

EIR Feature

How Peru's drug bankers were caught laundering \$3 billion

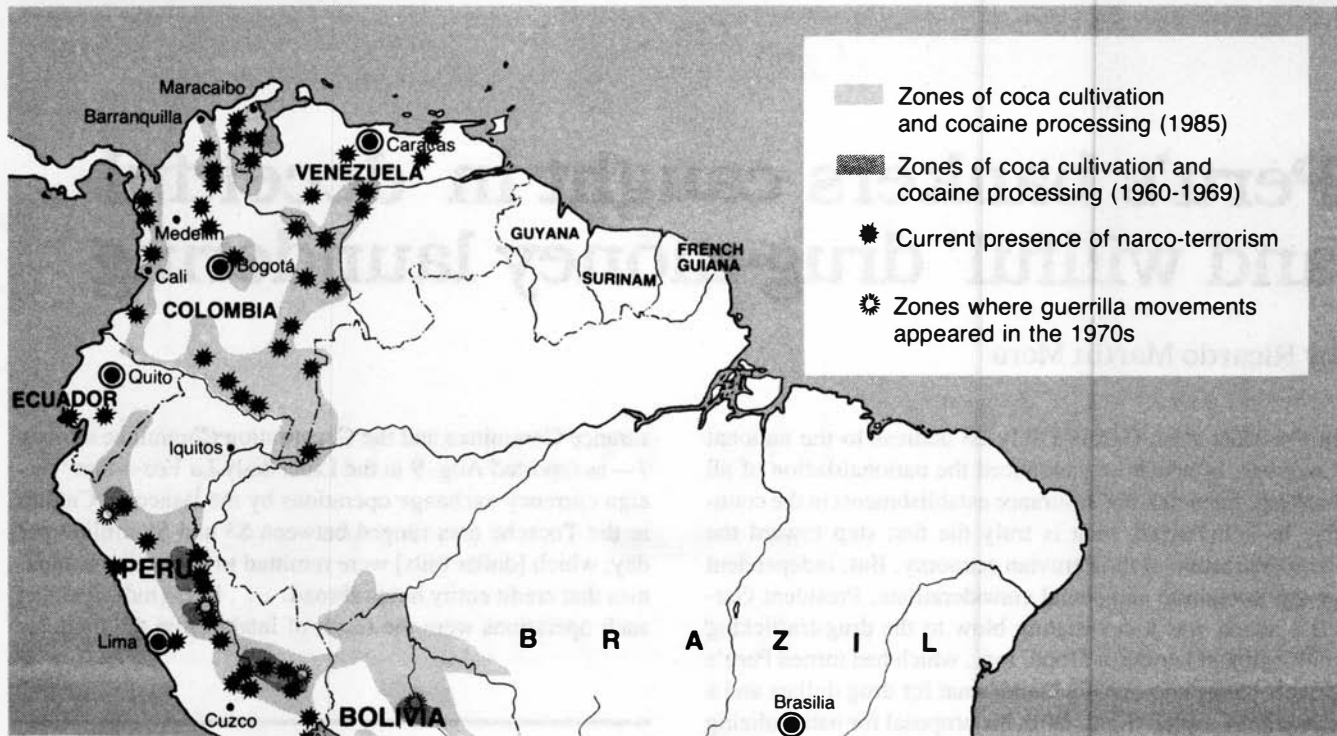
by Robyn Quijano

"The government, not the drug traffickers, must run the economy," declared Peruvian President Alan García, as he began touring the country to mobilize support for his July 28 decree to nationalize the Peruvian banks. García told the nation that most of the capital flight Peru has suffered involves "dollars from the black market, the majority of which come from the drug traffic." García's initiative was designed to control the flow of credit to industry and away from speculation, and to shut down the laundering of "coca-dollars."

Peru is the largest coca producer in the world. The billions of dollars a year that get laundered through the Peruvian banking system offer quick-fix liquidity for the system owned by a handful of Peruvian oligarchs, and their partners abroad. It is a small part of the estimated 500 billion narco-dollars that flows through the international financial system yearly. Nonetheless, this payoff to the traffickers of the raw material, coca leaves and basic cocaine paste, or semi-processed cocaine, is a crucial part of the cycle of the world's biggest multinational, Dope, Inc.

