

Paraguay: Extremism & Counter-Extremism

On July 8, 2019, approximately 20 armed suspects wearing camouflage attacked a farm in Paraguay's Amambay Department, killing a farm hand and torching houses, tractors, and trucks. The attackers left a pamphlet identifying themselves as Brigada Indígena contra Matones de Estancia, an indigenous brigade against corrupt farmers. Authorities believed the attackers were part of the Paraguayan People's Army (EPP), a Marxist-Leninist insurgent group seeking land reform in Paraguay. (Sources: [InSight Crime](#) [1], [Ultima Hora](#) [2])

On March 1, 2018, the bodies of 73-year old farmer Alecio Dresch and his 12-year old grandson, Leonardo Farías Dresch, were found in a forest near Caaguazú, Paraguay. The two were kidnapped in October 2016 by the EPP. According to the 2018 report by Asymmetrica and the Counter Extremism Project, "[The Many Criminal Heads of the Golden Hydra](#) [3]," kidnappings by the EPP are considered to be the "top security issue" in the country. As of April 2018, the EPP had conducted at least 12 kidnappings, several of which resulted in the deaths of the victims. (Sources: [ABC Color](#) [4], [ABC Color](#) [5], [ABC Color](#) [6], [ABC Color](#) [7], [Counter Extremism Project](#) [3])

Overview

After Paraguayan Army General Alfredo Stroessner seized power in a coup d'état in 1954, Paraguay underwent a 35-year period of state oppression directed at suspected political opponents under the ensuing military dictatorship. The political landscape in Paraguay has significantly changed since then, and the country's present democratic government continues to make strides in its domestic policies—including with regard to counterterrorism. Paraguay is currently grappling with a Marxist-Leninist insurgent group called the Paraguayan People's Army and with Islamic terrorist groups operating in and around the country's borders. Despite its efforts to combat these groups, corruption in Paraguay's government and loopholes in its domestic political framework have rendered many of its counter-extremism and counterterrorism policies ineffective and have, in some cases, even enabled the country's greatest extremist threats to thrive. (Sources: [New York Times](#) [8], [U.S. Department of State](#) [9], [Counter Extremism Project](#) [3], [Library of Congress](#) [10])

The Paraguayan People's Army (EPP), which calls for land reform in the country, has killed at least 42 individuals since 2008. Farmers and ranchers in northern Paraguay have expressed concern that the EPP threatens their livelihoods and security. EPP has gained notoriety for its kidnappings, which are reportedly considered to be the "top security issue" in the country. (Sources: [U.S. Department of State](#) [9], [BBC Mundo](#) [11], [ABC Color](#) [7], [Counter Extremism Project](#) [3])

In response, the government launched a joint military and police task force called La Fuerza de Tarea Conjunta (FTC) in August 2013. However, public opinion shows little faith in the government's ability to combat the group. According to a survey released in August 2015, 89 percent of Paraguayans believed that the government was failing in its efforts to combat the EPP. The FTC has been widely criticized for its alleged human rights violations and its effectiveness was one of the main issues discussed in the 2018 Paraguayan presidential campaign. (Sources: [Última Hora](#) [12], [Última Hora](#) [13], [Coordinadora de Derechos Humanos del Paraguay](#) [14], [Counter Extremism Project](#) [3])

The Tri-Border Area (TBA) of South America—the region that straddles the borders of Paraguay, Brazil, and Argentina—is considered by law enforcement to be a concentrated area of criminal and terrorist activity. Paraguay's second largest city, Ciudad del Este, is one of the region's principal centers of illicit activity. Tobacco, produced primarily by a company owned by Paraguay's former president Horacio Cartés, is routinely smuggled across the border and sold on the black market. Numerous Islamic terrorist groups, including Hezbollah, Hamas, and al-Qaeda, have conducted fundraising activities and plotted attacks from the region, often with the assistance of cartels and organized crime groups. Paraguay coordinates counterterrorism efforts with Argentina and Brazil through a joint Trilateral Tri-Border Area Command, though institutional corruption and inadequate funding and resources have hindered the Command's effectiveness. (Sources: [Counter Extremism Project](#) [3], [U.S. Department of State](#) [15], [Library of Congress](#) [10], [ABC Color](#) [16], [Foreign Policy](#) [17])

Paraguay passed a counterterrorism law in August of 2010 and established its first intelligence body, the Sistema Nacional de Inteligencia (SINAI), in August 2014. Although Paraguay has successfully prosecuted terrorists from groups including Hezbollah, the most notorious of these individuals have since escaped or been released from prison. The U.S. Department of State has assessed that Paraguay's anti-money laundering/counter-terrorist financing (AML/CTF) capabilities are overall lacking. (Sources: [Poder Legislativo Paraguay](#) [18], [Biblioteca y Archivo del Congreso Nacional](#) [19], [U.S. Department of](#)

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[State](#) [20], [U.S. Department of State](#) [15], [Counter Extremism Project](#) [3], [Library of Congress](#) [10])

