



## Currency fraud crackdown

Venezuelan authorities have intensified the battle against foreign currency fraud as part of strategies to defend the country's foreign currency reserves against an "economic war" being waged against the government. The state maintains controls on the exchange of bolivars into foreign currency in order to prevent capital flight. Recently authorities have increased efforts to prevent the fraudulent claim and use of state-granted dollars, which contribute to pressures to devalue the bolivar and hurt the Venezuelan economy. [page 4](#)

### Politics

## Voting ready in Venezuela

The National Electoral Council is preparing for the December 8 municipal elections. [page 3](#)

### Economy

## Airline price hikes to be investigated

Venezuela's consumer protection agency is clamping down on airline over pricing & fraud. [page 5](#)

### Security

## Narcoflights brought down

Venezuela amplifies fight against drug smugglers, shoots down drug planes. [page 6](#)



### Analysis:

**Chevron v. Ecuador**  
The case continues [page 7](#)

### Opinion

**The NSA's spying operation on Mexico** [page 8](#)



# CORREO | DEL | ORINOCO

Friday, October 25, 2013 | N° 180 | Caracas | [www.correodelorinoco.gob.ve](http://www.correodelorinoco.gob.ve) ENGLISH EDITION / *The artillery of ideas* INTERNATIONAL

## Public housing program continues to improve Venezuelan families' lives



Venezuelan President Nicolas Maduro arrived in the Eastern state of Zulia last Saturday to inaugurate new government-financed homes and to work with community members as part of his administration's push for greater political participation at the local level. During his visit, he delivered the keys to the fifty-thousandth home to be built with government assistance in the state of Zulia over the past 24 months. The program, originally devised to provide housing to coastal inhabitants affected by torrential rains at the end of 2010, has grown steadily and has set the lofty goal of constructing 3 million homes in Venezuela by 2019. [Page 2](#)

## Turtles in the Orinoco

In an event headed by the Ministry of the Environment, Miguel Leonardo Rodriguez and the community of Santa Maria del Orinoco in the state of Apure, Venezuela, released 20,000 Arrau turtles in the Orinoco River in order to promote the survival of this endangered species.

This activity was carried out with the participation of children from the community, members of the National Bolivarian Armed Forces, and environmental groups.

Minister Rodriguez said "with these actions we take another step toward shared environmental management, advancing in the conservation of forest animals. 589,000 of these turtles have been released so far under the revolution".



He recalled that Arrau turtles are on the list of endangered species because they were unfairly treated as merchandise. "Capitalism transformed this creature full of beauty

into an object for purchase and sale. We, on the other hand, are helping them be born and grow, and now we are launching them into a life in the waters of our Orinoco River".

## Communal democracy fundamental for Venezuela

T/ AVN

Venezuelan President Nicolas Maduro said Tuesday that communal democracy and industrial technology are essential components of national development.

"The construction of the new communal democracy is vital", he said, speaking in the eastern inland state of Monagas during events for phase two of the "Street Government" program, an initiative created by Maduro to identify and respond to local issues of concern for the people.

He called for the strengthening of "communal councils, communes, social movements, and halls of social struggle, to build people's power and the popular government".

Maduro offered the example of local organizations in Monagas, where the 2013 census of community organizations counted 986 communal councils, nine communes, 34 "halls of social struggle", and 633 social collectives.

At the national level, the census counted 30,035 communal councils, 1,401 communes, 1,294 "halls of social struggle", and 28,791 social movements.

The President reiterated the support of the government for the Venezuelan people in order to achieve the goal of producing and creating industrial technology as part of the National Plan or 2013 to 2019, which is the legacy of Hugo Chavez.

"Venezuela continues advancing toward its objective of becoming an energy power", he said, highlighting the importance of the country's management of its industrial production technology.

# President Maduro delivers home number 50,000 in Zulia



T/COI  
P/Presidential Press

Venezuelan President Nicolás Maduro arrived in the Eastern state of Zulia last Saturday to inaugurate new government-financed homes and to work with community members as part of his administration's push for greater political participation at the local level.

During his visit, the head of state delivered the keys to the fifty-thousandth home to be built with government assistance in the state of Zulia over the past 24 months.

"In only two years, we've built in Zulia more homes than were built in the entire country [between 1958 and 1998] when the parasitic bourgeoisie governed in Venezuela", Maduro asserted.

The 50 year-old Vilma Elena, mother of three and resident of the Cecilio Acosta neighborhood in the state capital of Maracaibo, was the recipient of the housing.

While conversing with the Venezuelan President, Elena expressed her gratitude for the new residence and pledged her commitment to foster the type of socialist values being encouraged around the South American nation.

"With the support of my family, we will continue to fight to move forward", she affirmed.



In total, 243 homes were handed over to residents last weekend under the auspices of the national government's Mission Housing Venezuela, a social program founded by the late Hugo Chavez in 2011.

The mission, originally devised to provide housing to coastal inhabitants affected by torrential rains at the end of 2010, has grown steadily and has set the lofty goal of constructing 3 million homes in Venezuela by 2019.

Over the past 30 months, more than 450,000 new living spaces have been completed and delivered to residents.

The Venezuelan government provides subsidized mortgages

for the houses and apartments, meaning that thousands of economically disadvantaged citizens have had the opportunity to own a dignified home for the first time.

