**High-level financiers engage sophisticated international traffickers, who oversee exports to user markets. These in turn partner with national and local crime groups to meet the orders. National groups manage production or ensure safe passage of the drug along a particular trafficking corridor. At the local level, urban gangs are contracted by larger criminal allies for small-scale logistical services like smuggling drugs through ports. (ICG, 2025)**

Overall, these basic underlying trends and patterns which are evident throughout the earlier periods of the modern illegal drug trade in the region have continued up to the current time (such as the splintering and repackaging of existing criminal syndicates and the proliferation of new ones, the dispersal and compartmentalization of distinct stages and components of the supply chain, logistical networks and trafficking routes, and the constant diversification of the main criminal syndicates into new markets and commercial ventures):

**The map of the drug trade in Latin America has been transformed in the decades since the supply routes from the Andes to the US first emerged. Demand for narcotics outside the region remains at record highs, with newer markets booming – particularly for cocaine in Europe and fentanyl in the US. At the same time, waves of US-backed law enforcement, based on capture and extradition of crime bosses (known as kingpins), drug seizures and forced eradication have revolutionized the supply chain.**

**Although Colombia and Mexico remain at the heart of the drug business, a main route to the US and Europe now runs along the Pacific coast, passing through countries that were largely untouched by illicit trafficking such as Costa Rica and Ecuador. Each of these has seen rates of violence rise sharply: in 2024, Ecuador was the most violent country in South America. Across the region, surges of bloodshed have marked the new hubs of a fast-shifting, hyper-violent drug trade. (ICG, 2025)**

All of the preceding information strongly suggests that, one way or another, despite the immense resources that have been thrown into the war on drugs, the main power structures and key components and logistical networks (or forms of intermediation and coordination) of the integrated transnational supply chains remain intact. Indeed, business is still booming in the cocaine industry despite the fact that the largest market appears to have ‘matured’ (estimated sales have remained stable in the US for several years), as the value of several ‘emerging markets’ (mainly Europe, but also some countries in Asia, Africa and Latin America) continues to grow.

Reflecting on the current situation and recent trends, the European Drug Report for 2022 comments (somewhat resignedly, perhaps) that shipments of cocaine from the Americas to Europe have both ‘intensified’ and ‘diversified’: “The intensification and diversification of cocaine trafficking activities targeting the EU have continued since the last EU Drug Markets Report in 2019.” Similarly, according to the latest World Drug Report: “Most indicators – those for production, seizures and use, and related treatment and deaths – point to 2023 being a record year for the global cocaine market.” Meanwhile, although demand continued to increase, and notwithstanding a corresponding increase in the interception and seizure of shipments, the purity of cocaine in Europe had also increased throughout the period and retail prices remained stable for the most part.

### **The Binary Logic of Prohibition: Criminalization of Society and Militarization of the Drug Trade**

Meanwhile, the political system, State institutions and the security apparatus have in effect been locked into a binary logic of mass criminalization and total militarization, one in which every policy decision must proceed

from the same starting point based on the same paradigm, and remain within strict conceptual and operational parameters. Consequently, whenever fundamental questions are raised concerning decisions on policies and programs related to the use and abuse of narcotics and psychoactive substances, and how these are related to and impact upon the health of the individual, underlying trends in criminal activities related to the production, distribution and consumption of specific drugs, and social welfare generally, the only ‘realistic’ alternatives that are given a serious hearing and consideration are whether criminal penalties or the amount of public resources assigned to the war on drugs and the processing of criminals should be increased, and if so, by how much? Despite the failure to demonstrate significant long term positive results and achievements (consumption of prohibited drugs has not fallen, nor has overall supply, and whenever there is a shortage in one drug, there are many others which can take their place), this entrenched policy gridlock continues to control all public debate and completely rule out even the consideration of other options:

**(For the last half century), the production, sale, trafficking, sale and consumption of illicit drugs have steeped Latin America in violence. Whether in the form of terrorist attacks in Colombia in the 1990s, selective killings during Mexican electoral campaigns, child recruitment or sexual violence, organized crime rooted in the drug trade has threatened millions of lives and upended states and communities. Despite ebbs and flows in its intensity, the harm caused by this illicit business remains a constant. There is no one remedy for Latin America’s sprawling criminal ecosystem, though experience offers evidence of what has not worked. Military crackdowns and high-level captures provide short-term victories, but time and again fuel new waves of violence and generate reconfigurations of the drug business that are more resistant to law enforcement. (ICG, 2025)**

Thus, despite the succession of escalations and the constant expansion of the war on drugs and the mass-incarceration prison complex, the phenomenal growth and expansion of the illegal drug trade in Latin America (and elsewhere) has not faltered; rather, many of the most powerful criminal syndicates involved have increased the territorial range and depth of their transnational networks, technical expertise and logistical capabilities, constantly diversifying into new regions, emerging markets and criminal activities.

Even if it were possible to eradicate every coca plant, marijuana leaf and ‘magic mushroom’ on the planet, the most advanced criminal syndicates have managed to develop synthetic analogues of many opioids and other psychoactive substances, while the inputs (precursor chemicals, etc.), methods and facilities used for the production of more conventional synthetic drugs (methamphetamines) have become much more diverse, flexible and mobile, ranging from micro-laboratories in an individual house or apartment to elaborate industrial scale ventures. In this respect, the latest edition of the World Drug Report notes that: “The synthetic drug market continues to expand globally, aided by the fact that synthetic drugs can often be produced closer to destination markets than other types of drugs, which offers criminals advantages such as lower operational costs, few impediments to production and the reduced risk of detection, interdiction and prosecution.”

Apart from the extraordinary challenges and obstacles involved in identifying and tracking precursor chemicals and locating laboratories, which are also constantly evolving and adapting to the latest detection and enforcement measures, the ‘second generation’ of synthetic drugs are responsible for the majority of drug-related deaths by a significant margin. Meanwhile, just as deaths from alcohol poisoning skyrocketed during the Prohibition era, the death rate and severe illnesses caused by excess consumption of plant-based

psychoactive drugs are much greater than they would be if consumption of the drugs was legal: for example, there is no way to monitor the quality of the production process (precursor chemicals, cutting and adulteration, etc.), and the strength or dosage of each batch is also subject to enormous variation. The environmental impacts from cultivation and processing are also greatly increased (much less the adverse impacts of the destructive and toxic mass fumigation programs that can affect entire regions).

For example, the value of the European cocaine market has grown to such an extent that it is beginning to approach that of the US: however, according to recent estimates, there are approximately 1000 cocaine-related deaths in Europe annually (many of which also involved the consumption of other drugs), while there are more than 17,000 in the US. Hence, unless there is a major price discrepancy (i.e., that cocaine is much more expensive in Europe than in the US), the death rate per number of users (or total number of 'doses' consumed) appears to be much less.

Nonetheless, the prevailing social conditions and drug policies - and the blanket criminalization of drug users in particular - make it much more difficult to investigate the reasons behind such differences or discrepancies and find solutions to reduce the number of deaths as much as possible as fast as possible: is it due primarily or partially to the quality of the cocaine itself and the quantity consumed; to the conditions in which it is consumed, or the simultaneous consumption of other drugs; or, perhaps, to objective conditions in society generally and other external factors associated with or generated by the illegal drug trade, etc.

It is also quite possible that the cost or lack of access to less harmful plant-based psychotropic drugs such as cocaine results in more people consuming more harmful alternatives such as fentanyl, thereby indirectly increasing the number of drug-related deaths. And as argued above, it is also possible that some - or even many - of the drug-related deaths and injuries may have been avoided if the drug were regulated and monitored like alcohol and others (more or less): drug quality would generally be much better, the dosage rate would be much more uniform, and people would be much more likely to seek help if their drug use becomes a problem (if their consumption begins to impede their ability to function in society, or if the drugs seriously affect their mental health and their behavior impacts adversely on others).

The overwhelming majority of the official investigations, reports and policy recommendations refuse to concede even the slightest possibility that prohibition and the militarization of anti-drug policies may be exacerbating the situation for some of the adverse effects from the drug trade and personal consumption (like the massive increase in cases of alcohol poisoning during the Prohibition era). Much less ask why so many people persist in taking drugs and risking such heavy penalties in the process - clearly, they consider the drug(s) to have some positive, beneficial or enjoyable effect or stimulus or they wouldn't take them. Every person who consumes prohibited drugs is automatically and by definition considered to be fundamentally sick and delinquent, requiring of immediate and drastic intervention and 'rehabilitation' or 'treatment'.

No doubt, when habitual criminals get together to take drugs, they often commit crimes. However, by the same token, when a bunch of musicians get together and some of them take drugs, they usually make music. Meanwhile, many other people take drugs because they help to alleviate chronic depression, mental trauma,

stress or physical pain. And if a group of friends get together on a Saturday night to have a good time and some of them take drugs, they usually tend to party (or just ‘hang out’) – unless, of course, the gathering is interrupted by a bunch of pumped-up adrenalin junkies wielding guns and badges to round them up and lock them in a cage for a few years with habitual murderers, sodomites and rapists.

(This is by no means intended to be a slur against the many honest and courageous police who are among the most exposed and vulnerable social sectors, and are risking their lives and their well-being every day, on the front line of the drug wars. But from the other side of the coin, it is bloody terrifying when a heavily armed assault team breaks in your windows and kicks in your doors hurling threats and throwing everyone to the floor. Moreover, in the first terrifying moments who knows if they are really cops or not – it is not that difficult to obtain or fabricate a police uniform and a metal badge.)

Also, if there is a problem at a social gathering where drugs are present – such as a serious fight between intoxicated people, or someone suffering an overdose – seeking official assistance and protection is usually only considered as an absolute last resort (given that calling the police, or even an ambulance, necessarily involves a considerable risk of arrest, prosecution and some serious jail time).

The implicit bias also manifests in another way: official reports and studies are full of detailed data and statistics on the social and economic costs of drug use and drug abuse, but they do not usually subject the direct costs and adverse impacts of the criminalization and war on drugs policy to such rigorous analysis and discussion. Invariably, all of the blame and all of the costs of prohibition and the war on drugs are automatically assigned to the drugs and to drug users. Taking an arguably no less valid conceptual and analytical approach, many of these costs could be directly attributed to the policy of blanket criminalization of a significant portion of society and the militarization of drug control and harm minimization programs: the direct expenditure on military/intelligence operations, the huge burden placed on law enforcement agencies and the legal system, the costs of long-term incarceration (in many countries, anywhere between 10% and up to 30% or more of the prisoners were convicted for possession, production or trading drugs – that is, the people would not be in jail if the drugs were legal), etc.

In short, the conventional approach could be more appropriately summed up as a harm maximization strategy rather than one of harm minimization – the criminalization and militarization of drug policies instead of framing the issue as a matter of individual and public health and safety first and foremost has not provided a durable solution to any of the problems that can be associated with the consumption of narcotics and psychotropic substances and the drug trade generally, while at the same time it has created a host of other far more serious problems and adverse impacts.

Given the severity and scale of the adverse impacts and multiplier effects that can be directly attributed to the policy of prohibition and the war on drugs, I would submit that not only do the policies constitute a tremendous waste a resources – it is an extremely destructive and counter-productive use of resources that has caused immense harm and created a host of additional problems and negative impacts associated with the production,

distribution and consumption of psychoactive drugs, without providing a practical and durable solution to any of the underlying or potential negative impacts and effects.

