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COSTA RICA

Fishing Boats Doing Big Drug Business

Anti-drug authorities have confiscated so much cocaine from Costa Rican fishing boats in recent months that the Judicial Investigative Organization (OIJ) has run out of room to store it.

Since June '06, Coast Guard vessels from Costa Rica, Panama, Colombia, Guatemala and the US have seized 23 metric tons of cocaine in the high seas of the Pacific Ocean off the coast of Central America. The majority of the detained boats—seven since Sep—were operated by Costa Rican fishermen. US Ambassador to Costa Rica Mark Langdale said that the record amount of cocaine confiscated in recent months only represents about 5% of what is produced annually in South America. Much of those drugs traverse Central America by land or sea en route to North America.

The Costa Rican Coast Guard in conjunction with US officials apprehended two Costa Rican fishing boats in Jan alone. On 17 Jan, US officials took possession of all but 100 kilos of the two metric tons confiscated on the *Indio IV*, because Costa Rica's drug storage space had reached capacity. Costa Rican Security Minister Fernando Berrocal told the daily *La Nación* that confiscated drugs must be stored for a long time until they are used as evidence in judicial proceedings and then can eventually be destroyed.

On 22 Jan, anti-drug authorities seized another fishing boat, the *Capitán David*, loaded with 2 ½ metric tons of cocaine. Investigation into the case revealed that a criminal network headed by two brothers, originally from Colombia, had operated a phony fishing company as a cover for drug smuggling since their arrival in Costa Rica in '04.

The OIJ began monitoring the Reina brothers, referred to in the press by only their last name, in Mar '06. According to anti-drug authorities, the brothers hired fishermen from the Gulf of Nicoya in Puntarenas province to deliver fuel to north-bound Colombian drug boats off shore, as well as to transport some drug shipments. The fishermen earned between \$1,500 and \$3,000 for these trips, which lasted from three weeks to one month. OIJ officials noted that the Reina brothers' "fishing boats" often came back empty.

The Reina brothers became a familiar presence in the small fishing village of Paquera, Puntarenas, in early '06. Some of the locals interviewed by *La Nación* remember them as "ordinary people" who

never caused trouble. Others noted that the brothers always had a lot of cash and frequently were accompanied by very young women. Some residents became suspicious of the men when they brought a tanker truck to the sleepy village to fuel a large metal boat they had docked in the estuary, but most people interviewed said that they never suspected that the men were involved with drug-trafficking.

The US Coast Guard, at the request of the OIJ, had intercepted the Capitán David off the coast of Ecuador in Sep, but found no drugs aboard at that time. After the seizure of the Capitán David in Jan, the brothers went into hiding, but were eventually apprehended at a San José hotel. The Reina brothers also owned an automobile-sales business in Costa Rica's Central Valley, which authorities suspect was used to launder drug money. Police seized all of the assets from the car sales lot as well as the brothers' homes, also in the Central Valley, where officials found \$161,000 in cash. By the end of Jan, police had arrested 11 men linked to the drug-smuggling network.

The Capitán David is only the most recent of a series of fishing boats-turned-floating-drug-warehouses captured off the coast of Costa Rica in recent months. In Oct, authorities seized a boat carrying 3 ½ metric tons of cocaine, which was hailed as the largest drug confiscation in Central American history (Vol. 25, Nos. 10, 11). Just weeks later, though, they caught another vessel transporting nearly eight metric tons of illegal drugs. US ships, personnel and equipment dwarf Costa Rica's resources, and US involvement in drug-busting has been key.

The US Coast Guard has had a presence in Costa Rica since '99, when Costa Rica approved a controversial agreement to allow US military planes and ships to patrol for drug smuggling in Costa Rican waters and airspace. Under the bilateral agreement, the US Coast Guard has to renew its permission with the Legislative Assembly to stay in Costa Rican territory every three months—a compromise from an original proposal that would have allowed US ships to stay for 10 years. Security Minister Berrocal would like to extend the terms of engagement to at least one year, but he may face opposition from some legislators. The Costa Rican Constitution of 1949, instituted after former President José Figueres Ferrer permanently abolished the country's army, requires congressional approval every time a foreign warplane or ship enters Costa Rican territory.

“Chinese Mafia” Human-Trafficking Ring Busted

On 11 Jan, Public Security Minister Berrocal announced a series of investigations and raids, culminating in the arrests of suspected ringleaders of an extensive Chinese human-trafficking organization.

This particular “Chinese Mafia” ring, as the criminal network has come to be called by the press and government authorities, allegedly secured visas and passage to Costa Rica for Chinese immigrants and forced them to work for free upon arrival to pay for the service. Some of the immigrants were sold as slaves to Chinese business owners on 20-year contracts. In Jan, following an undercover investigation by Costa Rican authorities, OIJ agents arrested alleged members of the criminal organization at several Chinese-owned grocery stores and restaurants in San José and the Central Valley region.

Immigration officials and the OIJ began monitoring the organization in late '06, after representatives attempted to bribe Immigration Director Mario Zamora, offering him up to \$5,000 for each approved visa, with a potential payoff of \$2.5 million for 500 visas. After Zamora reported the bribe attempt to government authorities, he worked with an OIJ undercover agent as a go-between, accepting bribes from the Chinese Mafia while the OIJ further investigated the gang.