EIR presents below the dirty dealings of Peru's largest private bank, the Banco de Crédito, whose owners are currently mobilizing against the nationalization to protect their "freedom" to launder billions of coca-dollars. Ricardo Martín Mora, former Special Prosecutor of Narcotics Traffic in Peru, presents the details of his investigation, along with the "check stubs" that prove Banco de Crédito's role in drug-money laundering. The real issue in the recent nationalization is neither "free enterprise" nor the bankers' "constitutional rights," as argued by Judge Eduardo Raffo Otero, who suspended the intervention into banks, finance houses, and insurance companies which had been ordered by government decree. The real issue is the more than \$3 billion per year laundered by that financial system.

Banco de Crédito branches in the Peruvian jungle take in dollars from narcotics traffickers from several countries, in exchange for Peruvian currency; the same bank airplanes that bring in the national currency, carry the dollars out to the bank's main office in Lima or to its Cayman Islands branch office, and from there, it is transferred to New York.



President García's nationalization of the banks most enraged the dope bankers, who have been making billions from narcotics trafficking. The map shows the close link between drugs and terrorism.

The Banco de Crédito has intense activity in Uchiza and Tocache, small, isolated towns in the Upper Huallaga River Valley. Last June, the Shining Path terrorists (Sendero Luminoso) took over and occupied Uchiza, until they were dislodged by military and police forces one week later. During the terrorist takeover of all government offices, the banks continued their drug-money laundering.

Juan Francisco Raffo Novelli, Banco de Crédito's vice president and general manager, and a relative of the judge that declared the nationalization decree unconstitutional, confessed to the National Congress's Banking and Securities Commission that his bank takes in \$5 million daily in the cocaine zone of Uchiza and Tocache, as a result of commercial transactions of "coffee and coca."

Since García's decree, the bankers, drug runners, narco-terrorists, and their extensive support apparatus have launched both legalistic and violent war on the President. On Aug. 5, terrorists fired mortars at the Presidential Palace. The following day, an attack against García's economic adviser, Daniel Carbonetto, was repelled by security guards. Carbonetto later said he had received threatening calls that accused him of being "the father of the bank nationalization." "Those who attacked the Palace of Government," he said, "and those who tried to assassinate me . . . are groups of right-wing terrorists who acted under orders of minorities . . . affected by the recent economic measures."

Since the "left-wing" terrorists like Shining Path function as the army of the narcos, the agreement of the "right" and "left" against the nationalization is increasingly open. Shin-

ing Path's daily, *El Diario*, urged that middle-rank officers push aside the Army, Navy, and Air Force commanders who stand with García. *El Diario* claims that there is great discontent against War Minister Gen. Jorge Torres Flores, who gave his total support to García's nationalization.

Several retired generals have openly threatened a coup. Gen. (ret.) Luis Cisneros wrote that García's move to nationalize the banks means that no one now "would have the moral capacity to oppose a coup." Gen. (ret.) Francisco Morales Bermúdez came to power "by decision of the armed forces to correct deviations and eliminate personalisms," Cisneros recalled. Now, "Alan García puts us in the same situation." After he pulled a coup against the nationalist Gen. Juan Velasco Alvarado, Morales Bermúdez was the first to open the doors to the drug runners, as Martín Mora details below.

On Aug. 8, García rescinded the nationalization decree, asking Congress to speed up its debate, and vote the nationalization into law before the following week. He explained that the government would not fall into "the trap of illegitimacy or abuse, but will wait for the nationalization law to be passed to act within the constitutional framework." If not, the right's legalistic arguments could push "other forces" to smash the democratic system, he warned.

The international banking system, with its addiction to narco-dollars, is more threatened by García's attempt to wipe out drug-money laundering than by his challenge to the International Monetary Fund. It is Dope, Inc. that is determined to "get García." If the narco-bankers win this time, Moscow's narco-terrorists will be the real winners.