### **The Prohibition Paradigm and the Development of Alternative Policies**

Thus a fundamental underlying aspect of the ongoing situation which has been almost entirely ignored is a deeper question concerning the efficacy and appropriateness of the latest large-scale military operation launched to intercept drug shipments and destroy drug cartels, whether in purely technical terms or as part of a broader policy matrix based on the ‘war on drugs’ manifesto, as opposed to the introduction of a policy matrix based on a public health and social safety paradigm aimed above all at reducing the harm that can be caused from the production and irresponsible or excessive consumption of narcotics and psychoactive drugs by placing much more emphasis on education, quality control and regulation, rather than by the criminalization of large sectors of society and the application of ever increasing amounts of compulsion, stigmatization and brute force against them. In this respect, the authors of the study by the International Crisis Group somewhat presciently surmised of the current situation:

**Rather than focusing on reducing violence, governments in Latin America have tended to concentrate on cracking down on drug supply, in compliance with international treaties that have criminalized narcotic drugs since the 1960s and often under pressure from abroad, particularly from Washington. Trump’s return is likely to empower Latin American states and citizens who have embraced *mano dura* (iron fist) policies for fighting crime, which tend to entail mass arrests, reinforced police and military patrols, the declaration of states of emergency, and in extreme cases tacit endorsement of extrajudicial executions.**

**Over the long term, however, neither attempts to reduce drug supply nor crackdowns on criminal groups have produced much lasting success. Feeding buoyant user markets in the region and beyond, Latin American drug production has continued to expand. Meanwhile, the drug trade remains hugely profitable for violent criminal organizations. Latin American calls for a change in tack in global drug policy have become loud and insistent in recent years, but so far to no avail.**

**With Washington pushing for a fresh military-led crackdown on drug cartels, perhaps involving US forces, Latin American leaders face difficult decisions. Despite the pressure to comply, evidence suggests that a balance of improved policing, alternative livelihoods, gun control and, under specific conditions, negotiations, would be more effective in reducing violence.**

For at least fifteen years, a large and steadily increasing number of senior political figures, officials, intellectuals and civil society organizations in Latin America have joined forces to call for a thorough reevaluation of the results and impacts of the war on drugs and the policy of outright prohibition and criminalization generally, emphasizing the critical importance of organizing an extensive public inquiry and debate in order to explore the alternatives and decide upon a more appropriate policy basis with a variety of trial programs and projects to test and evaluate the efficacy of different approaches to the production, trade and consumption of narcotics and psychoactive substances in the future.

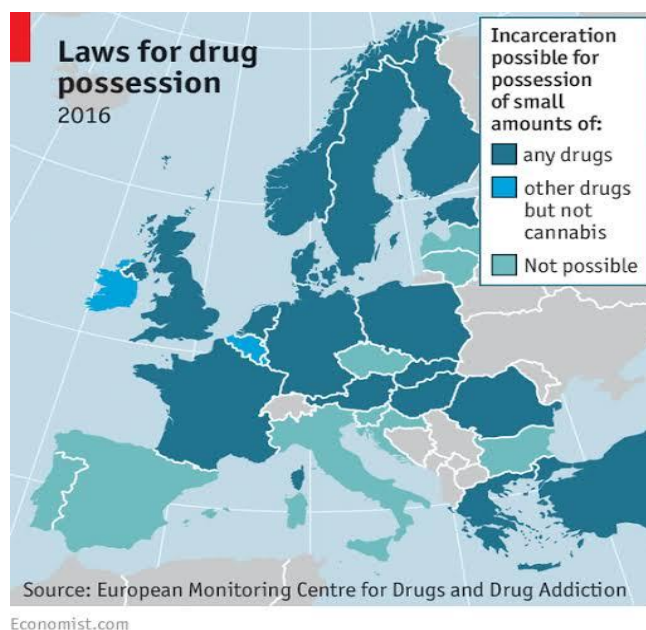
In 2013 the Organization of American States published a discussion paper seeking to contribute to, inform and animate public discussion and debate on “The Drug Problem in the Americas” (OAS, 2013). Some of the topics considered include: reducing the emphasis on the criminal justice system in drug control; increase the emphasis

on prevention, education and harm minimization, related public health policies and programs; and/ or, establishing standards and regulations for production, sale and consumption (as occurs for the alcohol industry, tobacco, pharmaceuticals or natural medicines, for example, albeit subject to specific characteristics, requirements and objectives in each instance):

**The intensity of the violence associated with drug trafficking - especially in countries affected by the production, transit, and trafficking of illegal drugs - has been the principal factor in driving the concern of senior level officials in becoming more actively engaged in this debate. Other factors include shifts in drug consumption patterns in the Hemisphere, increased prevalence of drug use, violence affecting the most vulnerable segments of society, and growing demand for health care services to treat addictions.**

**Reflecting their concerns over the impact of drug-related violence and the continuous flow of drugs in the region, hemispheric leaders, former Heads of State, academics, and representatives of civil society have supported the adoption of policies geared to downplaying the role of the criminal justice system in drug control. Reports by high-level groups, such as the Global Commission on Drug Policy, emphasize the need to reduce the harms done to the health, security, and well-being of individuals and society, and favor an approach in which drug use is treated as a public health issue and consumption reduced through evidence-based prevention campaigns. Among other recommendations, they also encourage experimenting with legal regulation models for certain drugs. (OAS, 2013)**

The relevant documents and initiatives provide many other details, perspectives and arguments concerning topics such as: the need for regional dialogue and cooperation for the elaboration, implementation and ongoing analysis and evaluation of flexible and differentiated policy measures based on a coherent set of integrated conceptual and strategic approaches and methods; and the corresponding necessity of placing much more emphasis on the development of a public health based approach to addressing the production, trade and consumption of narcotics and psychoactive drugs.



With respect to related current events and ongoing developments, referring to the regional implications of the Trump regime's proclamation of the list of 'foreign terrorist organizations', Mexican President Claudia Sheinbaum criticized Trump's insistence on launching a unilateral, open-ended and ill-defined military

campaign with the ostensible objective of finding and destroying the largest drug cartels, arguing that any activities related to identifying and dismantling international drug trafficking networks in the region and the investigation and prosecution of the criminal syndicates involved must be based on coordination and cooperation with the other countries most affected by them – not on subordination and unilateral military deployments and interventions. Colombian President Gustavo Petro has also been particularly active on this front, urging countries in the region to greatly increase their commitment to bilateral and regional forms of cooperation, including greater consideration of alternative policy approaches to address the problems caused by the illegal drug trade and the consumption of narcotics and psychoactive substances more generally.

### **Beneficiaries of Prohibition and Profiteering from the War on Drugs**

Nonetheless, despite the widespread social harm and suffering that can be directly attributed to multiplier effects and ‘collateral damage’ produced by the war on drugs format, some vested interest groups and social sectors have benefited enormously from the carnage, and thus far they have been very effective at blocking all efforts to reevaluate the current paradigm and seriously consider alternative policy formats and courses of action. Considered from the broader institutional, social and economic perspective on and the complexity of the various factors and dynamics involved, the detailed study of causes and manifestations of violence associated with the illegal drug trade in Latin America by the International Crisis Group notes another apparent paradox underlying the war on drugs, the fact that the primary source of much of the devastating firepower of the cartels, criminal syndicates and other illegal armed groups involved in the international drug trade is the US itself. As the authors of the report point out, there is an enormous complexity and diversity in events and conditions throughout Latin America and the Caribbean: “Yet one constant across the region is the prevalence of US-made weapons, many of which flow south across the US-Mexico border.” (ICG, 2025)

In a related development and recognizing this common feature of violence associated with the illegal drug trade, following the designation of the Mexican cartels as foreign terrorist organizations by the US the country’s president, Claudia Sheinbaum, announced that Mexican officials will use the new status of the groups as an additional ground of action in an ongoing lawsuit (filed in 2021) accusing US firearms manufacturers (including Smith & Wesson, Glock, Beretta, Barret, Sturm and Ruger) of facilitating the supply of arms to drug cartels and other criminal groups in Mexico, greatly exacerbating the level and intensity of violence throughout the country.

While US firearms have proliferated in the generalized violence that has plagued targeted regions and marginalized communities since the war on drugs commenced, characterized by never ending conflicts and disputes among the various groups of cannon fodder that have been enticed, recruited or conscripted to fight the drug wars (whether in disputes between local criminal groups, or in confrontations with the police and military), of course the most powerful cartels and other criminal syndicates have virtually unlimited financial

resources, smuggling networks and contacts throughout the world capable of securing extremely advanced military and intelligence equipment, hardware and expertise from just about anywhere, anytime.

It has also become apparent that some other very powerful foreign actors, companies and criminal syndicates have also been utilized to secure military-grade weapons and technology on numerous occasions, one of the more notable of which was the clandestine actors and networks involved in the shipment of large quantities of military-grade weapons and ammunition to the AUC in Colombia in 2001. In this particular instance, at least one major US-based corporation (Chiquita Brands) was directly involved (the weapons entered Colombia at the company's private port facility on the north coast), while a group of Israeli 'former' military and intelligence officers, intermediaries and businessmen in Central America were found to be responsible for obtaining the weapons and transporting them to Colombia (discussed in more detail in Part II).

More generally, such developments are just one aspect of a broader element and structural characteristic of the war on drugs: while there are huge numbers of victims and the costs on society generally have been enormous, the bipolar policy paradigm has proven to be very beneficial and extremely lucrative for some. A wide range of very powerful companies and other vested interest groups in the United States and elsewhere always just happen to be profiting in some way from the indiscriminate carnage, devastation and destruction that has been unleashed on the rest of society.

Just a short sample of such beneficiaries would include: the chemical companies producing the chemicals used in mass fumigation programs; major players, intermediaries and brokers in the onshore-offshore financial system; the apparently limitless funding that is made available to the military/ intelligence apparatus and the prison industry complex that has been built up around the never-ending war on drugs and the heavy punishments imposed on small-scale producers, consumers and dealers; the manufacturers of the advanced weapons, security equipment and operating platforms used in the hugely expensive and according to all indications largely ineffective anti-drugs operations (for example, it has been estimated that at least 70-80% of the \$10 billion allocated to 'Plan Colombia' went directly to US companies).

The corporations whose assets and profits have surged as a direct result of the criminalization of large swathes of society and the militarization of the State have to a large extent captured the political system and taken control over all public discussion and debate on the matter (along with most 'mainstream' corporate media outlets), perpetuating the policy gridlock and the status quo. It could be further argued that many of the irregular, criminal and corrupt practices involved in taking captive the political system and controlling the public discourse have in effect simply been legalized and incorporated into the political system. When this type of thing happens in the South (the 'Third World') it is called crime, corruption, propaganda and 'failed (or rogue) States'; in the United States or Europe it is simply referred to as political lobbying and donations, campaign contributions, public relations and innovative business practices.

### **Double Standards, Selective Enforcement and Preferential Treatment**



The attitude or assumption that the Western countries (the ‘First World’) are not susceptible to institutionalized corruption is apparent throughout the analysis of the global drug trade by official reports and studies, many of which tend to implicitly affirm that, apart from a few inevitable ‘bad apples’, senior State officials, politicians, military, intelligence and law enforcement agencies, the economy and major companies in Western countries are inherently above such practices and improprieties – endemic institutional corruption is a phenomenon that only occurs in ‘Third World’ countries (an assumption that many in the ‘Third World’ seem to share). More generally, this underlying assumption and stereotype is perpetuated and reinforced by widespread practices of selective investigation, prosecution and enforcement permeating all levels and aspects of the illegal drug trade.

This particular manifestation of the broader systemic (and cultural) bias, prejudice or tendency for selective prosecution and enforcement is evident in the fact that the most powerful interests at the core of the illegal drug trade and the war on drugs, where profits are highest and the risk of arrest and prosecution is generally lowest, also receive by far the most lenient sentences if they do happen to be investigated and convicted – the ‘iron fist’ for some, the ‘velvet glove’ for others. This is in part due to the difficulty of proving criminal activities by ‘white collar’ criminals, and their ability to mount an elaborate legal defence, but it is also due in many cases to the reluctance of law enforcement officials and prosecutors to initiate criminal proceedings against powerful individuals and companies: apart from the personal danger involved, it is usually much easier (and more conducive to a long and prosperous career) to go after the usual suspects – in effect, the small fry.