During negotiations with Zamora, a Chinese Mafia leader demanded exclusive dealings with him for buying visas, which revealed the existence of four competing human-trafficking gangs also dedicated to smuggling Chinese immigrants into Costa Rica. During one encounter, the gang's representative delivered only \$13,450 of the \$20,000 that was promised for four visas and threatened the OIJ undercover agent with death when he objected, claiming the difference as a commission. Gang members also threatened to kill Zamora if he did not comply with their wishes or if he reported them to the police.

On 11 Jan, OIJ agents arrested the gang's alleged ringleader, a Chinese woman identified by the last name Tan, outside a Chinese restaurant in downtown San José. The OIJ seized 30 passports from her vehicle and arrested six undocumented Chinese inside the restaurant, who authorities believe were awaiting passports. OIJ agents made more arrests and seized 60 additional passports and \$140,000 in cash in a series of raids that followed.

During a press conference on 11 Jan, Berrocal and Attorney General Francisco Dall'Anese indicated that the Chinese Mafia is part of a larger human-trafficking problem in Costa Rica and is not a new issue. They said that investigations will be made into the possible involvement of former immigration officials who may have taken bribes for granting visas.

Alcatel Scandal Resurfaces

The giant French-based telecommunications company, Alcatel-Lucent, faces civil and penal sanctions in the US for allegedly bribing Costa Rican officials to secure important contracts. The scandal dates back to '91 and includes the sale of 400,000 cellular phone lines to the Costa Rican Institute of Electricity (ICE) for \$150 million in '02. Former presidents Miguel Angel Rodríguez and Rafael Angel Calderón of the Social Christian Unity Party, as well as former ICE officials, are alleged to have accepted an estimated \$10 million in kickbacks from Alcatel (Vol. 23, No.3; Vol. 24, Nos. 10, 11; Vol. 25, No. 6).

Because Alcatel, which recently merged with the US-based Lucent Technologies, is publicly traded in the US, it is required to report to the US Securities and Exchange Commission (SEC), which is investigating the Costa Rican bribery case along with the US Department of Justice. In Dec '06, the company's second vice-president for Latin America, Christian Sapsizian, was arrested in Miami. He is expected to be tried in Feb in the Southern District Court of Florida for 10 crimes, eight of which relate to bribing Costa Rican officials.

Meanwhile, in Costa Rica, ICE planned to purchase another 200,000 cell-phone lines from Alcatel-Lucent, to be made available to the public by Apr. However, Gilbert Calderón, head of the Attorney General's ethics committee, issued a complaint to ICE eight months ago, urging it not to sign new contracts with Alcatel-Lucent.

In Jan '07, ICE president Pablo Quirós had stated that acquiring the much-needed new cell-phone lines and technical upgrades for the current wireless network depended upon contracts with Alcatel-Lucent. However, succumbing to public and political pressure, Quirós announced on 6 Feb that ICE would not sign a new contract with Alcatel-Lucent or renew the existing contract, rather that he would negotiate a deal with Ericsson for 300,000 new cell-phone lines and for technical support for ICE's existing wireless phone service. Ericsson already has a contract with ICE to provide 600,000 cell-phone lines and for related technical support in certain parts of Costa Rica, although the public

has complained that the coverage provided by both foreign companies is seriously inadequate in some regions.

National Development Plan Released

On 24 Jan, Second Vice-President and Planning Minister Kevin Casas unveiled a four-year National Development Plan, emphasizing poverty reduction, social programs and public works.

Since '74, Costa Rican Law has required that government administrations prepare a plan to document goals and report on their progress every year. The current administration of President Oscar Arias Sánchez (National Liberation Party, PLN) promises to report twice a year. Proponents say this plan is more realistic and straight-forward than previous administrations' development plans.

The plan's objectives include: reducing poverty from 20% to 16%, investing 8% of the GDP in education, employing 4,000 new police officers, repairing highways and roads and increasing employment. The plan outlines 59 new projects, most of which require congressional approval and tax increases to implement.

Legislators from opposition political parties have expressed some skepticism with the plan, calling it "limited" and reminding the PLN that their votes will be necessary to carry it out.

Pre-Colombian Cemetery Discovered

Archeologists announced on 23 Jan that they have uncovered an Indigenous burial ground in the northwestern province of Guanacaste thought to be one of the most significant archeological finds in Costa Rican history.

US archeologist and long-time Costa Rican resident, Michael Snarskis, who led the excavation team, said that the previously-untouched site is 2,000 years-old and contains more than 70 intact burials and 138 pieces of pottery and jade carvings. The discovery of such a large site in Costa Rica, undisturbed by looters and with all of the artifacts from the same time period, is significant, according to Snarskis

The location of the burial ground, on a hill overlooking Culebra Bay on the Pacific Coast, coincides with a theory that Indigenous people of that region and time-frame liked to build their cemeteries with views of water. Snarskis said that one of the ceramic pots found has distinct stylistic traits of the ancient Usulután civilization that existed in what is now El Salvador. This represents an unprecedented connection, possibly direct trade, between the two cultures.

In Oct '05, real estate developers, required by law to report Indigenous artifacts found on construction sites, tipped Snarskis off about the location. The excavation team, which included students from the University of Costa Rica and archeologists from the National Museum in San José, worked at the site throughout the following year. Reconstruction experts plan to re-create the burial site for a future exposition at the National Museum.

—*Honna Veerkamp*