Paraguay has worked with other countries to improve its counterterrorism and counterinsurgency capabilities, including the United States, Colombia, Argentina, and Brazil. Paraguay is a member of the Organization of American States and its Inter-American Committee Against Terrorism, as well as the Financial Action Task Force of Latin America. (Sources: [U.S. Department of State](#) [20], [Counter Extremism Project](#) [3], [Library of Congress](#) [10])

Radicalization and Foreign Fighters

Stroessner Dictatorship, 1954-1989

In 1954, Paraguayan Army General Alfredo Stroessner seized power in a coup d'état. Under his rule, Paraguay's security forces—including the military and Stroessner's secret police force—arrested, tortured, sexually abused, and executed suspected political opponents. A truth commission established in 2003 determined that approximately 400 people had been executed and 19,000 had been tortured at the hands of Stroessner's regime. Additionally, the regime harbored former Nazis seeking refuge, including Josef Mengele, a physician who conducted gruesome medical experiments at Auschwitz concentration camp. Stroessner's right-wing regime was covertly backed by the U.S. government as part of Operation Condor, which aimed to suppress left-wing sentiment in South America during the Cold War. Stroessner stayed in power for 35 years through a series of fraudulent elections until he was ultimately overthrown in 1989 and exiled to Brazil, where he lived until his death in 2006. (Sources: [New York Times](#) [8], [Guardian](#) [21], [Reuters](#) [22], [NBC News](#) [23])

Paraguayan People's Army

The Paraguayan People's Army (Ejército del Pueblo Paraguayo, EPP) is a Marxist-Leninist insurgent group that seeks land reform in Paraguay. Its origins date back to the 1990s, though it was not formally established as the EPP until 2008. The EPP primarily targets the Paraguayan government and military as well as *colonomenonitas*, wealthy Mennonite farmers and ranchers of European origin. The EPP has used the same bombing and kidnapping tactics as Colombia's FARC and Peru's Shining Path, two groups with which it maintained strong relations. As of April 2018, the EPP had carried out at least 68 attacks and killed at least 42 individuals. The group has gained notoriety for its kidnappings, which are considered to be the "top security issue in Paraguay," according to a 2018 report by Asymmetrica and the Counter Extremism Project. The EPP has carried out at least 12 kidnappings, which have served as a major source of income for the group, as it frequently demands a large ransom for the victim. In one of its most infamous kidnappings, the group abducted Cecilia Cubas, the daughter of former Paraguayan president Raúl Cubas, in September 2004. Although Raúl Cubas paid a ransom for her release, Cecilia Cubas was found murdered five months later. (Sources: [BBC Mundo](#) [24], [BBC Mundo](#) [11], [Counter Extremism Project](#) [3], [ABC Color](#) [7], [ABC Color](#) [25], [Telegraph](#) [26], [ABC Color](#) [27], [ABC Color](#) [28], [Última Hora](#) [29], [El Mundo](#) [30])

The EPP's activities are concentrated in the northern provinces of Concepción, San Pedro, and Amambay, though it has reportedly carried out operations as far as Paraguay's capital, Asunción. Estimates of its size range between 50 and 350 fighters. Despite its small size, the group has evaded defeat by Paraguayan security forces to date because it primarily operates in sparsely populated areas that are under weak governmental control. In 2013, the Paraguayan government established a joint military and police task force called La Fuerza de Tarea Conjunta (FTC) to combat the EPP, but the FTC has been widely criticized for its ineffectiveness. (Sources: [BBC Mundo](#) [24], [BBC Mundo](#) [11], [Counter Extremism Project](#) [3], [ABC Color](#) [25], [ABC Color](#) [31], [Última Hora](#) [32], [Última Hora](#) [12])

In 2014, an offshoot guerrilla movement called Armed Peasant Association (Agrupación Campesina Armada, ACA) split from the EPP. However, the ACA's already weak capabilities were further reduced after a successful FTC military operation killed off most of its leadership in late 2015. (Sources: [ABC Color](#) [33], [ABC Color](#) [34], [U.S. Department of State](#) [20], [ABC Color](#) [35])

Tri-Border Area

The Tri-Border Area (TBA) of South America—the area that straddles the borders of Argentina, Brazil, and Paraguay—is

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considered by law enforcement to be a concentrated region of criminal and terrorist activity. In 1998, then-director of the FBI Louis Freeh referred to the TBA as a “free zone for significant criminal activity, including people who are organized to commit acts of terrorism.” In a July 2003 report updated in 2010, the Library of Congress stated that Islamist groups operating in the TBA included Hezbollah, al-Qaeda, and Hamas. Such groups fundraise in the region through narcotics and arms trafficking and money laundering schemes, often with the assistance of cartels and organized crime groups. According to Mario Agustín Sapriza, Paraguay’s former Vice Minister of the Interior, the region serves as a base for extremist groups to obtain supplies and plan their actions before launching attacks in other countries. Several Islamic extremist sleeper cells are also reportedly present in the TBA. (Sources: [Counter Extremism Project](#) [3], [Library of Congress](#) [10], [Foundation for the Defense of Democracies](#) [36])