One example of the preferential treatment received by some suspects was reported by Dallas Morning News in 2000, which among other related developments in the implementation of ‘Plan Colombia’ and the war on drugs noted that: “tens of millions of taxpayers’ dollars are going into covert operations across southern Colombia employing, among others, U.S. Special Forces, former Green Berets, Gulf War veterans and even a few figures from covert CIA-backed operations in Central America during the 1980s.” At one point in this flurry of overlapping overt and covert military operations, the wife of a senior US military commander directing the drug wars in Colombia (Colonel James Hiett) was convicted for smuggling 15 pounds of heroin and cocaine into the United States (the drugs were concealed in a sealed diplomatic pouch). She was reported to have received a sentence of five years in prison, while the colonel received a sentence of six months for aiding and abetting the crime (including money laundering to disguise the source of the illicit proceeds). (Zero Hedge, 2025)

On other occasions, US military personnel and contractors accused of committing much more serious crimes while they were in Colombia have been immediately redeployed out of the country by their commanders, and on the few occasions when Colombian prosecutors attempted to investigate the crimes US authorities usually refused to cooperate (Vega, 2015). And Colombian authorities have no jurisdiction to search, detain or question US military personnel while they are in Colombia, even if they are caught committing a crime: according to bilateral treaties and status of forces agreements, all personnel (and even contractors) are granted full diplomatic immunities and privileges, as if they were embassy officials. In effect, all military bases where they are deployed, US military ships and planes entering and departing from Colombia, and even vehicles they are travelling in within Colombia, are foreign territorial enclaves under US sovereignty.

In terms of the armed conflict and the drug wars in Colombia more generally, several army generals who were found guilty of actively devising and directing the execution of thousands of impoverished youths in order to falsely present them as guerrillas killed in combat ('false positives') in order to gain bonus payments and service medals were in effect sentenced to serve a period of community service. While the most notorious paramilitary commanders who demobilized pursuant to a peace and transitional justice agreement with the Colombian government served several years in prison for the thousands of homicides and other atrocities that were committed by the groups under their command, before being hastily extradited to the US to serve much longer sentences for narco-trafficking charges (in complete violation of the terms of the peace agreement, which guaranteed that they would not be extradited).

Many suspect that they were sent from the country as soon as possible to prevent them from providing testimony about the broader power structures that supported them in the regions where they operated (including politicians, senior officials and clandestine cells within the public security forces, landlords and major agribusiness, mining and energy companies) – indeed, the testimony that they had been providing in the course of the various transitional justice and truth and reconciliation proceedings was one of the main factors resulting in the 'Para-Politics' scandal several years later (discussed below).

Meanwhile, in many countries in South America women's prisons are full of so-called mulas ('mules'), small-scale drug traffickers. In some countries, up to 70% of women in prison were convicted for micro-trafficking criminal charges: "Most come from socially marginalized, vulnerable communities and are often migrants or come from indigenous populations. Many prisons are severely overcrowded, and prisoners are victims of sexual abuse, extortion, or violent threats." (OAS, 2013)

But even among the most privileged social sectors and groups, the corporate sector is in a class of its own. On the rare occasion when a major US or European company is caught in some criminal activity related to the illegal drug trade, they are often portrayed as having been a naïve stooge (or even an unfortunate and innocent victim) of the dastardly drug cartels and criminal bands, rather than as a possible accomplice, collaborator or 'plausibly deniable' business partner. As a last resort, if guilt cannot be denied or displaced, either a plea bargain is reached and a nominal penalty imposed (usually on terms that preempt and preclude future investigations), while full responsibility for the relevant criminal conduct is attributed to some rogue mid-level operative or trader. Thus, powerful political figures and companies (particularly in the Western countries, but also more generally) who are involved in activities related to the illegal drug trade typically face the least risk of their crimes being discovered, make the highest profits (by far), and in the unlikely event that they are caught they usually receive the most lenient treatment and a nominal punishment.

One widely reported example of this aspect of the war on drugs is the investigation of Wells Fargo for its involvement in money laundering activities in Mexico (via its subsidiary Wachovia, which Wells Fargo acquired in 2008). In legal proceedings executives reportedly admitted to having facilitated the laundering of over \$300 billion for Mexican currency exchange houses (centros cambiarios) from 2004 to 2007 in an elaborate international scheme in which subsidiaries of Banco Santander SA and Citigroup Inc. were also involved. (The

local owners and managers of the currency exchange centres at the retail level were jailed, but no criminal charges were pursued against senior executives of the international banks – or of the accounting firms responsible for conducting the ‘independent audits’ of the banks’ financial statements, who somehow failed to notice the billions of dollars churning through their onshore/ offshore subsidiaries.)

Other instances include a case in which Mexican investigators found that Bank of America had laundered drug Cartel money which was used to purchase a light plane that was later intercepted while trying to smuggle drugs into the US, and several cases involving American Express Bank International (which paid fines in 1994 and 2007 for failing to detect large amounts of drug money that were being laundered through the company). (Bloomberg, 2010) Meanwhile, in 2012 HSBC paid a \$1.9 billion fine (equivalent to about five weeks’ profits for the company) pursuant to a ‘deferred prosecution agreement’ for facilitating the laundering of (at least) \$880 million of drug money in Mexico (much of which belonged to the Sinoloa Cartel), among other elements of the scheme transferring part of the laundered money through thousands of accounts that the bank helped its clients create in the Cayman Islands. (Ross, 2025; Blackhurst, 2022)

### **The ‘Onshore’ and ‘Offshore’ Financial Systems: Partners in Crime**

Hence, as with so many aspects of the wider milieu of which the illegal drug trade is just one piece in a much more complex multi-dimensional puzzle, a more detailed examination of the main actors and institutions involved in the laundering of the proceeds of the illegal drug trade reveals a host of links and connections with much more extensive networks of crime, corruption and other illicit activities, all of which are deeply embedded throughout both international and domestic political and economic systems.

In all instances however, the privileged status of the ‘white collar’ criminals at the top of the dung heap prevails. One other notable demonstration of this endemic systemic feature of selective enforcement and preferential treatment in global finance generally was the investigations into the ‘LIBOR Scandal’ initiated in 2012, pursuant to which authorities in the US and the UK eventually imposed fines amounting to more than \$9 billion on Barclays, Deutsche Bank, UBS, Rabobank and Royal Bank of Scotland for their roles in the price-fixing scheme (which had been in place since at least 2003). One later report describing the scheme noted that although senior directors and executives at the relevant financial institutions did not face conviction for the mega-billion financial crimes that they supervised and directed, authorities in the two countries “brought criminal charges against some individual traders and brokers for their role in manipulating rates.” (CFR, 2016)

With respect to the scale and significance of the offshore economy within global finance generally, in 2005 Raymond Baker estimated that approximately half of all international trade, commerce and investment transactions were routinely re-routed through such offshore jurisdictions and parallel corporate structures at some point, surmising of the parallel global structures that have been established:

**This (offshore) structure and the trillions of dollars it shelters and shifts is without question the biggest loophole in the free-market system. A brief review of its size is appropriate. On this subject, reality resides in grasping the enormity of the problem: (there are**

more) than 60 tax havens and secrecy jurisdictions spread across the world (hosting well over) a million dummy corporations shielding their owners' identities. (There is approximately) \$17 trillion lodged in private banks catering to tax evasion (and there are) assets of \$11 trillion or so parked offshore, outside the reach of regulation.

When knowledgeable experts on these matters get together, they often talk about how anti-money laundering regimes are designed, first, to offer financial institutions 'plausible deniability' when caught with laundered money and only secondarily to avoid actually receiving dirty money. An entire structure has been created that facilitates – that guarantees! – illicit financial flows. This structure consists of dummy corporations, tax havens, secrecy jurisdictions, shielded trusts, anonymous foundations, flee clauses, falsified pricing arrangements, fake transactions, disguised transfer techniques, and more.

There are many underlying similarities between the essential nature and structural characteristics and tendencies of the Offshore Financial System and the illegal drug trade as a whole. One of these was mentioned previously: an inherent set of double standards and the related practices of selective investigation and enforcement of illegal activities as well as other forms of preferential treatment for certain types or categories of suspects ('white collar criminals', senior State officials, etc.). Another basic similarity is the extraordinary resilience, flexibility and adaptability of many of the central components of the transnational supply chains and operating frameworks involved: the ability to shift from one offshore jurisdiction to another almost instantaneously, to constantly shift and reroute transactions among an enormous variety of cross-border financial systems and markets ('Trafficking Routes'), or to create alternative logistical centres and distribution networks whenever existing networks, tax evasion schemes or parallel corporate structures are discovered and dismantled.

Apart from the double standards that are applied to 'First World' and 'Third World' countries and criminal syndicates, and the corresponding systemic tendency for selective enforcement and preferential treatment, portrayals of the essential nature of - and the most powerful stakeholders and participants in - the Offshore Financial System in public discourse and the corporate media are also reminiscent of the widespread generation and dissemination of misleading stereotypes and representations that are to be found in many official descriptions and media depictions of the illegal drug trade and the most powerful transnational trafficking syndicates involved.

The offshore system is of course widely used by countless unscrupulous and corrupt politicians, businessmen, bankers, 'oligarchs' and 'foreign investors' in the 'Third World' – as well as being patronized by all manner of organized crime syndicates, drug cartels, 'terrorist groups' and others (whether from the First, Second or Third World) to hide or launder the proceeds of more conventional types of criminal activity. Hence, while the conventional stereotypes are not entirely inaccurate and misleading, they tend to grossly oversimplify and misrepresent the reality in some fundamental respects, while at the same time neglecting to mention certain other key facts and details.

Offshore tax havens couldn't do what they do without counterparts in onshore jurisdictions where offshore assets and capital can be reinjected into the 'real world' financial system: as another earlier study of the key power structures and stakeholders in the offshore industry comments, despite usually being the most visible and widely condemned and vilified participants in and beneficiaries of the offshore system, the drug cartels, corrupt

politicians, businessmen and banks in the ‘Third World’ did not create the system, and they most certainly do not manage or control it either. (Murphy, 2008)

Moreover, many studies have conclusively demonstrated that the offshore system is far less chaotic and dispersed than is commonly assumed, and that the main participants, intermediaries and beneficiaries of the offshore system are major corporations and ‘Advanced Business Service providers’ based in Western countries:

**The research demonstrates that – contrary to the still prevalent conjecture that offshore finance resembles an ‘atomized’ marketplace in which a multitude of approximately equal jurisdictions compete and where regulation is therefore unfeasible – the corporate use of OFCs is in fact concentrated in a small number of key jurisdictions, most of which are highly developed OECD countries. (Fichtner et al, 2017)**

Considered from a whole-of-system structural perspective, there is a clear global hierarchy and structural division of functions and powers among the most powerful public and private sector institutions and stakeholders underpinning, managing and directing the offshore system. These pivotal underlying features of structural power within (and operational management of) the offshore system are most apparent in the ‘supply side’ for the provision of financial services, which is much more centralized and concentrated than the demand side for offshore financial services (the latter consisting primarily of individual clients and customers), with key strategic functions and activities controlled by a relatively limited number of countries, international financial centres and private sector stakeholders. Significantly, this concentration of market power and strategic control over key functional roles and operational capabilities is apparent in both the public and private sector domains:

**To date, the strongest evidence for a general divergence between developing and developed economies relates to the role of the latter as suppliers of offshore services. The OECD economies are not only home to nearly all leading ABS (‘Advanced Business Services’) firms, but occupy dominant positions as Offshore Jurisdictions. (Haberly, 2015)**

Meanwhile, although a distinct separation of tasks and functions is apparent between public and private sector institutions and actors in both conceptual and structural or functional terms, overall the largest intermediaries and players in the private sector are the most influential stakeholders in and beneficiaries of the offshore system. An earlier systemic analysis of global finance and the offshore industry also pointed out these fundamental consequences and implications of the concentration of power at the core of the offshore system, pursuant to which the structural power and operational capabilities of the most commonly identified and maligned tax havens and secrecy jurisdictions is in reality extremely limited:

**Tax havens are geographically located and have fixed spheres of influence. OFC operators, many of them multinational companies or banks, and some like the Big 4 firms of accountants present in every major and most minor tax haven jurisdictions around the world, can move their operations to wherever they want at a moment’s notice. (Murphy, 2008)**

As time has passed, a highly specialized and compartmentalized offshore industry has emerged to organize and manage the complex transnational structures and transactions involved:

**Investing and securing large amounts of private wealth across borders is complex, requiring specialized skills in tax, financial planning, banking, entity structuring, and estate planning. This is not something that most wealthy people undertake on their own. As noted, therefore, a global services industry of law firms, accountants, insurance companies and especially private banks has grown up to cater to this cross-border market. (Henry, 2012)**

While the preceding passage refers specifically to the management of offshore accounts and assets owned by ‘high net worth individuals’, there are many basically similar underlying trends and patterns in the organization and management of parallel or offshore corporate accounts and entities. In this respect, the systemic analysis by James Henry of global finance and the offshore system further points out that within the inherent global hierarchy and structural division of functions and powers between (and within) the public and private sectors, there is an enormous concentration of structural power within the most strategic sectors and components of the offshore system more generally:

**While there are now over 500 private banks, hedge funds, law firms, accounting firms, and insurance companies that specialize in offshore, the industry is actually very concentrated. (Although the offshore industry) has thousands of players, the room at the top is surprisingly limited: global accounting is still dominated by the Big Four, while a small number of capital city and haven-based law firms dominate the lawyering, and global private banking is dominated by less than 50 multinational banks.**

### **The Global Accounting Industry Cartel**

And, as the preceding passage infers, at the centre of it all - advising, consulting, organizing, arranging and ‘independently auditing’ many of the companies, markets, securities exchanges, tax evasion schemes and double entry transactions at the core of the offshore financial system and the global economy - is probably the most remarkable and powerful ‘cartel’ of all: the four giant accounting and auditing firms which between them have a stranglehold over the global accounting industry.