Maduro pointed out that the massive spending in the housing sector is unprecedented in the oil-rich state of Zulia.

"This type of investment has never been made in Zulia", he said of the region which until last December's gubernatorial elections was controlled by the nation's right wing opposition.

"For the first time, Zulia is receiving the love and care of the entire homeland thanks to Hugo Chavez", he added.

## A GOVERNMENT OF EFFICIENCY

Saturday's housing inaugurations formed part of the second phase of the Maduro administration's Street Government project, which has taken the President and his executive cabinet around the nation to dialogue with ordinary citizens regarding local needs.

Following preliminary assemblies carried out earlier this year, the Street Government is now solidifying the measures that residents have solicited to improve their communities.

Various government initiatives have been incorporated into the project including the Movement for Peace and Life, a program designed by the Executive to use art and sports as a way to curb the crime and violence that afflicts much of Venezuelan society.

While in Maracaibo, Sports Minister Alexander Vargas delivered 20 athletic kits with an assortment of sporting equipment in the neighborhood Luis Hurtado Higuero.

"We have a humanistic and holistic response [to delinquency]", Minister Vargas said.

A further 700 kits will be distributed to the schools of the area as well as an additional 20 for the zone's penitentiaries, he affirmed.

Other crime-fighting measures enacted last weekend in-

clude the deployment of 75 new patrol cars and motorcycles for Zulia's police forces.

"We are fulfilling the our promise from the first phase of the Street Government to equip the municipal police of the state of Zulia who require a good deal of support in order to continue reducing crime rates", said Venezuelan Interior Minister Miguel Rodríguez.

The minister highlighted that nearly 10 million bolivars (\$1.5 million) have been disbursed to 66 local community councils in order to carry out projects related to the fight against illegal drugs in the state.

The funding is a result of the proposals presented during a call for projects sponsored by the country's National Anti-drug Agency (ONA) and embraces the promotion of cultural alternatives to illicit substances.

More than 68,000 people will benefit from the measure, which covers 15 municipalities in Zulia.

"The resources have been approved for the development of projects that are fundamentally aimed at reducing drug consumption in our youth", Rodríguez informed.

The ONA plans to finance 900 such projects at the national level by the end of 2013, using 135 million bolivars (\$21 million) that has been collected from private businesses as part of their contribution to social responsibility policies.

## FOR A BEAUTIFUL MARACAIBO

For his part, President Nicolás Maduro drew attention to the problem of crime in the Zulian capital of Maracaibo and called for residents of the city to support the socialist candidate Miguel Pérez Pirela in the nation's municipal elections slated for December 8.

Maracaibo, currently governed by opposition Mayor Eveling de Rosales, "is the center of all the Colombian-Venezuelan mafias", President Maduro said.

The former union leader accused the police of the capital of being infiltrated with "paramilitaries and narco-traffickers" and highlighted the fact that Maracaibo's security apparatus is considered to be one of the most corrupt in all of Latin America.

"We're going to stop this and re-equip a new police force with new personnel and a new budget", the head of state said.

"You can count on all the support you need to make the necessary investments to make Maracaibo beautiful", Maduro told the socialist candidate Pérez Pirela during Saturday's event.

# Venezuela's electoral simulation executed with heavy participation, no incidents

T/COI  
P/Agencies

With the participation of more than 500,000 voters, Venezuela's electoral simulation in the run up to the December 8th municipal contests took place last Sunday without a hitch.

The trial run of the nation's electoral system saw the opening of 421 polling centers and the operation of over 3,000 voting machines to ensure that the electoral apparatus is operating efficiently and without difficulties.

Tibisay Lucena, President of Venezuela's National Electoral Commission (CNE) confirmed the success of the exercise on Sunday night and referred to the system as being "armored".

"We have prepared the voting centers and the technological platform is functioning very well", she affirmed.

Venezuela's voting system is considered to be one of the most advanced in the world, comprised of a series of electronic machines and paper records that make fraud nearly impossible.

While suffrage is guaranteed to all citizens, the process involves fingerprint checks and satellite reporting systems which are backed up by poll station logs and individual paper receipts.

"Our right to participate is consolidated and we have total



confidence in the CNE which has been able to overcome the fraud committed by [previous governments] when even the dead voted" said Oscar Silva, a participant in the simulation from the state of Zulia.

More than 13,000 poll workers were at voting stations last Sunday as were members of the armed forces who, through the electoral security operation, Plan Republica, are in charge with maintaining order and respect for the law on December 8th.

"In this moment the armed forces are carrying out refresher activities and drills for those who are new. The idea is that we have all of our personnel ready to employ Plan Republica", said Vladimir Lopez, head of nation's Strategic Operational Command.

More than 140,000 members of the Venezuelan armed forces will be on hand to ensure a smooth functioning of the electoral process on voting day.

## MOST COMPLEX ELECTIONS YET

The 2,792 mayoral and local councilmember positions will be in play on December 8th, marking the first municipal elections since the passing of former President Hugo Chavez in March.

According to Lucena, the contest will represent the single largest task confronted by the nation's electoral authorities to date.

"This is the most complex election that has been orga-

nized in Venezuela. We have close to 3,000 positions to elect... We had more than 40,000 ballot nominations that has translated into more than 16,000 candidates", the CNE head noted.

On Monday, President Nicolas Maduro praised the successful functioning of the simulation and ratified his willingness to accept the results of the election as reported by the CNE on the evening of December 8th.