Paraguay’s second largest city, Ciudad del Este, is one of principal centers of criminal and terrorist activity in the TBA. It initially became a hub for illicit activities in the 1970s, when Paraguay established a free-trade zone there in an attempt to exploit the tourist potential of the nearby Iguacu Falls. Today, Ciudad del Este serves as a main export point for weapons, cocaine, and cigarettes, and about 70 percent of goods traded in the city are done so illicitly. Its trade economy is dominated by the large Lebanese and Chinese immigrant communities that live there. The Guaraní International Airport outside of the city facilitates illicit international trade. Several known Islamic terrorists and terrorist financiers have lived in Ciudad del Este, and mosques in the city has allegedly been linked to Islamic extremists, including individuals with ties to Hezbollah. (Sources: [Counter Extremism Project](#) [3], [Library of Congress](#) [10], [U.S. Department of State](#) [15], [Atlantic](#) [37])

Hezbollah

[Hezbollah](#) [38], an internationally designated and Iranian-backed Lebanese terrorist group, has reportedly operated sleeper cells, conducted fundraising activities, and plotted attacks from the TBA since the mid-1980s. The U.S. National Security Agency and the Pentagon have stated that the TBA is “the most important base of Hezbollah outside Lebanon,” and reports from 2016 and 2017 affirm that the TBA remains an “important center” of Hezbollah’s activities. Several Hezbollah members have held Paraguayan citizenship and senior Hezbollah members have reportedly served as the leaders of major mosques in Ciudad del Este. Nonetheless, Paraguayan authorities reportedly deny that Hezbollah has a presence in their country and claim that the group only poses problems for Argentina and Brazil. Paraguay announced the designation of Hezbollah as an international terrorist organization on August 19, 2019. (Sources: [Counter Extremism Project](#) [3], [Library of Congress](#) [10], [Atlantic](#) [37], [Foundation for the Defense of Democracies](#) [36], [U.S. Department of State](#) [39], [Miami Herald](#) [40], [Times of Israel](#) [41], [Twitter](#) [42])

Hezbollah has used the TBA as a base to plot several attacks, including two major bombings carried out in Buenos Aires, Argentina, in the 1990s. The funding, explosives, and suicide bombers used in both attacks reportedly either came from or passed through the region. Late Hezbollah military commander Imad Mughniyah, who allegedly masterminded the 1992 bombing of the Israeli embassy in Buenos Aires, and [Assad Ahmad Barakat](#) [43], who financed the 1994 bombing of the AMIA Jewish community center there, both resided for some time in Ciudad del Este. Intelligence and media reports have also suggested that Hezbollah has cooperated with al-Qaeda in the TBA as part of a broader strategic alliance, despite stark differences in their respective Shiite- and Sunni-oriented ideologies. The two groups reportedly attempted to carry out a plot to bomb the U.S. embassy in Asunción in 1996. In 1999, authorities reportedly foiled a plot led by Imad Mughniyah and al-Qaeda leader Osama bin Laden to launch simultaneous attacks on Jewish targets in several cities, including Ciudad del Este. According to intelligence reports, Hezbollah’s activities in the TBA have been supported by both the Iranian and Lebanese governments—though the latter is due to Hezbollah’s own influence in Lebanese politics. (Sources: [Counter Extremism Project](#) [3], [Library of Congress](#) [10])

Hezbollah reportedly fundraises approximately \$200 million a year in the TBA. At times, it has transferred funds using Paraguayan financial institutions. The group has generated significant revenue through narcotics and arms trafficking, software piracy, and other illicit activities, often in collaboration with organized crime groups and the Lebanese merchant community in the region. The U.S.-designated Shopping Uniamérica shopping center (previously known as Galería Page) in Ciudad del Este has reportedly served as a regional command post for the group, as illicit fundraising is commonly performed under the guise of a cover business. Assad Ahmad Barakat served as the chief of Hezbollah’s fundraising in the TBA until an international warrant was issued for his arrest in 2001. In the role, Barakat and his network operated several businesses through which they laundered money for the group. Barakat was arrested in the TBA by Brazilian police in 2002

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and again, after serving a six-and-a-half-year prison sentence, in September 2018. Other Hezbollah fundraisers in the TBA have evaded arrest or successfully escaped prison. (Sources: [Counter Extremism Project](#) [3], [Library of Congress](#) [10], [Foreign Policy](#) [17], [Foundation for the Defense of Democracies](#) [36], [ABC Color](#) [16], [U.S. Department of the Treasury](#) [44], [BBC News](#) [45])