In effect, the four global accounting firms hold the keys and guard the vaults buried within the core infrastructure, command and control centres and operating rooms of the Offshore Financial System (including both the real and fictitious identities and account numbers of many of the main participants involved): part global accounting and auditing industry cartel, part protection racket, part intelligence/ espionage ring, it would appear: “It is curious to note that in this secrecy space data void there is just one small group of organizations who probably have a unique insight into what is really happening. They are the Big 4 firms of accountants who dominate the world’s auditing, tax and accounting markets.” (Tax Research UK, 2010)

The extraordinary centralization of systemic power that has been achieved by the four accounting firms is matched only by the equally astounding emergence of BlackRock and Vanguard over the last twenty years or so, which between them have managed to obtain a strategic interest if not a controlling stake in almost all major publicly listed corporations in the Western countries. (Edgar, 2024)

Meanwhile, there are many cases that have been reported in legal proceedings and formal investigations where the major banks (including UBS, Morgan Stanley, HSBC, Deutsche Bank, JP Morgan, Merrill Lynch, Barclays, Citigroup, Royal Bank of Scotland) and accounting firms were found to have been aiding and abetting illicit financial activities (such as advising their clients on how to arrange and then cover up tax evasion schemes, corruption payments and other fraudulent practices). (Harari *et al*, 2012: Tax Research UK, 2010) Moreover, a considerable number of major companies and banks have collapsed shortly after an independent audit conducted

by one of the four global accounting firms declared their financial statements and accounts to be in order (the most well-known of which was Enron, but there are a large number of other basically similar cases).

The primordial role of the global financial system in enabling and facilitating the institutional(-ized) crime and corruption that flourishes around the illegal drug trade warrants more detailed examination, however, given the complexity of the topic, this will be the subject of a supplementary report.

### **Selective Enforcement, Preferential Treatment and Geopolitics (States)**

The bias and selectivity that has often occurred in terms of the investigation of suspects and the enforcement of the law when powerful individuals and groups are involved is also apparent in the orientation and application of US foreign policies and priorities at the regional and international levels. While there have been numerous tectonic shifts in global and regional geopolitics since the 1980s, the bombastic neo-imperialist tenor of US foreign policy has not changed (notwithstanding the application of a thin veneer of diplomacy and mutual respect during the tenure of politicians such as Barack Obama – who nonetheless also espoused the ‘exceptionalism’ of the US, a modern variant of US politicians’ belief in their ‘manifest destiny’ to rule the world). The central zero sum foundation and ruthlessly calculated application of this policy (either you do what we demand, or we will crush you) is a major factor behind the widespread practice of selective investigation and enforcement and the preferential treatment given to some suspects noted earlier: if the senior government or military officials who have been implicated in drug trafficking are from countries that are considered to be a reliable US geopolitical ally (and/ or vassal State and enclave economy), US officials and law enforcement agencies tend to delay (and even actively obstruct) investigations and prosecution until the relevant parties are no longer in positions of power.

Examining current developments from the broader historical/ geopolitical context, it can be hard to avoid becoming entangled in confusing, inconsistent, contradictory and ultimately irrelevant and meaningless criteria and definitions of left and right-wing ideologies, governments (or ‘regimes’) and political factions. In order to provide a basic set of empirically relevant analytical concepts and parameters in the context of the highly polarized and volatile political situation in Venezuela since the late 1990s, it is useful to refer to the political climate in Venezuela during the fiercely contested presidential election in 2012 between Hugo Chavez (who is widely considered to be one of the ‘founding fathers’ of the ‘Second War of Independence’ among traditional leftists in Latin America – also comparable to the most renowned national liberationist leaders in Africa during the anti-colonial independence struggle) and his decidedly ‘pro-US’ and heavily ‘US-backed’ opponent (Henrique Capriles Radonski).

James Petras’ analysis describing the respective political platforms and main support bases of the two bitterly opposed political and social movements provides a concise and still empirically very relevant overview of the interplay of domestic politics and their place in the broader geopolitical environment:

On October 7th, Venezuelan voters will decide whether to support incumbent President Hugo Chávez or opposition candidate Henrique Capriles Radonski. The voters will choose between two polar opposite programs and social systems: Chávez calls for the expansion of public ownership of the means of production and consumption, an increase in social spending for welfare programs, greater popular participation in local decision-making, an independent foreign policy based on greater Latin American integration, increases in progressive taxation, the defense of free public health and educational programs and the defense of public ownership of oil production.

In contrast Capriles Radonski represents the (traditional political) parties and (economic) elite who support the privatization of public enterprises, oppose the existing public health and educational and social welfare programs and favour neoliberal policies designed to subsidize and expand the role and control of foreign and local private capital. While Capriles Radonski claims to be in favour of what he dubs “the Brazilian model” of free markets and social welfare, his political and social backers, in the past and present, are strong advocates of free trade agreements with the US, restrictions on social spending and regressive taxation.

Unlike the US, the Venezuelan voters have a choice and not an echo: two candidates representing distinct social classes, with divergent socio-political visions and international alignments. Chávez stands with Latin America, opposes US imperial intervention everywhere, is a staunch defender of self-determination and supporter of Latin American integration. Capriles Radonski is in favour of free trade agreements with the US, opposes regional integration, supports US intervention in the Middle East and is a diehard supporter of Israel. In the run-up to the elections, as was predictable the entire US mass media has been saturated with anti-Chávez and pro-Capriles propaganda, predicting a victory or at least a close outcome for Washington’s protégé. The media and pundit predictions and propaganda are based entirely on selective citation of dubious polls and campaign commentaries; and worst of all there is a total lack of any serious discussion of the historical legacy and structural features that form the essential framework for this historic election.

The overriding objective of US foreign policy in the Colombian context has been described as being to achieve a condition of strategic subordination and structural dependence – politically, economically and in technological terms, resulting in a permanent condition of military occupation by invitation and effective strategic control over all Colombian territory, key economic sectors and natural resources. The pervasiveness and durability of US strategic ‘full-spectrum’ dominance throughout Latin America is the culmination of over a century of refinement and adjustment of a wide range of interconnected layers and sub-systems of direction and control. For example, one author states of the situation in Nicaragua in the 1920s, as the core components of this integrated system of remote control was being established:

During the second occupation, Washington showed greater skill and imagination in manipulating Nicaraguan affairs. It arranged a truce between the Liberals and the Conservatives that, among other things, provided for a US-supervised election in 1928. (By this time the) United States was prepared to live with a Liberal president because, in the words of one scholar, the North Americans ‘controlled his regime from a number of points: The American Embassy; the Marines; the Guardia Nacional, with its United States Army Officers; the High Commissioner of Customs; the Director of the Railway; and the National Bank.’ Under the circumstances, it no longer mattered whether the chief executive was a Liberal or a Conservative. (Walker, 2003)

An analysis by McSherry (2002) describes how the range of counterinsurgency warfare programs and activities organized by the United States increased exponentially during the Cold War, with separate programs being conducted in almost all countries throughout the region, the nature and scale varying according to the strategic importance of the country and the domestic security conditions and political situation in each instance:

The CIA had been developing new methods of “psychological torture” since 1950 and refining tactics of unconventional warfare initiated in the Second World War. US counterinsurgency training and doctrine incorporated these methods and fostered the use



of terrorism, sabotage, and subversion as tools of paramilitary warfare, tactics that were enthusiastically adopted by many Latin American security forces. The 1960s saw the rapid development and implementation of a counterinsurgency paradigm in the region under both French and US influences. The CIA and the Special Forces became the key advocates, trainers, and advisers of unconventional warfare in Latin America.

The Cold War counterinsurgency regime unified the continent's military, police and intelligence forces under US leadership in a mission of 'internal defence and development' undergirded by fierce anticommunism. While a number of Latin American militaries had previously been political actors, going so far as to take power and preside over military regimes, the new continental security system modernized military capabilities and legitimized a central political role for the armed forces - and justified the harsh repression and the use of extra-legal methods against so-called 'internal enemies'.

In the 1960s, '70s and early '80s US-backed armed forces carried out coups throughout Latin America, moving to obliterate leftist forces and extirpate their ideas. While the forms of repression used in each country differed, the counterinsurgents shared key goals: namely, to eliminate actual and potential 'internal enemies', and to reorganize their states and societies to consolidate military power. The "internal enemies" doctrine targeted legal social movements, leftist political parties, elected leaders, activists, and dissidents, as well as insurgents, all of which were perceived to threaten existing configurations of political and economic power. It is important to see that the right-wing reaction, including Condor, was not solely a response to guerrilla movements. The record shows that the counterinsurgents greatly feared the possibility of elected leaders who would pursue a nationalist or leftist agenda through constitutional channels.

Identifying on which side of the ideological and geopolitical abyss a given government or political faction is located still usually provides the most reliable indicator as to how US foreign policy and bilateral relations with the country will be framed (see for example: Meir et al, 2023; Blum, 1995). Hence, to one side, the Venezuelan government and military generally, and President Nicolas Maduro in particular, are being demonized and threatened by the US on the basis of extremely flimsy evidence and dubious charges. Meanwhile, to the other side of the geopolitical and ideological divide, the well-documented involvement in international drug trafficking by numerous other countries since the 1980s that were however reliable Cold War/ Washington Consensus allies (and client States) has invariably been ignored and downplayed as much as possible.

One notable example from more recent times was briefly mentioned earlier: Honduras, where 'US-backed' Juan Orlando Hernandez completed two presidential terms before being extradited to the US and convicted for multiple drug trafficking-related charges shortly after his second term ended in 2022 (notwithstanding that authorities had detailed evidence concerning his activities since at least 2018). (Insight Crime, 2022) The decision by Trump to grant Hernandez a presidential pardon just weeks before the rendition operation to capture Venezuelan President Nicolas Maduro would have been absolutely breathtaking for its sheer gall, hypocrisy and contempt for due legal process, the separation of powers and other fundamental provisions and principles of the constitution and international law – had the protagonist involved been anyone else. Maybe they are thinking of producing Hernandez as a 'star witness' in the proceedings against Maduro ('most of the hundreds of tons of cocaine that we shipped through Honduras arrived on military vessels from Venezuela which had been personally approved and inspected by Nicolas Maduro and his wife...')? There is one other instance from recent times which will be briefly mentioned here (the matter is examined in Part II) – the apparent involvement of installations and shipping containers owned or leased by Noboa Trading (the corporate group owned by the family of current Ecuadorian president, Daniel Noboa) to smuggle cocaine into Europe on an industrial scale.