"Venezuela is the only country in the world that carries out electoral simulations. We're living in a true democracy. Our country is renovating all of the paradigms and models of democracy in the world. There is no doubt about it", the socialist leader stated during a press conference on Monday.

As the leader of the United Socialist Party of Venezuela (PSUV), Maduro expressed his confidence in a favorable outcome for the progressive camp and encouraged government supporters to come out in droves on Election Day.

"The forces of the revolution are going to obtain a qualitative and quantitative victory on all fronts during the municipal battle of December 8th", the head of state said.

Maduro also challenged the right-wing Venezuelan opposition, which refused to recognize his electoral victory last April, to state unequivocally that they will respect the results of the contest as emitted by the CNE.

"Can some leader of the right-wing... say that they are going to accept the electoral results on December 8th that are announced by our electoral authorities? I'm sure not", the Venezuelan President said.

"If some are saying that the Venezuelan electoral system is fraudulent and that fraud is a sure thing, then how are these people registering candidates and calling their party members to go out and vote?" he asked.

While the opposition has yet to declare that they will respect the results, members of the conservative Democratic Roundtable coalition (MUD) conceded the success of last Sunday's simulation.

"The simulation was very positive. The system functioned as it was supposed to", said Ramon Medina, member of the MUD's electoral committee.

"We haven't seen any delays in the process that are any cause for concern", he affirmed.

## Venezuela and Brazil strengthen commercial ties to combat "economic war"

T/COI  
P/Presidential Press

Venezuelan President Nicolas Maduro received Brazil's Minister for Exterior Development, Commerce and Industry, Fernando Pimentel, last Monday in the presidential palace of Miraflores for conversations aimed at strengthening economic ties between the neighboring countries.

The meeting lasted just under an hour and touched on a number of important topics including food shortages in the Caribbean nation and the "economic war" taking place in Venezuela.

President Maduro informed that the two allied governments "have made plans so that all the products that are lacking in Venezuela arrive immediately from Brazil".

"We appreciate the spirit of solidarity and support from Brazil and from [President] Dilma Rousseff who will supply us with all the key products that have been affected by this economic war of speculation and hoarding that the Venezuelan right-wing is carrying out", the head of state said in a press conference following the encounter.

For his part, Pimentel expressed the Brazilian gov-

ernment's full backing of the Maduro administration in its fight against the recent commercial sabotage that has threatened the well-being of the Venezuelan people.

"We know that all of the political force of Venezuela is reacting to this war... We're together and we're going to win this battle by maintaining the vision of [former Venezuelan President Hugo] Chavez", the minister said.

"We are partners in the effort to build fraternity and solidarity in Latin America", Pimentel added.

Monday's dialogue additionally addressed cooperation in



industry, the diversification of the Venezuelan economy and the construction of what Maduro called "a new model for a financial alliance".

The socialist leader informed that his Vice President for the Economy, Rafael Ramirez, will travel to Brazil in the coming weeks to lay the groundwork for further collaboration and

arrange for a meeting between Rousseff and Maduro to strengthen bilateral ties.

"Brazil is our big sister, our South American power. We must be to grateful to life, history, God, and our Comandante Chavez for having placed us in this century together as sister nations", the Venezuelan President affirmed.

# Authorities crack down on currency fraud

T/ Ewan Robertson  
P/ Agencies

Venezuelan authorities have intensified the battle against foreign currency fraud as part of strategies to defend the country's foreign currency reserves against an "economic war" being waged against the government.

The state maintains controls on the exchange of bolivars into foreign currency in order to prevent capital flight. Citizens and businesses receive dollar allocations from the official exchange commission Cadivi for a range of purposes such as foreign travel and goods imports.

Recently authorities have increased efforts to prevent the fraudulent claim and use of state-granted dollars, which contribute to pressures to devalue the bolivar and hurt the Venezuelan economy.

Last week six motorsport drivers were arrested for allegedly defrauding the Venezuelan state of \$60 million in fraudulent foreign currency requests.

The alleged scam was first denounced by Sport Minister Alejandra Benitez after discovering that certain "well known" motorsport drivers were involved in forging her signature as part of fraudulent dollar requests.



The scam included using made-up press reports with false details of race finishes and prizes won in order to be able to claim more foreign currency.

In an interview with local newspaper Panorama on Sunday, Justice Minister Miguel Rodríguez Torres confirmed that the six unnamed drivers would face trial for the accusations. "They did it with the prices of races, false trophies, inflated [dollar] requests...we checked over them, now we'll check if they made any other requests", he said.

The minister also reported that three other individuals

had been arrested for another foreign currency scam. Those involved allegedly requested dollars to import medical equipment, however then only imported the outer covers of the equipment and kept the dollars for themselves.

As a result of the investigations Rodríguez Torres called on authorities to improve monitoring and control of the use of dollar grants in order to prevent misuse of the country's foreign currency earnings.

The minister also argued that organized mafias working to drain the economy of foreign currency were part of

an "economic war" by political and economic actors opposed to the Bolivarian revolution.

## MEASURES

In recent weeks the government has implemented a variety of measures to better protect the use of foreign currency in the economy.

"We will optimize the use of foreign currency because it belongs to the people. It's not for acquiring things that aren't a priority for our needs", said Vice President for the Economic Area, Rafael Ramírez, while announcing new currency measures earlier this month.