In recent years, Hezbollah's influence has reached the Paraguayan political scene. In 2010, Lebanese-born Hassan Khalil Dia was appointed as Paraguay's ambassador to Lebanon. During his tenure as ambassador, Dia allegedly "worked assiduously to deepen Hezbollah's interests in Paraguay," according to *Foreign Policy*. For example, he reportedly arranged for Hugo Velazquez, the speaker of Paraguay's parliament, to visit Lebanon and meet with Hezbollah officials there in 2015. Dia was ultimately dismissed by Paraguayan President Horacio Cartés in early 2017. (Sources: [Foreign Policy](#) [17], [ABC Color](#) [46])

Al-Qaeda

In 1999, an investigation launched by Argentina's Secretariat for State Intelligence (SIDE) found evidence to suggest that al-Qaeda was operating in the TBA. Individuals have reportedly raised considerable funds for the global jihadi Salafist network in Ciudad del Este through illicit activities including drug trafficking and money laundering. In July 2002, Paraguayan authorities arrested Ali Nizar Darhoug, a Lebanese shop-owner in Ciudad del Este who was allegedly raising funds for al-Qaeda. Darhoug was reportedly linked to Abu Zubaydah, one of the highest-ranking al-Qaeda leaders at the time, and was believed to be wiring as much as \$80,000 to banks in the United States, the Middle East, and Europe each month. Paraguay announced the designation of al-Qaeda as a global terrorist organization on August 19, 2019. (Sources: [Library of Congress](#) [10], [Counter Extremism Project](#) [3], [New Yorker](#) [47], [Times of Israel](#) [41], [Twitter](#) [42])

Intelligence and media reports have identified apparent links between al-Qaeda and Hezbollah in the region. In 1996, TBA-based individuals reportedly linked to the two groups attempted to carry out a plot to bomb the U.S. embassy in Asunción in 1996. In 1999, bin Laden and Hezbollah leader Imad Mughniyah were allegedly involved in a foiled plot to launch simultaneous attacks on Jewish targets in several cities, including Ciudad del Este. Authorities also reportedly foiled an al-Qaeda plot organized in the TBA to attack the U.S. embassies in Montevideo, Uruguay, and Quito, Ecuador, in April 2001. In April 2002, the Paraguayan media reported that businesses operated by the now-incarcerated Hezbollah fundraiser Assad Ahmad Barakat had made contributions to al-Qaeda and even to Osama bin Laden directly. Mondial Engineering and Construction, one of Barakat's businesses in the region, had allegedly raised funds through real estate fraud schemes. (Sources: [Library of Congress](#) [10], [Counter Extremism Project](#) [3], [BBC News](#) [45])

Hamas

[Hamas](#) [48], an internationally designated Palestinian terrorist group, also reportedly operates out of the TBA. According to a report from the Library of Congress, Hamas actively uses the TBA as a "support base" and has operated sleeper cells and plotted attacks from the region. Paraguay announced the designation of Hamas as an international terrorist organization on August 19, 2019. (Sources: [Library of Congress](#) [10], [Times of Israel](#) [41], [Twitter](#) [42])

Hamas-linked individuals have been arrested in the TBA, including several who were linked to a foiled 1999 plot led by Osama bin Laden and Hezbollah leader Imad Mughniyah to launch simultaneous attacks on Jewish targets in Ciudad del Este and several other cities, though these individuals were later released from custody. In November 2000, Paraguayan authorities arrested Palestinian national Salah Abdul Karim Yassine, a suspected Hamas explosives expert, in Ciudad del Este. Yassine was reportedly involved in a plot to bomb the U.S. and Israeli embassies in Asunción. He was sentenced to four years in prison on charges of illegal entry and document falsification. In 2001, Paraguayan authorities arrested at least three Hamas-linked individuals in Ciudad del Este and the nearby city of Encarnación who were reportedly fundraising in support of terrorist attacks against the United States. (Source: [Library of Congress](#) [10])

Hamas has conducted extensive fundraising activities in the TBA. Between 1999 and 2001, Hamas and other Islamic extremist groups reportedly received over 50 million dollars from Arab residents in the region. The funds were reportedly transferred using Paraguayan financial institutions. In the early 2000s, Paraguayan prosecutors alleged that software piracy in the TBA was a major source of funding for Hamas. (Source: [Library of Congress](#) [10])

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Major Extremist and Terrorist Incidents

