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Venezuelan Officials Suspected of Turning Country into Global Cocaine Hub

U.S. probe targets No. 2 official Diosdado Cabello, several others, on suspicion of drug trafficking and money laundering



Diosdado Cabello, president of Venezuela's National Assembly, is a leading target of U.S. investigations into alleged drug trafficking and money laundering by senior officials in the South American nation, a Justice Department official said. Mr. Cabello has denied wrongdoing. *PHOTO: MARCO BELLO/REUTERS*

By **JOSÉ DE CÓRDOBA** and **JUAN FORERO**

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U.S. prosecutors are investigating several high-ranking Venezuelan officials, including the president of the country's congress, on suspicion that they have turned the country into a global hub for cocaine trafficking and money laundering, according to more than a dozen people familiar with the probes.

An elite unit of the Drug Enforcement Administration in Washington and federal

prosecutors in New York and Miami are building cases using evidence provided by former cocaine traffickers, informants who were once close to top Venezuelan officials and defectors from the Venezuelan military, these people say.

A leading target, according to a Justice Department official and other American authorities, is National Assembly President Diosdado Cabello, considered the country's second most-powerful man.

"There is extensive evidence to justify that he is one of the heads, if not the head, of the cartel," said the Justice Department official, speaking of a group of military officers and top officials suspected of being involved in the drug trade. "He certainly is a main target."

Representatives of Mr. Cabello and other officials didn't return phone calls and emails requesting comment. In the past, Venezuelan authorities have rejected allegations of high-ranking involvement in the drug trade as an attempt by the U.S. to destabilize the leftist government in Caracas.

In an appearance on state television Wednesday, Mr. Cabello said he solicited a court-ordered travel ban on 22 executives and journalists from three Venezuelan news outlets that he has sued for publishing stories about the drug allegations earlier this year. "They accuse me of being a drug trafficker without a single piece of evidence and now I'm the bad guy," Mr. Cabello said. "I feel offended, and none of them even said they're sorry."

The Obama administration isn't directing or coordinating the investigations, which are being run by federal prosecutors who have wide leeway to target criminal suspects. But if the probes result in publicly disclosed indictments of Mr. Cabello and others, the resulting furor in Venezuela would likely plunge relations between the two countries into their most serious crisis since the late populist Hugo Chávez took office 16 years ago.

"It would be seismic," said a U.S. official, of the expected Venezuelan reaction. "They will blame a vast right-wing conspiracy."

U.S. authorities say they are far along in their investigations. But they say any indictments that may result might be sealed, making them secret until authorities can make arrests—something that would be difficult if not impossible unless the suspects travel abroad.

The investigations are a response to an explosion in drug trafficking in the oil-rich



country, U.S. officials say. Under pressure in Colombia, where authorities aggressively battled the drug trade with \$10 billion in U.S. aid since 2000, many Colombian traffickers moved operations to neighboring Venezuela, where U.S. law-enforcement officials say they found a government and military eager to permit and ultimately control cocaine smuggling through the country.

“Most of the high-end traffickers moved to Venezuela in that time,” said Joaquín Pérez, a Miami attorney who represents key Colombian traffickers who have acknowledged operating out of Venezuela.

Venezuela doesn’t produce coca, the leaf used to make cocaine, nor does it manufacture the drug. But the U.S. estimates that about 131 tons of cocaine, about half of the total cocaine produced in Colombia, moved through Venezuela in 2013, the last year for which data were available.

Prosecutors aren’t targeting President Nicolás Maduro, who has been in power since Mr. Chávez’s death two years ago. U.S. law-enforcement officials say they view several other Venezuelan officials and military officers as the de facto leaders of drug-trafficking organizations that use Venezuela as a launchpad for cocaine shipments to the U.S. as well as Europe.

‘A Criminal Organization’

“It is a criminal organization,” said the Justice Department official, referring to certain members of the upper echelons of the Venezuelan government and military.

Mildred Camero, who had been Mr. Chávez’s drug czar until being forced out abruptly in 2005, said Venezuela has “a government of narco-traffickers and money launderers.” She recently collaborated on a book, “Chavismo, Narcotrafficking and Militarism,” in which she alleged that drug-related corruption had penetrated the state, naming more than a dozen officials, including nine generals, who allegedly worked with smugglers.



Tarek El Aissami, second from left, a former Interior Minister and currently governor of Venezuela's Aragua state, received payoffs to facilitate drug shipments, a former Venezuelan official told U.S. investigators. Mr. El Aissami said the accusations are 'worthless.' PHOTO: MIGUEL GUTIERREZ/EFE/ZUMA PRESS

Law-enforcement officials in the U.S. said that they have accelerated their investigations in the past two years, a period that has seen Venezuela's economy worsen dramatically. Rampant crime has spiked, making Venezuela the continent's most violent country and spurring people to emigrate.