## **External Contours and Characteristics of Transnational Criminal Structures and Syndicates**

Beyond the apparent continuity in terms of the core production zones, logistical infrastructure, territories and trafficking routes involved in the supply chains and distribution networks for illegal drugs, as well as in terms of the lineage of many of the main drug cartels and illegal armed groups in Mexico and Colombia, there also appears to be a considerable degree of continuity in terms of some of the main international criminal syndicates that established the underlying transnational superstructure of the illegal drug trade and those that are currently managing or orchestrating the main international trafficking routes from behind the scenes. These powerful criminal syndicates controlling the most strategic and lucrative stages of the international trade in illegal drugs have developed and refined an enormous variety of organizational structures, logistical centres and operational networks for the management of specific tasks and functions:

**Organized criminal networks now run complex supply chains that span countries and continents, composed of smaller specialized units that operate with considerable autonomy. Within these criminal networks, four layers of operations stand out in Latin America: financing and management, international trafficking, national-level production and transport, and urban control and distribution. (ICG, 2025)**

The World Drug Report provides some additional comments on these geographically dispersed and sectorally or structurally defined features and characteristics of some of the main participants and intermediaries involved in the illegal drug trade:

**Organized criminal groups that engage in drug trafficking differ greatly in terms of their structure, make-up and goals, with groups generally appearing to be oriented towards governance or towards trade. Those oriented towards trade are generally more agile and prioritize market transactions and profit maximization, whereas those oriented towards governance are found to be more hierarchical and seek to control territories, or the people and markets within them. (The latter also tend to) have broader portfolios and engage in a wider range of criminal and rent-seeking activities.**

Examples provided in the report for organized criminal groups oriented towards governance include the FARC in Colombia (and more recently, the dissident FARC regional commanders and fronts that refused to participate in the peace process), the Sinaloa Cartel, a number of criminal groups in Serbia, as well as various illegal armed groups in the Sahel region of northern Africa. Examples given of organized criminal groups oriented towards trade include family based clans in Bolivia and Peru; and small meth trafficking groups in Asia.

However, the study published by the International Crisis Group identifies another crucial factor embedded within the deeper power structures and logistical networks behind the illegal drug trade: the high degree of control exercised over the most strategic and lucrative international trafficking routes by a very small number of criminal syndicates. There are not many groups that possess the immense quantity and variety of resources, capabilities and contacts that are required to establish and maintain international trafficking operations:

**Only a few criminal organizations can boast of the contacts, as well as the sophistication with maritime, air and land transport, that this stage requires. The bulk of transnational logistics falls to name brand criminal organizations such as Mexico's Sinaloa Cartel, the Jalisco New Generation Cartel and Brazil's Primeiro Comando da Capital, as well as a limited but increasing number of European criminal groups. (ICG, 2025)**

This high degree of centralization of market power at the core of the international drug trade leads directly to another key feature of the global cocaine supply chain in particular: the overwhelming majority of the profits also appear to be highly concentrated within a few key points by a few key players. Notwithstanding the notorious unreliability and variability of most estimates, there is no doubt that the overwhelming majority of the profits made in the successive stages of the supply chain for the cocaine market are made by those managing the main international trafficking routes and the distribution networks in the high-value consumer countries – for example, after extensive investigation and consultations with experts in different countries, the authors of one study reported that cocaine sold for around \$550 per kilo in Colombia rising to \$2000 at Guayaquil, with the market value jumping precipitously to \$40,000 upon its arrival to Western Europe. Meanwhile, another detailed investigation determined that local cultivators and producers in Colombia receive less than 1% of the retail value for cocaine (OAS, 2013).

These broader systemic characteristics lead in turn to another fundamental structural feature that has been a constant of the illegal drug trade and the war on drugs since the 1970s:

**If profits in this business tend to flow upward, violence festers at the base. Conventional wisdom about illicit markets would suggest that fighting is a sign of instability and disruption. But violence appears to be a stable feature – and in fact a product of – the way drug trafficking operates in Latin America. The highest echelons of the drug business feature a few players who take care to conceal their connections to the trade. At the local level, where small gangs and outfits vie for control, competition to win the trust of larger criminal allies and enter into the supply chain is usually fierce. Gangs are often paid in drugs and arms, which they then use to extract more revenue from terrified communities, including through small-scale drug retail, extortion and kidnapping. (ICG, 2025)**

As argued previously then, the apparent continuity in several core aspects or components of the global drug trade despite (notwithstanding ) the immense complexity and diversity of the international drug markets and trafficking networks, as well as in terms of the main types of organized criminal groups involved (particularly in Mexico and Colombia), suggests that it is quite possible – if not most likely – that the most important power structures and components of the main regional supply chains and distribution networks have been controlled by a very limited and exclusive number of criminal syndicates – some of which probably have not yet been publicly identified.

In this respect, apart from the routine caricatures or stereotypes and demonization of ‘the usual suspects’ in the mass media and elsewhere that sounds so plausible and easy to believe (albeit representing a gross oversimplification of the complexity of the underlying structures and dynamics involved), one other notable example of selective investigation and enforcement as well as of the preferential treatment received by powerful corporate interests from North America and Europe is worth noting at this point: there is considerable evidence suggesting that for many years very large amounts of cocaine have been smuggled directly from Colombia to Europe and the United States on container ships (in particular, bulk shipments of bananas owned by Chiquita Brands and Banacol, and more recently from Ecuador concealed in banana shipments owned by Noboa Trading as noted above), an aspect of the international drug trade which has however received far less attention from authorities and experts which will be considered in Part II.

## **Parallel Power Structures and Institutionally Embedded Criminal Networks**

A study of the status of human rights and security conditions in Latin America conducted by the Inter-American Commission on Human Rights ('Report on Citizen Security and Human Rights') also emphasizes the role of corruption and impunity as a critical debilitating factor and structural dynamic in all of the countries that have been most heavily affected by the illegal drug trade. Moreover:

**The IACHR underscores the fact that in most countries in the region not enough resources are allocated to endow the justice system with the human resources and infrastructure it needs to be able to investigate, try, and punish. Corruption and impunity form part of the structural weaknesses of States in Latin America and the Caribbean and organizers of the drug trade exploit that state of affairs and expand its scope and consequences. (OAS, 2013)**

The report notes a further consequence of this, the fact that: "In various countries of the region, corruption and impunity have enabled criminal organizations to develop and establish parallel power structures." (OAS, 2013) And perhaps, in some instances, there are even more powerful ringmasters or kingpins operating above and beyond the governments and law enforcement agencies in the main producer and transit States; as the report by the ICG cited above notes, the real owners and operators of the most powerful syndicates organizing and coordinating the main international trafficking routes take great care to 'conceal their connections to the trade'.

If related developments in Colombia are indicative of a wider phenomenon or trend, it is quite likely that the creation of parallel power structures and clandestine support networks has been a two-way process, with each side seeking to infiltrate, influence, subjugate and control the other to some extent. For while the most powerful drug cartels and illegal armed groups (particularly the paramilitaries) certainly established some very extensive parallel power structures and support networks of informants and collaborators within State institutions, the economy and in society generally, it was also the case that certain very powerful vested interest groups and other clandestine or informal networks within the Establishment (including business associations, agribusiness companies, landlords, military/ intelligence officers and political factions) played an important role in the creation and consolidation of some of the most powerful illegal armed groups and cartels (again, particularly the paramilitary groups at the height of the counterinsurgency war), penetrating their membership and facilitating and accelerating their vertiginous growth and expansion, with many commanders and units of the public security forces actively and regularly collaborating with the commanders of the paramilitary groups in the common fight against the guerrillas.

As just one illustrative reflection or manifestation of such conditions of mutual infiltration and interdependence, in the early 1980s it was discovered that over a third of the membership of the MAS ('Muerte a Secuestradores', Death to Kidnappers) – the dreaded micro-army of commandos, storm troopers, terrorists and assassins formed by the drug cartels to hunt down and exterminate members of the guerrilla groups and anyone suspected of associating with them – were also active members of the public security forces, while around 2010 almost half of the members of the national Congress were subject to criminal investigations for having had relations of some type with paramilitary groups or for receiving support from other well-known sources of drug money.

In this respect, a team of investigators established to report on the structural causes and social impacts of the armed conflict in Colombia (GMH, 2013) argues that a process of reverse capture developed between the paramilitary groups and the State, a complex relationship that created a condition of mutual dependency and support, but also of mutual deceit and manipulation in many instances:

**What are the factors that can explain this generalized connivance between politicians and criminals that put in question the legitimacy of Colombian democracy and produced such widespread degeneration that entities as fundamental to the national order as the Department of Administrative Security (the national intelligence agency) were captured and in effect put at the service of paramilitarism?**

On one side, the narco-paramilitarism took advantage of the precarious condition of State institutions and flaws in the electoral system in Colombia. However, apart from the consequences of the consequent reconfiguration of the State, academic investigations have suggested that there was also a simultaneous process of inverse capture taking place. This concept describes a phenomenon whereby it was not only the paramilitaries who availed themselves of the benefits that political power could provide, but those same political power-brokers sought out and took advantage of the machinations of paramilitary violence to serve their own interests.

Proof of this would be the origins of paramilitarism in the province of Sucre, for example. Numerous investigations have concluded that there is sufficient evidence to establish that it was the political class which assumed responsibility for the task of arming and directing the paramilitaries. In some cases, the criminal structures escaped from the control of the political factions which had helped create them, and were even responsible for denouncing them in some instances (for example, in the transitional justice proceedings); in other cases, the criminal groups were used and then effectively neutralized and disposed of by the political class.

Many detailed investigations have conclusively demonstrated that the most notorious drug cartels and paramilitary groups were by no means an isolated and hermetically sealed phenomenon: moreover, they were not responsible for the dynamics set in motion by the illegal drug trade and the war on drugs, they were simply the most effective at taking advantage of the immense wealth and power that controlling the drug trade guaranteed. They also proved to be the Establishment's most effective weapon to take the fight to the guerrilla groups at a time when the conventional armed forces were at a loss to stop their rapid advance in key regions throughout the country.

Indeed, it became increasingly apparent as time passed that it was not just a case of the paramilitary groups corrupting, coercing and threatening State officials, politicians, landowners and businessmen: in many instances the paramilitary groups received crucial support from the public security forces (military, intelligence and police) and on many occasions they actively coordinated their forces for the planning and execution of major counterinsurgency operations.

More generally, the paramilitary groups provided protection for corporate installations and properties against attacks by the guerrilla groups, while many of the major landowners, agribusiness and mining companies, local political factions and other vested interest groups provided the funding and logistical support necessary to procure weapons, equipment, base camps and forward operating bases. And in many if not most cases, all of this was usually overseen, coordinated and assisted by certain detachments of the public security forces (military, intelligence and police), the commanders and officials of many of which in turn received training and equipment and were regularly supervised by US military and intelligence officers and training teams.

Consequently, in many key regions a structural condition of mutual support and even of mutual dependence developed, initially stemming from the common fight against the guerrilla groups to prevent them from attacking rural properties and capturing power in certain regions and localities, but also morphing into a broader project against all political opponents (particularly leftist political currents and popular social movements) to keep power for themselves. These fanatically anti-Communist factions and vested interest groups coalesced into an amorphous and nebulous collective referred to in the final report of the Truth and Reconciliation Commission as the ‘Enemies of Peace’, groups of individuals determined to preserve their privileges and power at any cost, unleashing two decades of integrated counterinsurgency warfare operations and indiscriminate State terror against the rest of Colombian society.

In basic terms this was in effect merely an extension and continuation of the age-old tactic of cultivating and recruiting ‘third parties’, intermediaries and proxies to create a thin veneer of ‘plausible deniability’ for the most powerful and respectable social sectors and interest groups orchestrating the counterinsurgency war and campaign of State terror, providing one or more degrees of separation from the illegal armed groups responsible for the overwhelming majority of the atrocities and crimes against humanity that were committed in many regions throughout the country during this crucial period in Colombia’s recent history.

Thus, the most powerful paramilitary groups certainly threatened, terrorized and coerced anyone they could, systematically infiltrating and building up a huge number of collaborators, accomplices, informants and business partners within all levels of the security apparatus and the State, in many economic sectors and commercial enterprises, and in society generally. Nonetheless, on many other occasions they found very willing allies and accomplices, and no threats or coercion were necessary; indeed, powerful sectors and vested interest groups within the Establishment actively fomented and encouraged the formation of the paramilitary groups and actively assisted their territorial expansion and ongoing ‘counterinsurgency operations’ throughout the country (against civilian populations as often as not – as in the case of the indiscriminate carnage taking place in Central America, over 80% of the victims of the armed conflict during this period were civilians).

With respect to claims that specific individuals or organizations were forced to collaborate with the paramilitaries against their will, the further up the ‘food chain’ one goes (whether in the military, other key State institutions, the major political parties, or the corporate sector) the less convincing the claims become that they were forced by threats and coercion to finance or collaborate in and protect the paramilitary groups’ illegal activities. There was clearly a relationship of mutual benefit and support involved.

