
PARAGUAY

Overview: In 2016, the Government of Paraguay continued its counterterrorism cooperation with the United States. Paraguay continued to face challenges on ineffective immigration, customs, and law enforcement controls along its porous borders, particularly the Tri-Border Area (TBA) with Argentina and Brazil, and its dry border with Brazil from the TBA to Pedro Juan Caballero.

Since 2008, persons claiming to be part of the Paraguayan People's Army (EPP) – a domestic criminal group initially dedicated to a socialist revolution in Paraguay – have been active in the northern departments of Concepcion and San Pedro. The group has been involved in violence designed to intimidate the population and government. The Government of Paraguay believes the EPP to be a small, decentralized group of approximately 20 members. EPP and offshoot groups' activities consisted largely of isolated attacks on remote police and army posts, or against ranchers and peasants accused of collaborating with Paraguayan security services. The Armed Peasants Association, an EPP offshoot, continued to operate at a reduced capacity, following a late 2015 Paraguayan government operation that killed most of the group's leadership. Ranchers and ranch workers in northeastern Paraguay, including members of the Mennonite community, claimed the EPP frequently threatened both their livelihoods and personal security. At the end of 2016, the EPP allegedly held four high-profile hostages, including Mennonite Franz Weibe, kidnapped in 2016; rancher Felix Urbieta, kidnapped in 2016; Abraham Fehr Banman, kidnapped in 2015; and former Paraguayan National Police official Edelio Morinigo Florenciano, kidnapped in 2014.

2016 Terrorist Incidents: The EPP conducted several high profile operations involving kidnapping, killings, and sabotage:

- In July, alleged EPP members kidnapped 17-year-old Mennonite Franz Weibe, burned his family's property, and left a pamphlet demanding ransom at Estancia La Yeya, Santa Rosa del Aguaray, San Pedro Department. The teenager was reportedly still in EPP custody at year's end.
- In August, alleged EPP members ambushed and killed eight Paraguayan military personnel with improvised explosive devices, and stole weapons and equipment in Arroyito, Concepcion Department.
- In September, alleged EPP members kidnapped four ranch workers, leaving pamphlets and other media in Azotey, Concepcion Department. The workers were later released.
- In October, alleged EPP members kidnapped cattle businessman Felix Urbieta in Horqueta, Concepcion Department. At the end of 2016, the businessman was reportedly still in EPP custody.
- In December, alleged EPP members attacked and burned equipment at Estancia Paso Ita, Tacuati, San Pedro Department.

Legislation, Law Enforcement, and Border Security: Paraguay pursued individuals suspected of terrorist crimes under laws passed in 2010 and 2011. The Paraguayan government continued to make use of a 2013 counterterrorism law that allows for the domestic deployment of the Paraguayan military to counter internal or external threats. Counterterrorism functions are

handled by the Paraguayan National Police Secretariat for the Prevention and Investigation of Terrorism. Military forces and police officials continued to operate jointly in the San Pedro, Concepcion, and Amambay departments against the EPP, with limited success.

The Tri-Border Area continued to be attractive to individuals seeking to engage in terrorist financing, as the minimal police and military presence along these borders allowed for a largely unregulated flow of people, licit and illicit goods, and money. Paraguay's efforts to provide more effective law enforcement and border security were hampered by a lack of interagency cooperation and information sharing, as well as pervasive corruption within security, border control, and judicial institutions.

Paraguay continued to participate in the State Department's Antiterrorism Assistance program, as part of a tri-border regional program; other U.S. government agencies also contributed to building Paraguay's counterterrorism law enforcement capacity

Countering the Financing of Terrorism: Paraguay is a member of the Financial Action Task Force of Latin America, a Financial Action Task Force-style regional body, and Paraguay's Financial Intelligence Unit is a member of the Egmont Group of Financial Intelligence Units. Paraguay has counterterrorist financing legislation and the ability to freeze without delay and confiscate terrorist assets, although there were no terrorist financing convictions or actions to freeze in 2016.

Concerted law enforcement efforts to implement anti-money laundering laws and laws countering the financing of terrorism were lacking. Significant quantities of money are laundered through businesses and financial institutions or moved in cash. The Paraguayan government registers and has reporting requirements for non-governmental organizations (NGOs) – including non-profit organizations – and requires NGOs to set up internal monitoring and training regimes to guard against criminal or terrorist financing. Paraguay requires the collection of data for wire transfers.

For further information on money laundering and financial crimes, see the *2017 International Narcotics Control Strategy Report (INCSR), Volume 2, Money Laundering and Financial Crimes*: <http://www.state.gov/j/inl/rls/nrcrpt/index.htm>.

Countering Violent Extremism: While the Paraguayan Minister of Foreign Affairs spoke in September on the need to counter violent extremism around the world, Paraguay currently has no program to counter violent extremism

International and Regional Cooperation: Paraguay participates in Organization of American States and its Inter-American Committee Against Terrorism, and the Union of South American Nations. Paraguay continued to collaborate with Brazil and Argentina on border protection initiatives, regional exchanges, and discussions on counterterrorism and law enforcement projects.