- **July 8, 2019:** Approximately 20 armed suspects wearing camouflage attack a farm in Paraguay's Amambay Department, killing a farm hand and torching houses, tractors, and trucks. The attackers leave a pamphlet identifying themselves as Brigada Indígena contra Matones de Estancia, an indigenous brigade against corrupt farmers. Authorities believe the attackers are affiliated with the EPP. Sources: [InSight Crime](#) [1], [Última Hora](#) [2]
- **September 1, 2017:** The EPP kidnaps a Mennonite farmer, Bernhard Blatz Friessen, in northern Paraguay. Friessen is freed in February 2018. Sources: [ABC Color](#) [49], [ABC Color](#) [50], [Providence](#) [51]
- **August 21, 2017:** The EPP kidnaps a Mennonite farmer, Franz Hiebert Wieller, in northern Paraguay. Wieller is freed in February 2018. Sources: [ABC Color](#) [50], [ABC Color](#) [4], [Providence](#) [51]
- **October 23, 2016:** The EPP kidnaps a 73-year-old farmer named Alecio Dresch and his 12-year old grandson, Leonardo Fariás Dresch, in Caaguazú, Paraguay. Their bodies are found in March 2018. Sources: [ABC Color](#) [4], [ABC Color](#) [5]
- **October 12, 2016:** The EPP kidnaps Félix Urbieta Ramírez, a rancher who is the uncle of the mayor of the city of Horqueta. Urbieta remains in captivity as of May 2018. Sources: [ABC Color](#) [52], [ABC Color](#) [53]
- **August 27, 2016:** The EPP launches a bombing and firearms assault on a Paraguayan military patrol near the town of Arroyito, killing eight soldiers. Sources: [BBC Mundo](#) [11], [BBC Mundo](#) [24]
- **August 19, 2016:** Paraguay arrests Ali Issa Chamas at Ciudad del Este's Guaraní international airport for attempting to smuggle 39 kilograms of cocaine, some of which was reportedly intended for distribution in the United States. An investigation reveals that Chamas was part of a Hezbollah drug smuggling network. He is extradited to the United States in June 2017. Sources: [La Nación](#) [54], [La Nación](#) [55], [Foundation for the Defense of Democracies](#) [36], [Miami Herald](#) [40]
- **July 27, 2016:** The EPP kidnaps a 17-year-old Mennonite named Franz Wiebe. He is released in February 2017. Sources: [ABC Color](#) [56], [U.S. Department of State](#) [20]
- **November 2015:** An FTC operation successfully wipes out the leadership of the Armed Peasants Association (ACA), an offshoot of the EPP. Sources: [ABC Color](#) [35], [U.S. Department of State](#) [20]
- **August 8, 2015:** The EPP kidnaps a farmer named Abraham Fehr Banman. His body is found in January 2018. Sources: [ABC Color](#) [4], [Infobae](#) [57], [Última Hora](#) [58]
- **August 4, 2015:** The EPP captures and tortures two farm workers and kills one of the farm's administrators in Tacuatí. Source: [ABC Color](#) [59]
- **July 2015:** A total of five police officers are killed in northern Paraguay. Authorities blame the EPP. Sources: [Infobae](#) [60], [Infobae](#) [61]
- **March 25, 2015:** Three farm workers are killed in the Tacuatí district. The EPP is suspected to be responsible. Source: [Infobae](#) [62]
- **January 29, 2015:** The EPP abducts and kills two German citizens who administered a ranch in northern Paraguay. Sources: [Infobae](#) [63], [Deutsche Welle](#) [64]
- **September 2014:** An offshoot guerrilla movement called Armed Peasant Association (Agrupación Campesina Armada, ACA) splits from the EPP. Source: [Última Hora](#) [65]
- **August 20, 2014:** Paraguay passes legislation establishing the country's first intelligence body, the Sistema Nacional de Inteligencia (SINAI). Source: [Biblioteca y Archivo del Congreso Nacional](#) [66]
- **July 5, 2014:** The EPP kidnaps a police official named Edelio Moríngo. Reports of his death surface in April 2018. Sources: [Última Hora](#) [67], [Última Hora](#) [68]
- **April 2, 2014:** The EPP kidnaps a 16-year-old named Arlan Fick. He is released eight months later after a ransom is paid. Source: [Última Hora](#) [67]
- **August 2013:** The Paraguayan government passes the Law of National Defense and Internal Security, which permits the deployment of La Fuerza de Tarea Conjunta (FTC), a joint military and police task force, to northern Paraguay to combat the EPP. Sources: [ABC Color](#) [69], [ABC Color](#) [31]
- **May 31, 2013:** Cattle rancher Luis Lindstron, who was kidnapped and released by the EPP in 2008, is shot by members of the group. Source: [ABC Color](#) [70]
- **June 23, 2010:** Paraguay passes a law officially outlawing acts of terrorism, the financing of terrorism, and the act of associating with a terrorist group. Source: [Poder Legislativo Paraguay](#) [18]
- **October 16, 2009:** The EPP kidnaps cattle rancher Fidel Zavala. On a mission to recover Zavala, a police officer named Victor Manuel Martínez Ferreira is severely injured in an