The deepening crisis has made it easier for U.S. authorities to recruit informants, say those working to enlist people close to top Venezuelan officials. Colombian and Venezuelan drug traffickers have also arrived in the U.S., eager to provide information on Venezuelan officials in exchange for sentencing leniency and residency, U.S. officials say.

"Since the turmoil in Venezuela, we've had greater success in building these cases," said a federal prosecutor from New York's Eastern District who works on Venezuelan cases.

In January, U.S. investigators made a major catch when naval captain Leamsy Salazar defected and was brought to Washington. Mr. Salazar, who has said he headed Mr. Cabello's security detail, told U.S. authorities that he witnessed Mr. Cabello supervise the launch of a large shipment of cocaine from Venezuela's Paraguaná peninsula, people familiar with the case say.

Mr. Cabello has publicly railed against his former bodyguard, saying he didn't head his security detail and calling him "an infiltrator" who has no proof of his involvement in drug trafficking. "Our conscience is totally clear," he said in a radio interview.

Rafael Isea is another defector who has been talking to investigators, people familiar

with the matter say. A former Venezuelan finance minister and governor of Aragua state, Mr. Isea fled Venezuela in 2013. People familiar with the case say Mr. Isea has told investigators that Walid Makled, a drug kingpin now in prison, paid off former Interior Minister Tarek El Aissami to get drug shipments through Venezuela.

Almost a year after leaving the country, Mr. Isea was accused of committing “financial irregularities” during his days as governor by Venezuela’s attorney general, and by Mr. El Aissami, who succeeded him as governor of Aragua.

“Today, Rafael Isea, that bandit and traitor, is a refugee in Washington where he has entered a program for protected witnesses in exchange for worthless information against Venezuela,” Mr. El Aissami said recently on Venezuelan television.

Mr. Isea has rejected the accusations as false, politically motivated and meant to discredit him.



Walid Makled, a convicted drug dealer shown here as Colombian authorities handed him over to Venezuela, had boasted of having 40 Venezuelan generals on his payroll. *PHOTO: DIEGO SANTACRUZ/EL TIEMPO/ZUMA PRESS*

In addition to Mr. El Aissami, other powerful officials under investigation include Hugo Carvajal, a former director of military intelligence; Nestor Reverol, the head of the National Guard; Jose David Cabello, Mr. Cabello’s brother, who is the industry minister and heads the country’s tax collection agency; and Gen. Luis Motta Dominguez, a National Guard general in charge of central Venezuela, say a half-dozen officials and people familiar with the investigations.

Calls and emails seeking comment from several government ministries as well as the president’s office went unanswered. Some officials have taken to social media to

ridicule the U.S. investigations. A Twitter account in the name of Gen. Motta Dominguez earlier this year said: “We all know that whoever wants his green card and live in the US to visit Disney can just pick his leader and accuse him of being a narco. DEA tours will attend to them.”

Recruiting Defectors

To build cases, U.S. law-enforcement officials work with Venezuelan exiles and others to locate and recruit disaffected Venezuelans.

“We get people out of Venezuela, and we meet with them in Panama, Curaçao, Bogotá,” said a former intelligence operative who works with U.S. officials to recruit and debrief Venezuelans who have evidence of links between Venezuelan officials and the drug trade.

Former Venezuelan military officers and others living outside the country provide help by contacting their former comrades and urging them to defect, the recruiter said. If the defector can provide useful information, the recruiter said, he is flown to the U.S. and a new life.

“What does the U.S. want?” said the recruiter, who has been working Venezuelan cases since 2008. “The U.S. wants proof, evidence of relations between politicians, military officers and functionaries with drug traffickers and terrorist groups.”

Recently, at Washington’s posh Capital Grille restaurant, a few blocks from Congress, a Venezuelan operative working with a U.S. law enforcement agency took a call from a middleman for a high-level official in Caracas seeking to trade information for favorable treatment from the U.S.

“Tell him I’ll meet him in Panama next week,” said the operative, interrupting a lunch of oysters and steak.

The biggest target is 52-year-old Mr. Cabello, a former army lieutenant who forged a close link in the military academy with Mr. Chávez when the two played on the same baseball team. When Mr. Chávez launched an unsuccessful 1992 coup, Mr. Cabello led a four-tank column that attacked the presidential palace in downtown Caracas.

Mr. Cabello has been minister of public works and housing, which also gave him control of the airports and ports, as well as minister of the interior and vice president. He was also president for a few hours in April 2002 when Mr. Chávez was briefly ousted in a failed coup.

Many analysts and politicians in Venezuela say they believe Mr. Cabello's power rivals that of Mr. Maduro and is rooted in his influence among Venezuela's generals.