As argued previously, the conditions of generalized violence and institutional decay, dysfunction or malfunction can also serve to camouflage the intellectual authors of and motives behind particular crimes and atrocities. One example of this phenomenon is the systematic persecution and assassination of trade unionists in Colombia:

**Attributing the assassination of thousands of trade unionists to the consequences of the armed conflict is a tactic used to deflect attention from the culpability of the intellectual authors of these atrocities at the same time as they denounce trade unionists as insurgents, greatly exacerbating the risks they face. The attempts to link the violence against trade unionists to the armed conflict in this way deny the fact that we are confronted with a type of violence in which the conflict functions as a cover that facilitates the**

execution and impunity of these crimes. For this reason, however the reparations for the victims of the violence against trade unionists is arranged, it is essential that the role of those at the highest echelons of power who are ultimately responsible for the assassinations be exposed and condemned as a fundamental element of the realisation of truth, justice and memory for the victims. (Sinaltrainal, 2015)

There is one other crucial dimension of the armed conflict in Colombia during this period that is indicative of the symbiotic relationship that developed between the most powerful paramilitary groups, anti-Communist cliques or factions in the main political parties and the corporate sector, and key figures in the military command and other units in the security apparatus, and of the chilling and merciless response that they would immediately invoke to crush any challenge to or defiance of their collective power, privileges and impunity. One illustration of this was when a commando team belonging to the M-19 guerrilla group occupied the Palace of Justice in the centre of Bogota in 1985 and took hostage everyone who was in the building at the time, including most of the members of the Constitutional Court. The government refused to negotiate and cut off all communication with those inside the building (under heavy pressure from the military command), and as soon as the logistical arrangements had been arranged the military launched a massive bombardment of the building, incinerating most of the people trapped inside the building.

Over the following years, prosecutors and magistrates who were trying to investigate the wave of atrocities that were being committed against civilians in rural communities throughout the country were targeted for intense harassment and death threats (many of which were executed), culminating in 1989 in the ambush and slaughter of a high-level judicial investigation team which had been sent to Bucaramanga to investigate a massacre in the region in which local political powerbrokers and military personnel had been implicated.

Among many other details, the final report of the Truth Commission in 2022 states of the dramatic increase that occurred in the number of homicides committed against judges, other judicial officials and investigators during the second half of the 1980s:

According to data compiled by the Comisión Andina de Juristas, while there were on average two homicides committed against judicial staff annually during the period 1979-1982, this increased to 10.5 between 1985 and 1988. Meanwhile, the Asociación Nacional de Funcionarios y Empleados de la Rama Judicial (Asonal) calculated that there were a total of 110 assassinations in the period prior to 1985 and 240 between 1985 and 1987.

However, the incident that most emphatically demonstrated the convergence and complicity between narco-traffickers and a sector of the Armed Forces in this dirty war was the massacre committed in La Rochela on the 18<sup>th</sup> of January 1989. On that day, twelve members of the most important judicial investigative commission in the country, who were investigating the disappearance of twelve local merchants in which senior Army officials were implicated, were murdered by a group of paramilitaries known as the Masetos. This event signaled once and for all that impunity now reigned in the country. Henceforth, to the cover ups and complicity that emanated from the military criminal tribunals was added the violent silencing of judges and prosecutors.

These exemplary acts of terror and pre-emptive punishment or reprisal effectively put an end to all attempts by the judicial branch to investigate the massacres that continued on a massive scale for almost twenty years, until a series of events led to a reopening of some of the cases in the period around 2008-2010 (one of the results of which would later be referred to as the ‘Para-Politics’ scandal, when it was revealed that almost half of the members of the national Congress were suspected of having had close ties to the paramilitary groups which had

committed many of the massacres and other atrocities). How these developments fitted into the broader context and the devastating consequences of the two massive ‘external shocks’ during the 1980s and 1990s (the armed conflict and the drug wars) that were increasingly threatening the foundations of the State and living conditions in society generally are explored further in the final instalment of this series of reports.

More generally, as had occurred in the other countries in the region that were most heavily affected by civil wars and armed rebellion from the 1970s to the 1990s (particularly Guatemala, El Salvador, Honduras and Peru), the anti-Communist crusade, civil wars, armed rebellions and integrated counterinsurgency warfare operations occurring simultaneously in Central America and Colombia all clashed and converged with the immensely lucrative and almost equally destructive illegal drug trade, creating an unprecedented maelstrom of generalized violence and suffering throughout the region. In this broader geopolitical and social environment, control over key sectors of the international drug trade became a critically important strategic asset for all of the most powerful belligerent parties involved.

In each of these countries, investigations into the roles of the most powerful Establishment sectors and figures and their responsibility for or complicity in the atrocities and crimes against humanity committed in the course of the various armed conflicts and counterinsurgency operations have generally faced similar obstacles and resistance. In many cases, these gaps in the investigation and understanding of the origins, causes and dynamics of the armed conflicts in each country (including the identification of some of the most powerful groups that were complicit in the crimes committed, and how their participation was usually intermediated and concealed by the formation of or clandestine support provided for illegal armed groups and irregular ‘anti-Communist’ paramilitary formations and terrorist cells) have persisted notwithstanding the numerous truth, justice and reconciliation commissions and investigations that have been established at certain moments. And in each instance, the factor about which least is known is the role that powerful external actors played in the armed conflicts and how they invariably benefited from the horrific violence and carnage in a variety of ways.

The participation of foreign actors in the Contra campaign, civil wars and highly integrated and centralized counterinsurgency operations in Central America during the 1980s is one of the most important dimensions or aspects of this cataclysmic period about which very little is known with a reasonable degree of certainty. The immense ‘Intelligence Gaps’ and information voids (or misinformation overloads) include even the most basic facts and details such as: the main foreign countries (and non-State actors or organizations) involved in different places at different times; the nature and extent of their involvement either in counterinsurgency-related activities, or in the Contra campaign; and, how specific foreign actors influenced or manipulated ongoing developments and benefited from them in some way.

In this respect, very few of the reports associated with the numerous truth and reconciliation-type commissions that have been established in Colombia to investigate the structural causes, dynamics and impacts of the armed conflict(s) have examined in detail the nature and extent of US participation in hostilities, the immense diversity of associated ‘security’ related programs and activities such participation entailed, and the planning and



execution of counterinsurgency operations in particular. The author of one of those very few studies that has examined US participation in the armed conflict in detail surmises:

**In spite of the widely documented denunciations of collusion between the Army and the Police and paramilitary groups throughout the 1990s the level of US military assistance continued to increase significantly, culminating in Plan Colombia whose weapons were utilized in numerous massacres of civilians. In this respect, it is time: “to lift the smokescreen of official lies and identify the relationship between the military and the paramilitaries for what it is: a sophisticated mechanism sustained in part by years of military advisors, training, weapons and official silence on the part of the United States which has enabled the Colombian Armed Forces to wage a dirty war and the Colombian bureaucracy to deny its existence.” (Vega, 2015)**

The report was produced in a unique format pursuant to which the government and the FARC-EP each nominated six researchers and investigators who were well-known for their expertise on matters related to the armed conflict, each of whom contributed an essay to a Historic Commission that was created to analyse the history of the armed conflict. In the analysis, Renan Vega puts together a compelling case that the United States qualifies as a belligerent party to the conflict since at least the 1950s given the duration and magnitude of US involvement throughout the modern era; moreover, that US intervention and activities have been extremely detrimental for most social sectors, at times appearing to deliberately exacerbate and prolong hostilities (for example, by openly opposing or covertly undermining and sabotaging efforts to conduct peace negotiations with armed insurgent groups on several occasions).

### **Dialogue, Disarmament and Reintegration: Cartels, Criminal Bands and Other Illegal Armed Groups**

Returning to how these disparate developments are relevant to the current phase of the war on drugs and ongoing developments, it is submitted that it is imperative to prioritize consideration of the types of steps and measures that could be taken with the specific objective of reducing the violence and ‘collateral damage’ stemming from and associated with the illegal drug trade and the war on drugs as much as possible as fast as possible – this includes, but is not limited to, the question of how to deal with the remaining cartels and other heavily-armed criminal groups that have grown up around and are sustained by the burgeoning global market for illegal drugs.

It is submitted that there is a strong argument in favour of prioritizing all efforts to initiate a (differentiated and case specific) dialogue process with the main drug cartels, ‘criminal bands’ and other illegal armed groups as soon as possible, recognizing that even the most notorious cartels and illegal armed groups did not cause the current situation by themselves and, moreover, that their continued existence and destructive power are an almost inevitable consequence of the dynamics that were set in play by the war on drugs since its inception (further compounded and complicated by the concurrent sequence of wars and conflicts in Colombia, Mexico, Guatemala and El Salvador in crucial periods).

It seems almost facetious (but necessary nonetheless) to mention, but the awesome firepower and sinister omnipresence and brutality of the largest drug cartels and illegal armed groups that have sprung up at different times from Mexico to Colombia did not even exist prior to the war on drugs, other than in embryonic form in

some cases. Similarly, the World Drug Report for 2025 points out that the illegal drug trade has been a primordial factor in the dramatic expansion of the most powerful and dangerous organized crime syndicates in Europe, yet another illustration of the vicious cycle of crime, corruption and violence that was triggered by the policy of prohibition in the modern era and the decision to launch an all-out war on drugs: “In the European Union, drug trafficking was the dominant activity for just over half of criminal networks analysed in 2023, while roughly one third engaged solely in that activity and the remainder did so partially.”

Moreover, the methods of extreme terror, traumatization and cruelty that the drug cartels and other illegal armed groups have utilized to protect and expand their market niches and territorial control have been ‘standard practice’ for the cocaine industry (which were in turn arguably heavily influenced by the counterinsurgency wars that many of them were forged in – most of the methods and techniques of extreme terror and atrocities against civilian populations could have been copied from training manuals at the School of the Americas). Meanwhile, the binary logic of criminalization, extremely onerous punishments and the militarization of the anti-drug campaign require extreme counter-measures just to survive – one ‘betrayal’ by someone who reveals something about the group’s leadership or organizational and operating structures to their rivals or to the authorities can literally be the difference between life and death for everyone else in the organization.

It is definitely not a case of all the good guys are on one side, and all the guys on that side are good (the pro criminalization and war on drugs camp), while all the bad guys are on the other side (and all the guys on that side are bad – the producers, consumers and traders of drugs that have been prohibited). Particularly in the communities and regions that have been most heavily affected, it can be very difficult to avoid becoming drawn into the associated dynamics of the binary logic in some way, and producing or selling drugs is virtually the only available option to try to make some money and escape (or at least alleviate somewhat) the prevailing conditions of crushing poverty and marginalization. At the same time, many of the members of the cartels and illegal armed groups were forcibly recruited, and refusing to join would have brought an immediate and terrible reprisal against those targeted for recruitment and possibly against their entire family.

In this broader political and social context, as an integral element of his efforts to end the interminable armed conflict(s) and cycles of generalized violence that have afflicted the country for most of its existence, Colombian President Gustavo Petro expressed the government’s willingness to open negotiations with all of the illegal armed groups in the country that were willing to commit to a ceasefire agreement and other confidence-building measures, in order to reduce the level of violence and conflict more generally as well as to explore the viability of alternative steps that could be taken for the respective groups to disarm, demobilize and for their members to be reintegrated into society.

It is further submitted that this would be a preferable basis for a new (or parallel/ concurrent and complementary) approach to confronting the drug cartels and other illegal armed groups and criminal delinquent gangs in the region – that is, seeking to initiate negotiations with all groups that are willing to seek alternatives to the status quo, and promote the adoption of a series of incremental steps and confidence-building measures to work towards winding down the deeply entrenched cycles of violence, corruption, crime and conflict and

beginning the process of rehabilitation. Of course, if the leadership and members of the criminal groups are not willing to even explore the possibility of finding a negotiated solution to end the vicious cycle of crime and violence and establish a transitional procedure for their disarmament and reintegration into society, that leaves force as the only option.

