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PANAMA

Colombian Drug Kingpin Arrested in Brazil has Close Ties to Panama

A series of drug raids in the US, Brazil, Ecuador, Costa Rica, Colombia and Panama that began on 16 May has broken up what US authorities describe as one of the world's largest illegal drug operations. The raids, dubbed "Operation Twin Oceans" by the US Drug Enforcement Agency (DEA), were based on warrants from a US federal district court in Florida that involved charges of cocaine smuggling and distribution and money laundering in the US against Pablo Joaquín Rayo Montaña, a Colombian citizen, and members of his international drug cartel.

The DEA has accused the Rayo-Montaña cartel of smuggling more than 15 tons of cocaine per month from Colombia to the streets of the US and Europe. An international coalition spearheaded by the DEA, the Brazilian Federal Police, the Panamanian Judicial Police and the Colombian National Police was responsible for dismantling this drug cartel. The three-year-long investigation has resulted in over 100 arrests and the seizure of 47,555 kilograms of cocaine, or the equivalent of 52 tons of cocaine, and nearly \$70 million in assets.

Pablo Joaquín Rayo Montaña was taken into custody in Sao Paulo, Brazil, along with 18 other suspects who were detained in that country. Among the 100 suspects in custody are six Panamanians who were arrested in Panama. The extradition of three of these—José María Bermúdez, Yovany Jaramillo Tovar and Mario Leone Kam—is being sought by US authorities. However, the Panamanian Constitution prohibits the extradition of its citizens.

The charges include money laundering and conspiracy and possession with intent to distribute cocaine. If convicted, the defendants prosecuted in this investigation will face sentences ranging from a mandatory minimum of 10 years up to life imprisonment.

Along with the individuals arrested in Operation Twin Oceans raids, more than \$70 million worth of property was seized, which reveals the extent of the drug cartel influence in Panama. According to various reports, Rayo Montaña, either in his own name, those of his family members or through various

front people or companies, owned or controlled the Nautipesca boat and fishing supply company; the Los Cañones restaurant near Portobelo; and a major portfolio of Panamanian real estate holdings. These holdings include the Tres Marías Islands near Portobelo on the Caribbean coast near Colón; Isla Esmeralda off the Pacific coast of San Carlos in the Province of Panamá; and farms, lots, houses, apartments, hotels, commercial properties and office buildings in a variety of locations: San Carlos, Gorgona, Paitilla, Casco Viejo, El Cangrejo, Isla Grande, La Guaira, El Guanche and Portobelo (the latter four in the Costa Arriba de Colón region), Buenaventura, Volcán, David (the later three on the Pacific coast) and the former Canal Zone. Panamanian authorities also froze the assets of 15 corporations and 39 bank accounts and seized a fleet of 34 cars and eight boats (including several yachts, “go-fast boats,” fishing trawlers and a submersible vessel) that allegedly belong to Rayo-Montaño and his criminal associates.

"The Rayo-Montaño organization had its own private, rogue navy to run a drug business that was nearly as sophisticated as a small nation," said DEA Administrator Karen P. Tandy. "As well-equipped and complex as this enterprise was, it was a matter of time before law enforcement caught on, and now Rayo Montaño's decadent, drug-funded lifestyle has caught up with him. This morning, his real estate holdings went from three islands to one jail cell."

From his operations base in Panama, “Don Pablo” Rayo Montano, who is in his late 40s, was the commander and controller of a 21st Century criminal organization whose Information Technology-literate managers used highly sophisticated methods to coordinate the movement of cocaine north from Colombia to the US and illegal drug proceeds south to Panama, Colombia and Brazil. In addition, his criminal organization has been associated with Colombian narco-terrorist organizations such as the United Self-Defense Forces of Colombia (AUC), the Revolutionary Armed Forces of Colombia (FARC) and the Norte del Valle drug cartel.

It so happens that, while a fugitive from Colombian justice, Rayo Montaño first obtained a temporary visa to live in Panama and then a permanent residence cédula as an investor. The cédula was issued during the Mireya Moscoso administration when Ilka de Barés was Director of Immigration, and that raises questions because Ilka's husband, Carlos Barés, who was director of the National Police at the time when the identification card was issued. Prior to becoming Panama's immigration director Ilka de Barés worked at the US consulate in Panama City, where she handled US visa applications. However, Ilka Barés, through her husband, denies any wrongdoing.

When one considers that some of the properties that the drug ring obtained in the former Canal Zone were obtained from the former Interoceanic Regional Authority (ARI) and that various other licenses, permits and concessions were obtained from other Panamanian government offices, some of them in Rayo Montaño's own name, an explosive series of political scandals would appear to be a real possibility.

However, the US government wants a free trade agreement with Panama and the approval of a canal expansion project that would be a boon to US port and shipping interests; and President Martín Torrijos has apparently made a deal with former President Moscoso not to come down very hard on her and her associates' corruption, so it's likely that the corrosive influence that the Rayo Montaño organization had at the highest levels of Panamanian society and government will remain largely uninvestigated for fear of uncontrollable consequences.

Panama Comes Out Against Child Labor

On 1 June, Panamanian officials launched a nationwide campaign against child labor to commemorate the World Day Against Child Labor, which falls on 12 June. The date was instituted by the International Labor Organization, and according to official statistics, more than 47,000 Panamanian children and adolescents must work to make ends meet.

When presenting the campaign, First Lady Vivian Fernández de Torrijos pointed out that child labor affects children's physical, mental and spiritual health. One of the initiatives, called "Stay in School," will grant 1,000 scholarships sponsored by the Institute for Training and Human Resource Management. She also mentioned the program "Finish Your Year," which targets children who drop out of school to work in the fields or with their parents.

According to government experts, 9,548 children ages 5-17 are likely to become school dropouts to engage in some form of paid activity.

The First Lady said that her husband, President Martin Torrijos, will sign an Executive Decree in June to determine the worst forms of child labor in Panama. According to official statistics, 54.4% of Panamanian children make up 40 percent of the country's poor.

The General Comptroller's Office reported that 76% of Panamanian children work in agriculture, including coffee picking, while others sell sweets and fruit or shine shoes on the street.

Panama to House UN Regional Agencies

Panama will soon become the regional headquarters of UN offices and agencies, which will be installed in the Ciudad del Saber ("City of Learning"), according to Vice President and Foreign Minister Samuel Lewis Navarro.

On 1 June, speaking before the Commission for Foreign Affairs of the National Assembly, Navarro said that Kernal Dervis, the coordinator of UN Development Group, had sent him an official notice regarding this issue.

He noted that the Ciudad del Saber, an education, scientific and trade emporium, currently hosts the World Food Program, the UN development Program and the UN Children's Fund, and will soon become the headquarters of other UN agencies as well.

—*Clifton L. Holland*