New controls have been introduced in airports to avoid currency mafias taking part in a "currency tourism" scam where a single traveler uses several people's credit cards to receive multiple dollar allocations in cash abroad, to then be sold Venezuela on the parallel dollar market.

A parliamentary reform is also being discussed to the Law Against Illicit Currency Exchange, which would increase penalties for those taking part in currency fraud.

To satisfy foreign currency demand for legitimate personal and business interests the Venezuelan Central Bank

is also pumping an extra \$900 million into the economy through an auction system.

However authorities argue that the design and implementation of necessary measures to combat the "economic war" and currency fraud require that President Nicolas Maduro be granted special constitutional law-making powers, called the Enabling Law.

"There is a large section of the private sector that uses foreign currency not for investment, but rather to apply damaging elements [to the economy] such as hoarding, speculation and excessive usury that maintain the economy distorted", said socialist lawmaker Julio Chavez to public channel VTV on Tuesday.

"Due to this the pertinence of the Enabling Law, to apply far more severe controls against the [abuse of] Cadivi dollar grants", the pro-government legislator explained.

In anticipation of this, Vice President for the Economic Area Rafael Ramírez, Finance Minister Nelson Merentes, and the Venezuelan Central Bank are currently designing a new set of policies to combat fraudulent use of foreign currency grants.

## 3800 more toilet paper packs found hoarded

T/ Agencies  
P/ Agencies

Over 3800 rolls of toilet paper, 440 liters of powdered milk and 1560 liters of long-life liquid milk were taken by order of the Public Prosecutor for being allegedly hidden in a warehouse of the Don Biagio Mini Market and Super Express, located in Maracaibo, Zulia state.

It was determined that the products were absent from the shelves in spite of being stored in the warehouse, restricting consumer access to these goods.

The establishment where the goods were found was not identified by name or RIF (commercial registration), however, the property serves as a warehouse of goods and food from the aforementioned store.

The legal representative of the business was put under preventative arrest under conditions of the public prosecutor.

In addition, the goods seized shall be put up for sale at fair prices in the markets Fundación Mercados de Zulia (Fundamercado), the organization in Zulia that facilitates the selling of products directly to the people.

These actions were carried out by the audit staff of the National Costs and Prices Superintendency (Sundecop) and the Institute for the Defense of People's Access to Goods and Services (Indepabis) as part of the actions undertaken by the national government for the fight against shortages and hoarding.

During the last few weeks, the Superior Organ for the Popular Defense of the Economy has referred more than

25 people to the Attorney General's office for engaging in wrongful acts that infringe on the sovereignty and food security of Venezuela.

The prosecutor for Indepabis stated, "We will provide continuity to due process, and representation guarantees the right of defense to the representatives of the establishment".

This inspection was attended by the National Guard and prosecutors of the Seniat (customs and tax service), in addition to the participation of Decandido, the Bolivarian Trade Union of Supermarket Workers, who acted as worker prosecutors.

"We are involved with the supervisory bodies, we support their actions, we carried out training and intelligence work to detect establishments such as these, where goods are hoarded", said Gustavo Cadenas, a representative of the union.



The complaints by customers is the most important information that agencies such as Sundecop, Seniat and Indepabis have, said Cadenas.

It's thanks to such complaints and the information provided by

the people through denouncement lines 0800-Sabotaje, 0800-Sundecop and Twitter account @Sundecop that the Superior Organ for the Economy is able to conduct the inspections and to act.

# Consumer protection agency: airlines in Venezuela use “abusive pricing structure”

T/ Ryan Mallett-Outtrim  
www.venezuelanalysis.com  
P/ Agencies

The head of Venezuela’s consumer protection agency, Eduardo Saman, has slammed airlines for allegedly blocking consumers from purchasing cheap fares, and says penalties may be imposed.

According to Saman, the president of the Venezuelan Institute for the Defense of People in Access to Goods and Services (Indepabis), a number of airlines operating out of the Simon Bolivar International Airport prioritize the sale of the most expensive economy class tickets; only making cheaper fares available as the higher priced seats sell out.

“What is the justification? There is no economic justification”, he stated.

Saman told Venezuelan media on Tuesday that airlines are using between five and 12 different rates for international economy class tickets, with prices varying significantly.

In a system he described as “unfair” and “abusive”, Saman argued that by prioritizing the sale of the most expensive tickets, airlines are effectively blocking consumers from accessing the most affordable fares.

He also alleged that some airlines have required passengers to purchase return tickets in US dollars instead of bolivars, and imposed penalties as high as 25,000 bolivars for missed flights.

“This cannot keep happening”, Saman said. “Everyone repudiates this. There is a consensus around the idea that airlines are being abusive”, he added.

The allegations come following a joint investigation into flight prices conducted by Indepabis, Venezuela’s Civil Aviation Institute (INAC), the Commission for the Administration of Currency Exchange (Cadivi) and the Ministry for Tourism. According to authorities, the investigation was prompted by public complaints of not only airline prices, but also of shortages of outbound international tickets.

While visiting one travel agent in Merida last month, Venezuelanalysis found economy tickets with some airlines booked out until next year. When we returned to the same agency a week later, some economy class fares had increased by as much as 30%.

Despite recent reports that supply isn’t keeping up with demand, some flights are reportedly departing with empty seats. The proportionately high rate of no-shows has been blamed on



“the scrape”, a currency scam that takes advantage of access to preferential foreign exchange rates for Venezuelan residents travelling abroad.