There have been three major peace agreements signed in Colombia related to the interminable armed conflict(s) that have afflicted the country for most of the last two hundred years: one in the late 1980s with several of the main guerrilla groups (which among other things resulted in the proclamation of a new Constitution in 1991); the second was signed in 2003 to arrange for the disarmament, demobilization and reintegration of the main paramilitary blocks and to establish a *sui generis* transitional justice mechanism (combining ‘truth and reconciliation’ and ‘war crimes tribunal’ functions and purposes); the third was signed in with the FARC in 2016.

There is another precedent that is very relevant in this context: the conceptual and strategic approach developed during the presidency of Rafael Correa in Ecuador, when among other integrated social and economic policies and programs the criminal gangs in the country were offered the opportunity to participate in projects that would eliminate their dependency on criminal activities as the only source of ‘employment’ and provide opportunities to gain legal forms of employment and reintegrate into society. (ICG, 2022) The subsequent report by the ICG describes several other relevant cases of dialogue with illegal armed groups and heavily armed criminal bands which have been initiated in the first instance to reduce levels of violence in chronically affected areas, and in the second instance to explore possibilities for reintegrating members of such groups into society: in some cases such negotiations have occurred between the government and the groups involved, in others they have been initiated by the communities themselves (often with the assistance of mediation by civil society organizations).

I would add one more point in this respect: that the communities and municipalities in the regions that have been most affected by violence and conflict must be given the opportunity to participate actively in the dialogue process and decision-making in each instance: they are the usually the ones who are best informed about the situation on the ground and the overall state of security conditions in many respects. The national government and central command of the public security forces know many things that the communities don’t; but the communities also know many things that the faraway ‘supreme leaders’ don’t; more importantly, they are also the ones who will have to live with the outcomes of the negotiations in each instance.

Of course, some communities would prefer not to participate given the precarious security situation in many regions, and community leaders are routinely among the first to be targeted for execution (often by all sides – paramilitaries/ criminal bands, guerrillas, and/ or cliques within the ‘public’ security forces). Devising a transitional security scheme – one that the residents of the relevant region and localities have helped elaborate and have approved – would always be a critical first step: it would also be an important litmus test to evaluate the sincerity of the various illegal armed groups and factions to return to civilian life.

In more than a few cases, many residents tend to consider the State security forces, local landlords and political powerbrokers as more of an imminent threat and danger than some of the illegal armed groups in the region. On many, many occasions it has been discovered that local officers and cliques or detachments within the security forces (as well as other local economic and political powerbrokers and State officials) have been actively collaborating with the groups terrorizing local communities – in each instance, the quality of the national leadership is only ever as good as the information they are receiving from their officers and men in the field (and their advisers/ consultants/ supervisors from the US, Israel or the United Kingdom, presumably), whereas some regional commanders and local officers have a vested interest in ensuring that any information that might reflect badly on them is not passed up the chain of command. (See, for example: GMH, 2013: Historic Commission, 2015: Truth Commission, 2022) In this sense, when local communities are entirely excluded from the channels of communication (as well as verification and analysis of the information), negotiations, oversight and the ongoing review of progress made in implementation and compliance (the information is far too ‘important’ and ‘confidential’ for the ignorant peasants to be informed about...), the opportunities to detect and correct erroneous or deliberately false information and allegations is greatly reduced.

There is perhaps one other potential factor related to the extremely unpredictable and volatile nature of the dynamics involved supporting the argument that seeking to initiate a dialogue should be the first step rather than being relegated to irrelevance as an unrealistic policy alternative and pragmatic strategy. In the first place, relying exclusively on brute force will by definition definitely produce more deaths – possibly many more (five decades’ worth up to now) – and prevents even the possibility, however slight it may be, that the levels of violence and criminality can be reduced by other means. Also, there is the risk that an all-out effort to annihilate the cartels by overwhelming military force could provoke an asymmetrical response from the cartels, which unlike State actors are much more fluid and flexible in their structures and activities and can disperse their forces from one place to another at a moment’s notice (apart from the immense difficulty in detecting and neutralizing small but heavily armed assault teams). This means, in the first place, that they are a much more difficult to target (and there is a great risk of ‘collateral damage’), and secondly, that they are uniquely placed to launch reprisal attacks – either against high-profile public figures associated with the latest twist in the war on drugs saga, or against civilian targets in reprisal attacks or a campaign of generalized terror.

This is basically a macro version of the plight of a local drug trafficker when the police arrive: faced with the certainty of a very lengthy mandatory prison sentence if he is captured, there is a pressing incentive to try to shoot your way out rather than surrender. Developments in Colombia in the 1980s are a case in point – when Pablo Escobar and others formed ‘The Extraditables’ to protest against the adoption of a policy allowing their extradition to the US, a protest which morphed into a savage war of attrition against the State and society generally, one which inflicted a huge toll before the most prominent members of the group were finally killed or captured (in the end, Colombian and US military, intelligence and law enforcement agencies formed a tacit alliance with Escobar’s most powerful enemies from the murky depths of the criminal world – including the Cali Cartel and the most powerful leaders of the emerging paramilitary groups – to track him down, resulting in his dramatic public execution in 1993 as he tried to flee from his pursuers).

In short, the criminal groups have not existed in a vacuum: the most powerful of them are part of a long trajectory of criminal groups and secret alliances that have become thoroughly integrated into much broader power structures and support networks, within the State, within the economy and within society generally, and this must be recognized if a viable solution to the chronic violence, corruption and other criminal activities that have flourished around the illegal drug trade and the war on drugs is to be found.

There is however another particularly distinctive manifestation of the universal selectivity and duplicity that has characterized the armed conflict and the drug wars in Colombia throughout its turbulent history, in this instance involving a multitude of covert joint operations, secret alliances and tacit agreements that were formed between State security forces, drug cartels and paramilitary groups during the 1980s and 1990s about which some details have subsequently become available. Although a few sketchy details and many rumours have emerged concerning such activities in a variety of contexts and situations, undoubtedly the most widely reported instance of active cooperation between drug cartels, paramilitary groups and the security apparatus (involving variously police, other law enforcement agencies, intelligence and military personnel – both Colombian and from the US) was the search and destroy mission launched against Pablo Escobar:

**The anti-narcotics fight was utilized in an opportunistic manner for the purpose of maintaining political order, given that the United States tolerated and even collaborated with some drug-trafficking networks when it suited their geopolitical interests, thereby guaranteeing the continued existence of a lucrative international narcotics economy.**

Some details concerning covert collusion with major drug trafficking networks were revealed by another development related to the drug war in Colombia. Between 1989 and 1993 the United States directed a covert operation in Colombia called *Heavy Shadow*, a joint mission coordinated by the US Embassy which included personnel from the CIA, DEA, FBI, the National Security Agency and Special Forces which had the objective of finding and killing Pablo Escobar. These *foreign* agencies and military personnel operated jointly with the Colombian Army and Police, which were known to be collaborating extensively with a paramilitary group linked to the Cali drug cartel ('los Pepes' – Perseguidos por Pablo Escobar).

(In this respect, one US soldier deployed to Colombia in the early 1990s later testified that:) "We knew perfectly well, as did the commanders in the host country, that narcotics were a ridiculous pretext for strengthening the capacity of troops that had lost the confidence of a large part of the population following so many years of abuses. But I had already become accustomed to the lies. They were the currency and the essence of our foreign policy. There is another turbulent history concerning the government of the United States, which has sometimes fought with - not against - drug traffickers. In fact, the CIA seems to have an irresistible tendency to associate with drug barons."

Although willing to conduct secret negotiations with drug cartels and paramilitary commanders when it suited their purposes, US officials and operatives vehemently opposed and actively obstructed any suggestion of negotiations aimed at the possible disarmament and reintegration of the major drug cartels or other illegal armed groups on numerous occasions. One of these was after the Colombian Minister of Justice (Rodrigo Lara Bonilla) was murdered in June 1984. Suspicion immediately fell on Pablo Escobar, however the Medellin Cartel denied responsibility and later that year sought to open negotiations with the government over possible terms and guarantees if they were to turn themselves in to the authorities. Hence, in the midst of the spiralling cycle of violence, terror, confusion and chaos, the leadership of the Medellin Cartel attempted to strike a deal that might have created an opportunity to prevent the situation from further deteriorating to even more catastrophic levels.

However, the possibility, remote as it was, was promptly scuttled by a variety of powerful vested interest groups who vehemently opposed the idea:

**The members of the Medellin Cartel offered to dismantle the business, repatriate their capital, withdraw from politics and cooperate with the government in the eradication of drug consumption. In exchange they asked not to be extradited, not to be prosecuted and to be able to keep their possessions. There has been speculation that they also offered to pay the country's external debt, however no source has confirmed whether such an offer was made. But the prospect of negotiations was aborted because the newspaper El Tiempo published details about the preliminary discussions and the ensuing political scandal prevented any progress from being made.**

Consequently, the peace offering was abandoned and the Medellin Cartel remained an extremely powerful, unpredictable and dangerous autonomous destructive force until the early 1990s. The authors of the final report of the Truth Commission surmised of these developments:

**This was the first of many occasions in which the Colombian government tried to reach an accord with narco-traffickers to stop the violence. However, the primacy of the war on drugs declared by the United States made any such negotiated agreement with the narco-traffickers impossible, while at the same time the violence escalated to such an extent that any type of open negotiations became impossible. Nonetheless, many tacit and explicit pacts and agreements were made under the table, with the complicity or approval of some agencies and officials from the United States. Double standards, ambiguity and opacity have characterized the State's relations with the narco-traffickers throughout the last forty years.**

The report proceeds to recount some of the details which have subsequently become known concerning one such secret agreement and 'joint venture' project between Colombian and US law enforcement officials and intelligence operatives, paramilitary commanders and drug barons:

**At least fifty narco-traffickers supplied information against Escobar in exchange for judicial benefits. There are numerous testimonies, documents and investigative reports which demonstrate that the relations between 'los Pepes', the Search Block and the DAS were not limited to the reception of intelligence information. In testimony collected by the Justice and Peace tribunal in Antioquia, ex-paramilitaries reconstructed events that transpired during two meetings in the province (at Copacabana and Sopetrán, respectively) which were attended by the Castaño brothers accompanied by other paramilitary commanders, the Rodríguez Orejuela brothers (of the Cali Cartel), members of the CIA and the DEA and senior officials of the Colombian security apparatus, including the commanders of the Search Block and general Maza Márquez. The objective of the meetings was to plan the death of Pablo Escobar.**

**According to an interview that Carlos Castaño gave to the periodical Semana (in 1994), the Pepes acted on two fronts. First, they collected intelligence which they shared with the authorities; and second, they constituted the armed group that pursued, tortured killed associates and relatives of Pablo Escobar. More than an autonomous organized armed group, the Pepes constituted a network of alliances who acted for a common purpose with some prominent members among the leadership: The Cali Cartel, Fidel Castaño, the Autodefensas de Magdalena Medio and other old acquaintances of Escobar.**

Another aspect and manifestation of the belligerent and at times extremely destructive and counterproductive role played by the US in the Colombian armed conflict is the enormous multiplier effect that covert support, advanced training and weapons provided by the US to the paramilitary groups since the 1980s (as well as by some other powerful external actors, including several groups of counterinsurgency experts and arms traders from Israel and a number of major Western companies in the agribusiness, mining and energy and 'security'

sectors, examined in Parts II and III). The final report of the Truth Commission provides many other details concerning these developments, including the following testimony of some of the participants involved:

**One former member of the Search Block stated that he facilitated conversations between Carlos Castaño and Ramon Isaza with a DEA official in Colombia: “I accompanied Javier Peña (a DEA agent assigned to liaise with the Search Block) to the town of Las Mercedes to meet with Ramon Isaza. They talked in private, I don’t know what agreements they might have made.”**

According to another former paramilitary who was close to Carlos Castaño, this resulted in the strengthening of the new paramilitary group that Isaza commanded: “Ramon Isaza declared war against Escobar and was supported by the Castaño brothers, the Pepes and the Cali Cartel. Consequently, they helped Isaza with training and arms, and they sent him people to fight against Escobar and expel him from his stronghold in Magdalena Medio. This was an extremely important factor in the development of the Autodefensas de Magdalena Medio, whose forces were subsequently used to fight against the FARC-EP.”