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- explosion perpetrated by the group. Zavala is released three months later after a ransom is paid, but Ferreira remained bedbound and completely immobile from his injuries as of 2014. Sources: [Última Hora](#) [67], [ABC Color](#) [71]
- **July 31, 2008:**The EPP kidnaps cattle rancher Luis Lindstron. He is released two months later after a ransom is paid. Source: [Última Hora](#) [67]
 - **June 2006:**Paraguay sentences Hatem Barakat, a Hezbollah financier and the brother of Ahmad Assad Barakat, to six years in prison for document falsification. Sources: [ABC Color](#) [72], [U.S. Department of State](#) [73]
 - **September 21, 2004:**Left-wing insurgents later (linked to the EPP) kidnap Cecilia Cubas, the daughter of former Paraguayan president Raúl Cubas. Although her father pays a ransom for her release, she is found murdered five months later. Sources: [Telegraph](#) [26], [ABC Color](#) [27], [Última Hora](#) [29]
 - **December 2002:**Ahmad Assad Barakat, Hezbollah's former chief of military operations and fundraising in the TBA, is extradited to Paraguay from Brazil. He was previously indicted in Paraguay on charges of tax evasion, criminal association, and criminal abetment. Barakat remains in prison until 2009. Sources: [Counter Extremism Project](#) [3], [Library of Congress](#) [10]
 - **July 2002:**Paraguayan authorities arrest a pair of Lebanese shop owners in Ciudad del Este who are allegedly raising funds for al-Qaeda. Source: [Library of Congress](#) [10]
 - **November 16, 2001:**Left-wing insurgents (later linked to the EPP) kidnap a businesswoman named María Edith de Debernardi. She is released two months later after a ransom is paid. Sources: [Última Hora](#) [67], [ABC Color](#) [28]
 - **November 8, 2001:**Hezbollah fundraiser Sobhi Mahmoud Fayad is arrested in Paraguay and charged with tax evasion. He is sentenced to prison the following year and remains imprisoned until his release in 2009. Sources: [Counter Extremism Project](#) [3], [Library of Congress](#) [10]
 - **April 2001:**Authorities foil an al-Qaeda plot organized in the TBA to attack the U.S. embassies in Montevideo, Uruguay, and Quito, Ecuador. Source: [Library of Congress](#) [10]
 - **2001:**Paraguayan authorities arrest at least three Hamas-linked individuals in Ciudad del Este and the nearby city of Encarnación who are reportedly fundraising in support of terrorist attacks against the United States. Source: [Library of Congress](#) [10]
 - **November 2000:**Paraguayan authorities arrest Palestinian national Salah Abdul Karim Yassine, a suspected Hamas explosives expert, in Ciudad del Este. Yassine is reportedly involved in a plot to bomb the U.S. and Israeli embassies in Asunción. He is sentenced to four years in prison on charges of illegal entry and document falsification. Source: [Library of Congress](#) [10]
 - **February 2000:**Paraguayan authorities arrest Hezbollah financier Ali Khalil Mehri in Ciudad del Este and indict him for software piracy. However, Mehri escapes from prison in June and flees to Syria. Source: [Library of Congress](#) [10]
 - **October 1999:**Hezbollah fundraiser Sobhi Mahmoud Fayad is arrested in Asunción, Paraguay, for observing the U.S. embassy. He is released after authorities fail to find sufficient evidence to charge him. Source: [Library of Congress](#) [10]
 - **1999:**Intelligence authorities foil a plot led by Osama bin Laden and Hezbollah leader Imad Mughniyah to launch simultaneous attacks on Jewish targets in Ciudad del Este and several other cities. Source: [Library of Congress](#) [10]
 - **1998:**Hezbollah fundraiser Sobhi Mahmoud Fayad is arrested in Asunción, Paraguay, for observing the U.S. embassy. He is released after he cooperates with authorities. Source: [Library of Congress](#) [10]
 - **May 31, 1996:**Argentina, Paraguay, and Brazil establish a joint Trilateral Tri-Border Area Command to better control commerce and the transit of international individuals in the TBA. Sources: [U.S. Department of State](#) [20], [Library of Congress](#) [10]
 - **1996:**Paraguay arrests Marwan Adnan al-Qadi, a Ciudad del Este-based terrorist linked to the 1993 World Trade Center bombing, for his involvement in a plot to bomb the U.S. embassy in Asunción. He is extradited to Canada, though he escapes prison multiple times and reportedly returns to Ciudad del Este. Source: [Library of Congress](#) [10]
 - **August 15, 1954:**Paraguayan Army General Alfredo Stroessner seizes power in a coup d'état. Under his subsequent 35-year rule, Paraguay's security forces commit human rights abuses against thousands of suspected political opponents. Sources: [New York Times](#) [8], [Guardian](#) [21], [Reuters](#) [22], [NBC News](#) [23]

Domestic Counter-Extremism

Paraguay passed a counterterrorism law in June of 2010 officially outlawing acts of terrorism, the financing of terrorism, and the act of associating with a terrorist group. However, the U.S. Department of State has assessed that Paraguay's

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ability to implement its anti-money laundering/counter-terrorist financing (AML/CTF) policies is overall lacking. (Source: [Poder Legislativo Paraguay](#) [18], [U.S. Department of State](#) [20], [U.S. Department of State](#) [15])