Over the weekend, President Nicolas Maduro called for “hard measures” to tackle the scrape, and alleged that some airlines could be “accomplices” in the scam.

After announcing a crackdown on travellers participating in the scrape earlier this month, Saman says authorities are now going after airlines.

“We are inspecting airlines, not passengers, because they

have an unfair fee structure”, he said.

According to Saman, Indepabis may attempt to force airlines to change their allegedly “abusive pricing structure” as early as next week. Fines may also be imposed.

“We cannot allow these arbitrary actions; the unjustified and unfair actions of the airlines are affecting the people”, Saman said.

Head of the Association of Venezuelan Airlines (ALAV) Humberto Figuera has denied the allegations made by Saman, arguing that airlines have little influence on prices.

“Once we have launched the ticket offer on the market have no control of the system”, Figuera told Venezuelan media. “We cannot hide or block rates”, he said.

According to Figuera, around 80% of airline tickets are sold by travel agents, and just 20% are sold directly to consumers by airlines. He also said that flights cannot be paid for in dollars.

Figuera also hit back at claims that airlines are complicated in the scrape.

“It was the ALAV and its affiliated airlines that proposed Cadivi hand over the data of no-show travellers”, Figuera stated. He also said that in the past the ALAV had alerted the government of concerns over currency issues, including advising the Maduro administration to limit ticket purchases for foreigners travelling to Venezuela just buy onward tickets, taking advantage of the weakened value of the bolivar on the black market.

He also argued that the ALAV had warned the government of the risk of currency scams like the scrape years ago.

“If they had accepted our proposals five years ago, these crimes with the credit cards wouldn’t be occurring”, he said, referring to credit cards used by Venezuelan travellers to access foreign currency at the official exchange rate.

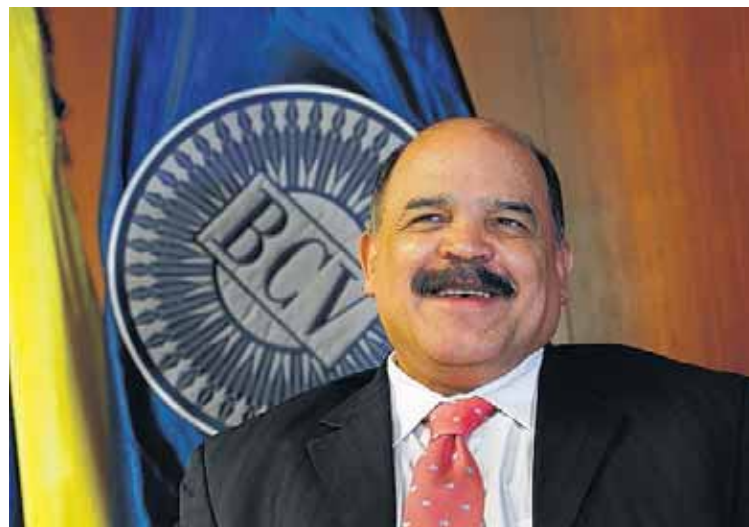
“For the past five years airlines have been proposing the measures that Cadivi has now taken. We are part of the solution, not the problem”, Figuera tweeted.

## Finance Minister highlights social advances of the Revolution in Venezuela

T/ AVN  
P/ Agencies

Venezuelan Finance Minister Nelson Merentes highlighted the social advances achieved during the Bolivarian Revolution, which he said are based on the development of policies that attend to the needs of the population.

“Based on the political vision, the neediest citizens have been included without abandoning any social sector, gaining access to quality food, housing, education and sports. We have offered social protection to the previously unassisted. It’s about generating more optimal living conditions for progress and individual development”, he said.



Merentes spoke Tuesday upon presenting the 2014 budget proposal, which includes \$86.7 billion, to the National Assembly.

He indicated that oil revenues for the year are estimated at \$18.2 billion, while non-oil revenues are estimated at \$51.7 billion. Taxes collected through

the Integrated National Customs and Tax Service (SENIAT) should reach \$50.4 billion.

The minister also presented the draft law on debt for 2014, a total of \$17.9 billion destined for social and productive investment.

### LOWERED POVERTY

During his speech, Merentes noted the advances of the Venezuelan government during the 14 years of its Bolivarian Revolution in different areas including the reduction of poverty, which is among the United Nations Millennium Development Goals for 2015.

He also indicated that the rate of household poverty has been reduced by half, down from 50.4% in 1998 to 25.4% presently. Extreme poverty was lowered even more dramatically from 20.3% in 1998 to 7.1% today.

He recalled that Venezuela has surpassed what it agreed under the Millennium Development

Goals, which required the country to reduce poverty to 27% and extreme poverty to 12%.

Meanwhile, infant mortality has fallen from 26.5% in 1998 to 17% currently.

“The Millennium Goals have been met in these sectors. Poverty has been reduced during the Bolivarian Government”, he said.

Improvements have also been seen in the distribution of wealth thanks to the many government-funded social programs known as “social missions” created by Commander Hugo Chavez beginning in 2003, which are designed to improve the living conditions of the population.

“Barrio Adentro, Mercal, and now Gran Misión Vivienda (the Housing Mission) are some of the social policies that are the guarantees of Venezuela’s economic development. The missions are a link through which the state has allowed wealth to reach the least fortunate”, he said.