Julio Rodriguez, a retired colonel who knows Mr. Cabello from their days at Venezuela's military academy, says that of 96 lieutenant colonels commanding battalions in Venezuela today, Mr. Cabello has close ties to 46.



Former head of Venezuelan military intelligence Hugo Carvajal, indicted in New York and Miami on federal drug charges, was detained in Aruba at the American government's request last year but later released on the grounds that he had diplomatic immunity. Venezuela's president defended Mr. Carvajal as a dedicated crime fighter. *PHOTO: NOEL WERLEMAN/EFE/ZUMA PRESS*

The stocky and bull-necked Mr. Cabello, who often sports the standard Chavista uniform of red shirt and tri-color windbreaker in the red, yellow and blue of the Venezuelan flag, is host of a television program, "Hitting With the Sledge Hammer," on state television, in which he uses telephone intercepts of opponents to attack and embarrass them. Mr. Rodriguez said he believes Mr. Cabello will never make any kind of a deal with the U.S. "Diosdado is a kamikaze," he said. "He will never surrender."

U.S. investigators have painstakingly built cases against Venezuelan officials by using information gathered from criminal cases brought in the U.S. In Miami, people familiar with the matter say a key building block in the investigations involved a drug-smuggling ring run by Roberto Mendez Hurtado. A Colombian, Mr. Mendez Hurtado moved cocaine into Apure state in western Venezuela and, according to those familiar with his case, had met with high-ranking Venezuelan officials. The cocaine was then taken by boat or flown directly to islands in the Caribbean before reaching American shores.

Mr. Mendez Hurtado pleaded guilty in Miami federal court and received a 19-year prison term in 2014. People close to that investigation say that Mr. Mendez Hurtado and

his fellow traffickers wouldn't have been able to operate without paying off a string of top military officers and government officials.

"The involvement of top officials in the National Guard and in the government of Venezuela in drug trafficking is very clear," said a former Venezuelan National Guard officer who served in intelligence and in anti-narcotics and left the country last year frightened by the overwhelming corruption he saw daily.

"Everyone feels pressured," he said. "Sooner or later everyone surrenders to drug trafficking."

In another case, in Brooklyn, prosecutors have learned about the intricacies of the drug trade in Venezuela after breaking up a cocaine-smuggling ring led by Luis Frank Tello, who pleaded guilty, court documents show. The cocaine was brought in across the border from Colombia and, with the help of National Guard officers, shipped north, sometimes from the airport in Venezuela's second-largest city, Maracaibo.

The U.S. investigations of Venezuelan officials have been going on for years, though investigators have sometimes been thwarted by politics.

In 2008, the U.S. Treasury Department put three top aides to then-President Chávez on a blacklist and froze any assets they might have in the U.S. Among the three was Mr. Carvajal, known as "El Pollo," or the Chicken, then the head of military intelligence. The U.S. acted after extensive evidence surfaced earlier that year in the computers of a dead Colombian guerrilla commander of burgeoning cocaine-for-arms exchanges between the rebels and top Venezuelan generals and officials, according to the U.S. and Colombian governments.

In 2010, Manhattan prosecutors unsealed the indictment of Mr. Makled, the Venezuelan drug dealer accused of shipping tons of cocaine to the U.S. through the country's main seaport of Puerto Cabello, which he allegedly controlled. Mr. Makled, who had been captured in Colombia, boasted of having 40 Venezuelan generals on his payroll.

"All my business associates are generals," Mr. Makled said then to an associate in correspondence seen by The Wall Street Journal. "I'm telling you we dispatched 300,000 kilos of coke. I couldn't have done it without the top of the government."

DEA agents interviewed Mr. Makled in a Colombian prison as they prepared to extradite him to New York. But instead, Colombia extradited him in 2011 to Venezuela, where he was convicted of drug trafficking. This February, he was sentenced to 14 years and six

months in jail.

Last July, American counter-drug officials nearly nabbed Mr. Carvajal, who had been indicted in Miami and New York on drug charges and detained in Aruba at the American government's behest. But Dutch authorities released him to Venezuela, arguing that he had diplomatic immunity.

Upon Mr. Carvajal's release, President Maduro praised the former intelligence chief as a dedicated anti-drug fighter who had set a world's record capturing drug capos.

The U.S. is also gathering information from bankers and financiers who handle the money for top Venezuelan officials. Since last year, people familiar with the matter say the U.S. government has revoked the visas of at least 56 Venezuelans, including bankers and financiers whose identities haven't been made public. Some have sought to cooperate with investigators in order to regain access to the U.S.

"They are flipping all these money brokers," said a lawyer who is representing two Venezuelan financiers who have had their visas revoked. "The information is coming in very rapidly."

—*Christopher M. Matthews in New York contributed to this article.*

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