Paraguay has a National Police Secretariat for the Prevention and Investigation of Terrorism that works to counter terrorist activity in the country, and a Secretariat for the Prevention of Money Laundering (SEPRELAD) that conducts AML/CTF investigations. In August 2014, Paraguay passed legislation establishing the country's first intelligence body, the Sistema Nacional de Inteligencia (SINAI). Its objective is to detect and counteract the activities of terrorist and criminal organizations. (Sources: [U.S. Department of State](#) [20], [Foreign Policy](#) [17], [Última Hora](#) [74], [Biblioteca y Archivo del Congreso Nacional](#) [66], [Library of Congress](#) [10])

Tri-Border Area

The TBA initially became a hotbed for criminal activity in the 1970s, when Paraguay established a free-trade zone in Ciudad del Este in an attempt to exploit the tourist potential of the nearby Iguazú Falls. Since then, corruption in Paraguay's government and law enforcement and loopholes in its domestic political framework have largely enabled illicit activity to continue there. For example, the Paraguayan military runs border control operations, but it is not permitted to stop contraband. If contraband is suspected, the military must alert Paraguay's police forces, 90 percent of which are reportedly corrupt. Corruption also occurs at the highest levels of Paraguay's government, including in the judiciary and Parliament. Corrupt politicians work with drug cartels in the TBA, which in turn give support to the terrorist groups that operate there. A number of Paraguay's financial institutions have also been tied to money laundering schemes. Banco Amambay, a Paraguayan bank owned by Horacio Cartés, Paraguay's president from 2013 to 2018, has allegedly been used by Hezbollah operatives to transfer funds to the group. (Sources: [U.S. Department of State](#) [15], [Counter Extremism Project](#) [3], [Library of Congress](#) [10], [Foreign Policy](#) [17], [ABC Color](#) [75], [Última Hora](#) [74])

Paraguay's tobacco production is one of the main drivers of illicit activity in the TBA. Over 90 percent of tobacco produced in Paraguay is reportedly smuggled into Brazil and Argentina, from where it enters the global black market. The funds generated from this illicit tobacco trade are reportedly used to finance terrorist and criminal groups in the TBA including Hezbollah. The country's principal source of illegal tobacco exports is the Tabacalera del Este tobacco company, which is also owned by Horacio Cartés. (Sources: [Library of Congress](#) [10], [ABC Color](#) [16])

Prosecution of Terrorists in the TBA

Paraguay has successfully indicted, arrested, and imprisoned several terrorists in the country. However, others have managed to evade arrest or escape custody, and Paraguay has usually lost track of those imprisoned upon their release. Several U.S.-designated Hezbollah members have also held Paraguayan citizenship, and some continued to operate businesses in the U.S.-designated Shopping Uniamérica shopping center (previously known as Galería Page) in Ciudad del Este as of 2017. (Sources: [Counter Extremism Project](#) [3], [Library of Congress](#) [10], [Foundation for the Defense of Democracies](#) [76], [U.S. Department of State](#) [39], [ABC Color](#) [16])

In 1996, Paraguay arrested Marwan Adnan al-Qadi, a Ciudad del Este-based terrorist linked to the 1993 World Trade Center bombing, for his involvement in a plot to bomb the U.S. embassy in Asunción. He was extradited to Canada, though he escaped prison multiple times and reportedly returned to Ciudad del Este. In February 2000, Paraguayan authorities arrested a principal Hezbollah financier, Ali Khalil Mehri, in Ciudad del Este, and indicted him for software piracy. Mehri escaped from prison that June and fled to Syria. He remains at large today. (Sources: [Counter Extremism Project](#) [3], [Library of Congress](#) [10])

In November 2000, Paraguayan authorities arrested Palestinian national Salah Abdul Karim Yassine, a suspected Hamas explosives expert, in Ciudad del Este. Yassine was reportedly involved in a plot to bomb the U.S. and Israeli embassies in Asunción. He was sentenced to four years in prison on charges of illegal entry and document falsification. (Sources: [Counter Extremism Project](#) [3], [Library of Congress](#) [10])

Paraguay arrested Hezbollah fundraiser Sobhi Mahmoud Fayad in 1998 and 1999 for observing the U.S. embassy in Asunción. Fayad was released the first time for cooperating with authorities and the second time after authorities failed to gather sufficient evidence to charge him. He was finally imprisoned on charges of tax evasion after being arrested for a third time in 2001. Paraguay also charged Ahmad Assad Barakat, Hezbollah's former chief of military operations and

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fundraising in the TBA, with tax evasion, criminal association, and criminal abetment in 2001, and imprisoned him the following year after he was arrested by Brazilian authorities. However, Paraguay reportedly lost track of both Fayad and Barakat after releasing them from prison in 2009. Paraguay also imprisoned Hatem Barakat, another Hezbollah financier and the brother of Ahmad Assad Barakat, for document falsification in 2006, though he has since been released. (Sources: [Counter Extremism Project](#) [3], [Library of Congress](#) [10], [ABC Color](#) [72], [U.S. Department of State](#) [73], [Foundation for the Defense of Democracies](#) [76], [Facebook](#) [77])