# Venezuela amplifies fight against drug smugglers, shoots down narco-planes

T/ Ryan Mallett-Outtrim

The Venezuelan government has issued new warnings to drug smugglers, after the country's armed forces shot down two aircraft allegedly carrying narcotics from Central America over the weekend.

"I will radicalize actions against drug smugglers", President Nicolas Maduro stated this week, while congratulating the armed forces for destroying two light planes that reportedly entered Venezuelan airspace without authorization on Saturday and Monday.

The first of the two aircraft was detected by Venezuelan authorities late Saturday night. Speaking to VTV, General Vladimir Padrino stated that the plane had no visible identification, and failed to respond to radio commands.

Two Venezuelan fighter jets were deployed to ground the plane as it was flying north east of Puerto Ayacucho, Amazonas state. According to Padrino it took evasive action, and failed to respond to the Venezuelan pilots.

In a press release, the National Anti-Drug Office (ONA) stated that the plane then crash-landed on a jungle airstrip in the south of Apure state.

The aircraft was only fired upon after "all other means of persuasion had been exhausted", Padrino said.

"This was the first plane shot mid-air in the country since the approval of the Law and Control Regulation for the Integral Defense of the National Airspace, following the orders of our commander-in-chief, President Nicolas Maduro", he stated.

The law gives the military wider powers to take action against illegal overflights.

"Any plane entering Venezuela is going to be obliged to land in peace. If not, it will be brought down by our Sukhoi jets, our F-16s and by all of the Venezuelan military aviation", Maduro stated earlier this month.

The new legislation is part of the government's efforts to crack down on international drug smugglers, who are increasingly using Venezuela as a transit country for markets in North America and Europe.

"The drug mafias are seeking to use our country as a drug



delivery platform, violating our airspace", ONA head Alejandro Keleris stated.

The second plane was also intercepted north east of Puerto Ayacucho, and shot down under similar circumstances, according to authorities.

Both aircraft were "apparently coming from Guatemala", Padrino stated.

Along with the two planes shot down this week, 11 other aircraft have been grounded by Venezuelan authorities this year; mostly for allegedly being used by drug traffickers.

Padrino told VTV that Venezuela's recently upgraded air defense systems have made it easier for authorities to intercept illegal flights.

In July, Maduro announced that a revamped air defense system had been deployed in Venezuela's western states, including

new artillery. The President described it as "the most powerful system in the world".

"Our homeland is unassailable. Nobody will be able to touch even an inch," he stated.

Along with improved air defense, according to Padrino Venezuelan authorities have also stepped up efforts tackle narcotics traffickers on the ground. The Bolivarian National Guard has reportedly seized over 35 tons of narcotics this year. 10% of hauls have taken place in the past two months, according to Padrino.

"The FANB [Venezuela's armed forces] is prepared against threats that aim to to disrupt the governability and tranquility of the people", Padrino said.

Earlier this week, Maduro warned that "drug gangs in Colombia and Central America" that move narcotics through Venezuela will be the targets of new anti-drug legislation the president hopes to pass if granted decree powers by the National Assembly under the Enabling Law.

"With the Enabling Law I will create special mechanisms to protect the authorities that deal with the corrupt and drug traffickers", he said.

According to Maduro, new support would be given to military personnel, police and judges to combat drugs.

## "Plan Secure Nation" to be employed on university campuses

T/ Paul Dobson  
P/ Agencies

As part of the fight against crime, it was announced this week that the security operation 'Plan Patria Segura' would be activated in various universities across the country, following increased attacks and robberies on campuses. The University of Zulia (LUZ) will be the first to benefit.

The Plan, which started deploying police forces alongside the military in key sectors of the population in June, has already contributed to a 30-35% reduction in crime levels in the parts of the country where it has been deployed, explained Interior and Justice Minister Rodriguez Torres. "In the first 100 days, the Plan Secure Nation has been a fundamental bastion to promote peace and coexistence for all Venezuelans. This plan has been a tool



which has been conceived and supervised directly by President (Maduro), which has given extraordinary results".

After three weeks of discussion between student associations, the University Dean, state governor, and security forces, nearly 400 personnel will be

deployed in the important educational institution LUZ, which has its main campuses in the oil-rich city of Maracaibo.

Over 100 members of the National Bolivarian Police Force, the Zulian Police Force, and the National Guard, will be deployed in 5 key points around campus,

24 hours a day, with 280 student brigadiers patrolling the university hallways, explained Nergio Prieto, Chief of Integral Security in Zulia State.

The Universities of the East (Puerto La Cruz) and the Pedagogical Experimental University Libertador (Maturin) have both requested that the plan be applied to their campuses, following increasing attacks on students and workers.

### 60% BUDGET INCREASE

In other news, the Minister for University Education, Pedro Calzadilla, announced that the government budget for universities would rise by 60% in 2014, reaching \$4 billion. He also announced that the government has already started to transfer the funds necessary to pay student grants, which were increased from \$95 to \$160 per month by the Maduro administration.

Venezuela has over 2.6 million university students, and 64 university institutions, making it the 5th highest country in the world for university matriculation.