### **Intelligence Gaps, Clandestine Smuggling Networks and Covert Intel Ops: The Contras**

As noted previously, a critical weakness that has plagued the war on drugs from the outset has been referred to by the authors of the European Drug Report as ‘Intelligence Gaps’: the systemic failure of anti-drug agencies and law enforcement officials to detect major international trafficking routes, smuggling methods and criminal syndicates, sometimes for many years. There is however considerable evidence to indicate that on more than a few occasions, such massive intelligence failures could perhaps be more accurately described as or attributed to rogue or ultra-covert Intelligence Plots and Proxies, or Intelligence Drug-Running, Fund Raising, Misinformation and Cover-Up Operations, in which compartmentalized military and intelligence cells were actively involved in drug running to finance their covert wars and insurgency or counterinsurgency operations, as the case may be.

The sordid, largely unknown and universally unacknowledged (by US and Colombian officials) dimension of the armed conflict and the illegal drug trade in Colombia, which includes a long history of complex relations between drug cartels, the paramilitary groups, law enforcement agencies, intelligence operatives and covert military teams or task forces, would presumably classify as one such ‘Intelligence Gap’, a dimension which constitutes an enormous information void in the official narratives and discourses. Colombia is however far from the only country in the region where such allegations have been made. In this sense, the convergence of the illegal drug trade and war on drugs on one side, and the multitude of civil wars, armed rebellions, covert counterinsurgency operations and generalized condition of indiscriminate violence and terror that reigned throughout Central America during the 1980s, continue to confound all efforts to reach a definitive conclusion as to what really took place and who was involved, though some studies have provided a lot of background information and clues as to specific developments at certain moments.

During Ronald Reagan’s first presidential term, the newly installed administration immediately set about restoring the clandestine cells and covert operations programs that the Carter administration had recently abolished in order to wage an all-out anti-Communist crusade in Central America. The ‘Reagan Doctrine’ maximized the use of proxies, intermediaries and opportunistic alliances as protection mechanisms (to conceal

the scale and nature of US involvement in creating and supplying the Contras) and force multipliers, with a highly centralized and secretive command and control centre operating at the centre of a tangled web of compartmentalized sub-systems, supply lines and logistical networks dispersed throughout the region.

Although the basic premise, objectives and *modus operandi* of the strategy were of some antiquity, Reagan extended their generalized application and the associated range and scale of covert activities, compartmentalized programs and the outsourcing of foreign policy to unprecedented levels:

The Reagan strategy had its roots in the classic intelligence practice of using proprietaries and 'cut-outs' to effect policy while preserving deniability. Always useful against unwanted public scrutiny, these techniques were perfectly suited to the 1980s' political environment of presidential activism on behalf of the 'Reagan Doctrine', the commitment to roll back pro-Soviet regimes in the Third World. Congressional doubts and public hostility made overt pursuit of that doctrine difficult or impossible.

Reagan's secret weapon is 'contracting out' such normal government functions as funding and executive policy to the 'private' sector while keeping policy making itself in the hands of the State. This strategy involves much more than confining policy making to a tight circle within the National Security Council. Reagan's innovation was much more significant: while bypassing standard channels of government, his administration found foreign governments and rich individuals to contribute the money; CIA and military special operations veterans to contribute the manpower; and private firms to contribute the logistics for its operations.

In effect, White House operatives set up a parallel Treasury, Army, Air Force and State Department to negotiate with terrorists, fight covert wars and subvert the law wherever they deemed appropriate. This parallel private network functioned outside normal lines of oversight and accountability, and once set in motion, could operate effectively with minimal presidential guidance. The White House decision-making centre for covert operations and contracting-out strategy lay within a tiny team of select State, Defence, CIA and NSC officials known as the '208 Committee' or 'Policy Development Group'. Its mission was to implement the Reagan doctrine of fighting Soviet influence throughout the world, wherever possible by supporting indigenous forces. Nicaragua saw the first application of the strategy. 'There were always two tracks', one CIA official explained, 'the publicly stated CIA objective of interdicting weapons to Salvadoran guerrillas, and the overthrow of the Sandinista government.'

As the covert operation expanded in scope and ambition (it has been estimated that at its peak there were up to 20,000 combatants in the multi-national paramilitary/ mercenary force), the reluctance of the US Congress to support the program didn't slow them down, but the requirements of the rapidly escalating situation did:

The need for continued deception and greater action prompted a November 16, 1981 Presidential order to begin a full-scale campaign against Nicaragua. The November order specifically ordered the CIA to wage its covert war 'primarily through non-Americans' and 'with foreign governments as appropriate'. In implementing that early version of the 'contracting out' strategy, the CIA piggybacked on operations already underway by two other governments: Argentina and Israel.

The memoirs of a former member of the United Kingdom's Special Air Service (SAS) Regiment concerning the regiment's role in the UK's equally duplicitous and deceptive foreign policy demonstrates many basic similarities in the planning and execution of specific programs and operations:

Even when 22 SAS was a uniformed regiment, operating openly in foreign theatres of war, there was always a hidden agenda. Virtually every secret contained a darker secret at its core, concealed even from other SAS men. The activities of the Regiment itself became a cover for clandestine operations and undeclared wars. The secret agendas continued in every SAS operation. Whether training bodyguards for friendly heads of state, countering insurgency in the Gulf, Africa or the Far East, or fighting in the Falklands and the Gulf War, what you saw was never exactly what you got. Many governments and heads of state around the



**world owe their survival to the covert activities of the SAS, which instigated or repulsed coups d'états and shored up or toppled regimes as British interests dictated. (Conner, 1998)**

From this unauthorized and unacknowledged perspective on the modern history of US foreign policy, military interventionism, the selective targeting of criminal syndicates, counterinsurgency warfare operations and other major developments related to drug trafficking and the war on drugs in Latin America, persistent allegations to the effect that the Contra operation organized by the Reagan administration against the government in Nicaragua included a major sub-program involving arms-for-drugs shipments have received a substantial amount of collaboration from a wide variety of sources. One of the first sources to elaborate upon these suspicions was a book published in 1987 (Marshall et al, 1987), which reviewed the available information implicating senior military/ intelligence and political figures from several Latin American countries, Europe and the United States (many of whom were also members of the World Anti-Communist League, the P2 Masonic Lodge and/ or the GLADIO network of covert 'stay behind armies' and terrorist cells) in drug running activities (mainly cocaine) in order to finance the burgeoning Contra campaign and other illegal activities. Several years later, another analysis commented on the apparently significant role of some Israeli networks that were heavily involved both in the Contra campaign and the counterinsurgency war in Colombia:

**It is well-known in the United States, indeed both the Administration and the media proclaim it from the housetops, that Colombia and Panama supply, directly and indirectly, a hefty part of the illegal drugs which have become the scourge of American society. What is still largely unknown to the US public - because most negative affairs concerning Israel tend to be covered up by the American media - is the extent of Israeli influence in those two Latin American states.**

**An example is the involvement of Israelis, who may have some Israeli government backing, in an important aspect of this hellish business, namely the laundering of US drug money back to the drug bosses of Colombia and Panama, despite all the well-publicized efforts of US authorities to intercept it. Oddly, citizens of Israel are better informed about this because of two advantages they enjoy over citizens of the US: The Hebrew press, in spite of some recent decline in standards, remains far more open and free to describe disgraceful affairs in which Israel, Israelis and American Jews are involved. (Shahak, 1989)**

These preliminary findings and conclusions have been largely corroborated, and many more details revealed, by subsequent investigations and testimony (examined in Part III). As far as I have been able to determine, the many allegations of a substantial arms for drugs sub-program related to the Contra operation, and if so whether such smuggling networks and trafficking routes were definitively abandoned or dismantled after the Contra operation was concluded, are topics that no official investigation or report have ever even acknowledged, much less subjected to rigorous investigation and analysis.

Again however, this was not necessarily something new: the 'top secret' drug-running program appears to have been very similar in conceptual and operational terms to the compartmentalized arms-for-drugs operations that were conducted in Asia during the Vietnam war (in the so-called 'Golden Triangle'), a highly compartmentalized parallel military/ intelligence operation for the production and global distribution of opium and heroin that was later transferred to Pakistan and Afghanistan (the 'Golden Crescent') as an adjunct to the covert war against the Soviet Union (in order to finance Reagan's other favourite 'freedom fighters', the Mujahedeen). (McCoy, 1972)

Thus, the types of ploys and ruses that are routinely utilized by the most powerful international drug trafficking syndicates could very well be a carbon copy of those used by the US, Israel and other States in Latin America as an integral element of the highly integrated Counterinsurgency Warfare operations that were conducted at the height of the Cold War such as: collaborating with major criminal syndicates; cultivating, infiltrating and recruiting informants, accomplices and collaborators in all social sectors and organizations; the widespread use of both targeted assassinations and indiscriminate violence and terror in high priority regions, social sectors, institutions and communities to ensure obedience and weaken ‘the enemy’; and sub-contracting compartmentalized aspects of the operation to ‘plausibly deniable’ third parties and proxies.

Taking a broader historical perspective, others have noted basic similarities with much earlier geopolitical/commercial programs and activities since the Opium Wars of the mid-1800s (which, coincidentally or not, gave rise to HSBC, one of the global finance giants which has been implicated in at least one massive drug money laundering scheme in much more recent times, as noted above). (EIR, 2010) Or the apparently organic links that were forged between powerful mafia families and Western intelligence agencies during World War II, founding relationships which also appear to have endured in some respects to the present day. (See for example Webb, 2023; Unz, 2025)

Does anyone really think that even a fraction of the truth as to these events has been told? Notwithstanding the lengthy Congressional investigations following the ‘Iran-Contra’ scandal, even these hearings did not dare venture into the many credible allegations of arms-for-drugs schemes by those at or near the centre of the Contra operation, or of widespread drug trafficking more generally by individuals and organizations taking advantage of the vast secret trafficking networks and logistical centres that had been established throughout the region to supply the Contras.

In the specific context of the global war on drugs and major US military interventions, events in Afghanistan are particularly remarkable. Is it not somewhat strange that after supplying almost all of the international market for heroin for many years (the early days of Afghanistan’s role as the main global production zone for heroin coinciding almost exactly with the massive US covert ‘Mujahedeen’ operation against the Soviet Union, apparently involving a relocation of the covert drugs-for-arms program after the Vietnam War ended), opium poppy cultivation fell to almost zero after the Taliban took power for the first time (in the late 1990s) before skyrocketing to previous levels shortly after the US invasion a couple of years later? No less remarkable, poppy cultivation fell equally as dramatically (by up to 95% according to estimates in the 2025 World Drug Report) immediately after the US was finally forced to withdraw its military forces some twenty years later. Again, only one thing is clear – we have not been told anything even slightly resembling the real story of what took place and how these events were related, and no genuine attempt has been made to launch a thorough investigation to find out. It seems that, for one reason or another, nobody in power wants to know.

The overall trends and specific developments reviewed in Part I are of course just a small selection of events and incidents that took place in the broader context of the armed insurgencies, civil wars and generalized violence that ravaged Central America and Colombia during the 1980s and 1990s and how they have been

connected to or affected by the illegal drug trade: none of the above is offered as conclusive proof of anything given the complexity of each of the individual topics and factors involved and the differences in terms of how they have manifested at any given moment and location, they are simply covered as they constitute relevant sources of information and details that require much more investigation and analysis in each instance.

Although the number and complexity of issues involved precludes detailed analysis of every topic that has been mentioned, some key aspects related to the preceding points and how they are relevant to ongoing developments will be considered in more detail in Parts II and III of this report, proceeding in the first instance from how the deeper contextual and empirical structures and characteristics of the global cocaine market have influenced more recent developments related to the production and trafficking of cocaine within Latin America and the main trafficking networks which have been identified as being involved in the transportation of cocaine to the main consumer markets in North America and Europe over the last few years.

Part III will take a step back from more recent events and ongoing developments to explore how these may be directly connected to or represent indirect consequences of the many ways in which the war on drugs converged and overlapped with the numerous armed conflicts and counterinsurgency warfare operations throughout Central America and Colombia during the preceding period, particularly the integrated US geopolitical and economic system of strategic subordination and structural dependency in which Israel came to assume a major secondary role as the exigencies of the semi-covert Contra armed insurgency against Nicaragua and the simultaneous counterinsurgency programs in neighbouring El Salvador and Guatemala increasingly exceeded the capacities of the Reagan administration.

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