Paraguayan authorities also investigated U.S.-designated Hezbollah financier Mohammed Fayez Barakat in 2008 for transferring large sums of money through a Paraguayan bank in 2005 and 2006. However, he was never prosecuted and continued to freely operate his company, Big Boss International Import Export, as of 2017, according to Paraguayan official records. In November 2016, Barakat reportedly attended a reception hosted by the Lebanese embassy in Asunción as an honored guest. (Sources: [ABC Color](#) [75], [Foundation for the Defense of Democracies](#) [36], [Foreign Policy](#) [17])

In August 2016, Paraguay arrested Ali Issa Chamas at Ciudad del Este's Guaraní international airport for attempting to smuggle 39 kilograms of cocaine. Some of it was reportedly intended for distribution in the United States. An investigation revealed that Chamas was part of a Hezbollah drug smuggling network. He was extradited to the United States in June 2017. (Sources: [La Nación](#) [54], [La Nación](#) [55], [Foundation for the Defense of Democracies](#) [36], [Miami Herald](#) [40])

Paraguayan People's Army

In August 2013, the Paraguayan government passed a Law of National Defense and Internal Security, commonly known as the Militarization Law, permitting the deployment of military forces to help the police in national security situations of "extreme gravity." The same month, a joint military and police task force called La Fuerza de Tarea Conjunta (FTC) was deployed to northern Paraguay to combat the EPP and later, the Armed Peasants Association (ACA), an offshoot of the EPP that broke off in 2014. Although a successful FTC operation wiped out most of the ACA's leadership in 2015, the ACA had been weak and disorganized from its start. Beyond that, the FTC has achieved few successes and has been heavily criticized for its ineffectiveness. It has also been criticized by human rights organizations for allegedly committing human rights abuses, including torture and arbitrary assassination. The FTC's lack of effectiveness was one of the main issues discussed in the 2018 presidential campaign, and several Paraguayan politicians have proposed dissolving the force entirely. (Sources: [Biblioteca y Archivo del Congreso Nacional](#) [78], [U.S. Department of State](#) [20], [Última Hora](#) [32], [Última Hora](#) [12], [Coordinadora de Derechos Humanos del Paraguay](#) [14], [Counter Extremism Project](#) [3], [ABC Color](#) [69], [ABC Color](#) [31], [ABC Color](#) [79], [ABC Color](#) [35], [ABC Color](#) [80])

International Counter-Extremism

Paraguay participates in the U.S. Department of State's Antiterrorism Assistance program, and works with the U.S. government to improve its counterterrorism law enforcement capacity. Paraguay's Minister of Foreign Affairs has stressed the importance of countering violent extremism around the globe and the country has cooperated with U.S. and other foreign-made requests to arrest Hezbollah operatives in the country. (Sources: [Counter Extremism Project](#) [3], [U.S. Department of State](#) [20])

In addition to the United States, the Paraguayan military has received training from Argentinian, and Brazilian military personnel, as well as counterinsurgency training specifically from the Colombian military. Paraguay is a member of the Organization of American States and its Inter-American Committee Against Terrorism, and the Financial Action Task Force of Latin America. (Source: [U.S. Department of State](#) [20])

Tri-Border Area

Paraguay has also specifically worked to coordinate its counterterrorism efforts with Brazil and Argentina in the TBA. In 1996, the three nations established a joint Trilateral Tri-Border Area Command to better control commerce and the transit of international individuals. Paraguay contributed members from its National Police. However, the Command has suffered from institutional corruption, inadequate funding and resources, and poor training, which have hindered its efforts to effectively combat illicit activity in the TBA. (Sources: [U.S. Department of State](#) [20], [Library of Congress](#) [10])

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In July 2019, Paraguay, Brazil, Argentina, and the United States formed an alliance to combat terrorism and “illicit activity” in the region, focusing on activity in the TBA. Representatives of the so-called “three plus one” alliance intend to meet twice a year. The countries agreed to the alliance during the Western Hemisphere Counterterrorism Ministerial Plenary in Buenos Aires that month. During the conference, U.S. Secretary of State Mike Pompeo singled out Hezbollah and Iran as the leading terrorist threats to the region. (Sources: [U.S. Department of State](#) [81], [Rio Times](#) [82])

Public Opinion

According to a 2018 report by Asymmetrica and the Counter Extremism Project, kidnappings by the EPP are considered to be the “top security issue” in Paraguay. According to the U.S. Department of State, Mennonite and other ranchers in northern Paraguay believe that the EPP threatens their livelihoods and security. (Sources: [Counter Extremism Project](#) [3], [U.S. Department of State](#) [20])

In August 2015--two years after Paraguay launched a joint military and police task force called La Fuerza de Tarea Conjunta (FTC) to combat the EPP--a survey suggested that 89 percent of Paraguayans believed that the government was failing in its efforts to combat the group. The FTC’s effectiveness continues to be widely criticized and was one of the main issues discussed in the 2018 presidential campaign. (Sources: [Última Hora](#) [13], [Última Hora](#) [12], [ABC Color](#) [79], [Counter Extremism Project](#) [3])