# Chevron fights Amazon pollution verdict in US Court

T/ Samuel Oakford – IPS  
P/ Agencies

Two years after they were awarded 18 billion dollars by an Ecuadorian court for environmental damage caused by Chevron in the Amazonian rainforest, a group of indigenous villagers and their US lawyer went on trial Tuesday in New York, accused by the oil company of bribery and racketeering.

Chevron was found liable in 2011 for an ecological catastrophe caused by pollution released in the 1970s and 1980s by Texaco, which Chevron acquired in 2001 and for which they agreed to assume legal obligations.

Chevron has refused to pay the penalty.

Because Chevron has no assets in Ecuador, the plaintiffs have attempted to collect the fine abroad.

The New York suit, filed under the RICO statute, a strategy made famous during Mafia prosecutions in the 1970s, seeks to block enforcement of the 2011 decision in US courts, where Chevron maintains ample reserves to foot the bill.

The complaint claims the lawyer, Steven Donziger, and a group of Ecuadorians representing the 30,000 original Amazonian plaintiffs attempted to persuade and corrupt a series of Ecuadorian judges who heard the case in an attempt to extort Chevron.

Donziger and the Ecuadorian defendants deny any wrongdoing and assert the lawsuit is another expensive legal distraction that the 230-billion-dollar corporation can afford to tack onto what has become a 20-year saga of litigation.

Outside the courthouse, Ecuadorians and their supporters gathered to protest the case.

Demonstrators chanted and held photographs depicting shiny, blackened earth, open runoff pits and frail jungle residents who they said were dying from cancers that resulted from the estimated 18 million gallons of crude oil and 18 billion gallons of toxic



wastewater that was leaked or illegally pumped into pristine jungle ecosystems around the Lago Agrio field the northwest of the country.

“We’re here in front of the courts against this large corporation”, said one of the defendants, Javier Piaguaje, a Secoya Indian who lives along the heavily polluted and now-ironically named “Aguarico” River.

Dressed in traditional Secoya garb, Piaguaje told the crowd the lasting effects of the spill were ravaging his community.

“Every day, family members and loved ones are sickened because of the contamination”, said Piaguaje.

“We’re here to show what’s really going on in the Amazon”, he added, before turning to enter the courthouse and mount his defense.

The judge in the case, Lewis Kaplan, has long been a thorn in the side of indigenous plaintiffs.

Earlier this month, Kaplan decided Donziger and his co-defendants were not entitled to a trial by jury.

“This trial is a travesty of justice”, said Paul Paz y Miño of Amazon Watch, an environ-



mental justice group that assists the Ecuadorian claim.

“Chevron has spent years to have a trial where the original plaintiffs are not allowed to discuss the evidence”, Paz y Miño told IPS.

“There is absolutely no evidence of fraud on behalf of the plaintiff”, he added.

A spokesperson for the defendants in the New York case, Han Shan, told IPS the lawsuit took a lot of chutzpah on the part of Chevron.

“They’ve done a great job of media and political jujitsu in taking things that we were alleging, Chevron being totally corrupt, putting pressure on judges, bribery, trying to entrap people, using dirty contractors and said that we did it”, said Shan.

In 2009, Diego Borja, a Chevron contractor in Ecuador, was caught trying to entrap the presiding judge, Juan Nunez, by videotaping himself offering Nunez a bribe.

Chevron has since paid for Borja to move to the United States and supplies him with a monthly stipend.

The Chevron media relations website was down for maintenance at the time of this article and IPS was unable to reach the company for comment.

However, on the company’s website devoted to the lawsuit, Morgan Crinklaw, a spokesman for Chevron, says, “We believe that any jurisdiction that observes the rule of law will find that the judgment is illegal and unenforceable because it’s a product of fraud”.

The trial taking place in Manhattan hinges in large part on Donziger’s personal diary and hours of outtakes from Joe Berlinger’s 2009 film, “Crude”, which Chevron claims show Donziger considered some of the environment evidence in the lawsuit to be “all smoke and mirrors”.

Donziger has said his quotes were taken out of context.

Judge Kaplan has already decided in favor of Chevron once.

In March 2011, Kaplan issued a global injunction that blocked enforcement of the Ecuadorian judgment, effectively kneecapping indigenous claims.

In January 2012, however, the 2nd U.S. Circuit Court of Appeals in New York overturned the injunction, which opened the door once more for the original plaintiffs to enforce the 18-billion-dollar decision in US courts.

That decision led Chevron team of over 100 lawyers to cobble together a last ditch defence strategy in form of the RICO suit, which they worked hard to have heard in Kaplan’s courtroom.

Shan isn’t optimistic about Kaplan presiding over the case.

“I don’t feel Kaplan will give us a fair hearing”, said Shan. “I think he’s already made up his mind”.

But should Kaplan rule against the indigenous community and issue a global injunction once more, Shan is confident the 2nd Circuit will strike it down.

“The 2nd Circuit has been clear that the US District Court is not an appellate court for the Ecuadorian judiciary and there’s absolutely no jurisdiction for that kind of injunction”, said Shan.

Opinion

T/Laura Carlsen

Systematic eavesdropping on the Government

# The NSA's spying operation on Mexico

The latest analysis of Snowden leaks from the German magazine *Der Spiegel* is a bombshell for Mexico.

"The NSA has been systematically eavesdropping on the Mexican government for years", reads the opening line in the Oct. 20 issue.

The article goes on to detail three major programs that together constitute a massive espionage operation against Mexico. No one seems to have been immune from its intrusions, including with two presidents.

The presidential computer network was infiltrated since 2010 when Felipe Calderon was still president. The ever-zealous National Security Agency (NSA) was apparently very proud of itself for hacking the private communications of the leader and cabinet members of an allied nation.

In a "top secret" report, its "Tailored Access Operations" division (TAO) crows:

"TAO successfully exploited a key mail server in the Mexican Presidencia domain within the Mexican Presidential network to gain first-ever access to President Felipe Calderon's public email account", calling it a "lucrative source" to gauge Mexican "political system and internal stability". The leaked operation was code named "Flatliquid".

Mexicans first found out that their nation, along with Brazil and other Latin American countries, was a major target back in September, when Brazil's *O Globo* published an article by Glenn Greenwald, Roberto Kaz and Jose Casado on tapping Brazilian President Dilma Rousseff's phone and other communications. The article noted that the NSA had Mexico in its sights too.

A specially designed NSA program spied on then-presidential candidate Enrique Peña Nieto to find out who he was planning to appoint to his cabinet and how he'd handle the volatile drug war—the cornerstone of US policy in Mexico.

That caused a stir and the Peña Nieto administration sent a diplomatic note and demanded a US investigation.

Sunday's revelations add details to the previous information and show a far vaster and more insidious operation than was first imagined. Text messages from Peña Nieto's cell phone—85,489 to be exact, according to the *Der Spiegel*-Snowden report—



were harvested and organized into data bases, identifying nine close associates for surveillance and analysis.

A third program called "White Tamale" dates back to 2009, when the NSA managed to hack into the emails of high-level officials in the now-defunct Public Security Ministry.

"In the space of a single year, according to the internal documents, this operation produced 260 classified reports that allowed US politicians to conduct successful talks on political issues and to plan international investments".

The documents note that the spy operation allowed the NSA to gain access to "diplomatic talking points".

What does this mean? Wouldn't using ill-begotten private communications in negotiations be something akin to blackmail?

In any case, it seems to have fulfilled its purpose because during the subsequent period US intelligence, military, police and drug enforcement agencies achieved an unprecedented margin to operate in-country, effectively breaking down any remaining resistance to their activities on Mexican soil.

The *Der Spiegel* article states that in spy operations in Mexico, "the drug trade" was given top priority level, while the country's "political leadership", "economic stability" and "inter-

national investment relations" received number-three priority rankings on a scale of five.

This latter category gives credence to charges from Brazilian President Dilma Rousseff that the NSA used its apparatus for industrial spying, seeking advantages. Her charges are borne out by documents that show that Brazilian oil company, PETROBRAS, was a target of US espionage. The Mexico revelations were more general but also indicate economic espionage.

## MEXICO'S MUTED RESPONSE

The response from NSA to questions was predictable,

"We are not going to comment publicly on every specific alleged intelligence activity, and as a matter of policy we have made clear that the United States gathers foreign intelligence of the type gathered by all nations".

Since September the Mexican government has known it was massively spied on by the United States. After the revelations regarding Peña Nieto's communications and contacts with US diplomats, Mexico says President Obama agreed to carry out an investigation.

But what exactly does the Mexican government expect of this investigation? No one has questioned the authenticity of the documents. Everyone knows Snowden has them, otherwise why would the US be trying to force his extradition and threatening countries offering asylum. And it seems that asking the US government to investigate NSA be an exercise in futility, especially since the *Der Spiegel* article states explicitly that the programs had presidential authorization.

Not surprisingly, Mexico's response was widely considered weak.

So far, the response to this latest round of revelations hasn't shown much more backbone. The foreign relations ministry called the practice "unacceptable, illegitimate and against the law"—and said it would be sending another diplomatic note.

"In a relationship between neighbors and partners, there is no room for the practices alleged to have taken place", the ministry said.

A senior US State Department official told CNN that the Mexican government reached out about the report, and that the two governments will be discussing it via diplomatic channels.

Peña Nieto has to react now. Brazil is taking specific steps to protect privacy from the long ear of the NSA. Rousseff has been outspoken in its indignation, taking it to the floor of the United Nations General Assembly and cancelling a state visit to Washington.

Mexico's economic dependence on the United States under NAFTA puts the Peña administration in a tougher bind. Big business will put pressure on Peña to let it slide. The PRI is likely to be seriously annoyed, but it also knows an important part of its power base rests on its relationship with the US government and economic elite, almost a tautology, as shown again in the fact that taxpayer-supported NSA spying was directed at industrial spying to give US companies an edge in bidding, investing and competing.

Whatever the response, the revelations are a blow to a somewhat shaky relationship. Peña Nieto has made it clear it will not allow the same carte-blanche treatment US agencies were given under former president Calderon, but he has also continued security integration and US expansion under the guise of the war on drugs.

Calling into question the terms of the binational security relationship should not necessarily be viewed negatively. Demands for a more transparent and less military-oriented relationship between the US and Mexico have been growing. The NSA documents reveal a global security doctrine that has spun dangerously out of control, with what Greenwald calls "the construction of a worldwide, ubiquitous electronic surveillance apparatus" that apparently has no qualms regarding the right to privacy or national sovereignty. Neither the Mexican nor the US Congress has sufficient knowledge of what's going on to provide reasonable oversight, and the Mexican government apparently has little knowledge of the realm of shadowy US intelligence activity in its own country.