

*Colombia: Coexistence, Legal Confrontation,
and War with Illegal Armed Groups*

Efforts to regulate campaign financing and political parties in Colombia came relatively late in the country's history. Despite early discussions and proposals in the 1950s by both major parties—the Liberals and the Conservatives—and the Alberto Lleras Camargo administration (1958–62), Congress failed to pass any legislation on the matter. During this period, as Eduardo Pizarro (1998) argues, representatives in Congress made it clear that they were unwilling to rein in political parties.¹ There was also a profound lack of interest in key aspects of party organization, given the traditional emphasis on democracy as a system to deliver social equality rather than a set of procedures for the establishment of government.²

But by the mid-1980s Colombia could neglect the issue no longer. Two threats to the system, namely drug-trafficking money in politics and the demands of the *guerrilleros*, helped usher in, for the first time in the country's history, political financing regulations defining the role of the state in funding electoral campaigns. While these crises served as a catalyst for reform, the political turbulence they caused also hampered progress.

In the years before the first set of reforms, it was evident that Colombian democracy was tainted by drug money. In 1983 Pablo Escobar had managed to infiltrate Nuevo Liberalismo (NL), a dissident party whose platform was the fight against corruption. After being expelled from NL, Escobar joined Alternativa Popular, a faction of the majority Liberal Party, which led him to win a seat in the House of Representatives. While in Congress, Escobar promoted debates against the NL, because that party had received checks from drug traffickers. In addition to the drug lord's infamous role in politics, the murder of Rodrigo

1. Pizarro (1998).

2. Posada-Carbó (2008).

Lara Bonilla, minister of justice at the time, was still fresh and deeply troubling to politicians and the general public. The incident was the apex of a series of disagreements, mutual breaches, and retaliations between the Belisario Betancur administration (1982–86) and the drug cartels that allegedly had supported his campaign. Following Lara's assassination, the government intensified the war against the drug lords, including enforcement of the extradition treaty with the United States.

Although under immense pressure from powerful drug cartels to turn a blind eye to their meddling in politics, the establishment pressed ahead with discussions on a political financing framework in the context of the war it was waging against left-wing *guerrilleros*. Interestingly, electoral financing and political parties emerged as top issues of a common agenda between the government and the *guerrilleros*, contained in President Betancur's ambitious program of peace negotiations. The government was primarily interested in weakening the role of drug cartels in politics and ending embarrassing scandals, but it also understood that the two-party system was broken and that the *guerrilleros* wanted to create a more participatory regime that moved Colombia beyond the hegemony of the two major parties. As corruption eroded the administration's legitimacy and the government fought drug traffickers, the *guerrilleros* sought legal recognition of nontraditional parties and movements.

It was in this context that in 1985 the Congress passed the first law to regulate political parties in Colombia. Law 58 introduced partial and indirect public financing of election campaigns and revamped the old Electoral Court, whose mandate had until then been limited to elections. The Electoral Court became the National Electoral Council, or NEC, and its new responsibilities included legally recognizing political parties as well as regulating their activities and funding. Law 58 focused on private contributions and only included indirect public funding, such as free access to the state media, financial help for advertising, and free postage and printing services.

With respect to private funds, the new legislation allowed individuals and corporations to make contributions both in cash and in kind. A cap was imposed on private contributions as well as on the amount that a presidential candidate could spend on his campaign from his own assets. In addition, the campaign period was limited to ninety days, and parties were required to register their accounting books with the electoral authorities and to make this information public.

By 1991—during the second phase of electoral finance reforms—the political landscape had significantly changed, with the integration of a former guerrilla organization into mainstream politics. But the pressure on the government—from both drug traffickers and guerrillas—remained unabated just as in the 1980s. The Alianza Democrática M-19, a political party that resulted from

the peace agreement with the guerrilla group that, at that time, was closest to the drug lords, won a substantial fraction of the National Constituent Assembly delegates. The government conducted part of the discussion on political reform while at the same time negotiating Pablo Escobar's arrest conditions. Indeed, Escobar surrendered the same day the assembly approved the ban on extradition of nationals. Corruption allegations, including bribery of delegates by the Cali cartel, remained common.

In 1991, also to combat corruption and promote wider political participation, the assembly took action on the need to expand the public financing of political parties and campaigns. Public funding was seen as a way to mitigate the *auxilios parlamentarios*, a patronage system whereby members of Congress can assign infrastructure projects at their discretion to areas with influence. These government appropriations, which turned into massive pork barrel projects, reached 1 percent of the national budget and became a major source of corruption. As a result the 1985 rules governing indirect funding remained the same, including candidates' access to public television, but new legislation introduced direct, albeit partial, public financing of parties and campaigns.

Significantly, the new political finance laws were elevated to the constitutional level and became enshrined in the 1991 constitution. The legal framework was designed to overhaul the entrenched bipartisan structure of politics that the guerrillas often denounced. One of the constitution's pillars, which arose from efforts to negotiate with the insurgency, was the understanding that Colombian democracy needed to include a wide range of political parties and movements. Concretely, this meant a move from representative democracy to a more participatory model. In redefining Colombian democracy, the constitution introduced electoral rules that, in fact, weakened an already fragile party system and undermined several mechanisms of direct democracy.³ The result was a very fragmented political landscape.

It was not until 1994, with the Basic Statute of Political Parties and Movements, or Law 130, that Congress translated the constitution into clear and enforceable legal provisions. The lag of almost three years is testament to the difficulties that the constitutional guidelines encountered in Congress. But more important, the timing of the passage is telling of the influence of drug money in Colombian politics. Three months before the approval of Law 130, a presidential campaign-funding scandal broke out concerning an agreement that was forged between the government and the Cali cartel in Madrid a year earlier. Even after the adoption of the law, the NEC played no role in solving the scandal, thereby exposing some of the shortcomings of the reform effort.

3. Posada-Carbó (2008).

Although the aforementioned scandal shook Colombians and prompted extended discussions on the topic of political finance once more, the crisis did not lead to congressional action. A few months after taking office, Ernesto Samper Pizano (who stood accused of illegally financing his presidential campaign) created the Commission for the Reform of Political Parties. One of the key proposals of this commission was precisely to amend the current provisions regarding political financing. The NEC proposed legislation, and the administration that followed also proposed political reform bills, but Congress failed to pass them. The main argument was that the proposals did not address the fundamental problems of the country.⁴

Quite apart from the need for new legislation, enforcement has also been a challenge in Colombia. For one, the National Electoral Council, which is responsible for the regulation of political parties and electoral campaigns, has always been a precarious institution. The fact that the NEC has scarce resources and limited power, in addition to having a partisan structure and membership, has made it impossible to control parties' resources. As it stands today, the NEC is better endowed "to resolve conflicts of interest between the parties than to monitor their excesses."⁵

The extreme fragmentation of parties—a consequence of both the new constitutional framework of 1991 and the steady decline in party loyalty—only compounded the problems associated with a weak NEC. The number of players eligible for public funds multiplied, and naturally, the cost of campaigns increased. By allowing not only parties but also associations, movements, and even individual candidates to receive electoral funds, including public subsidies, and by granting full discretion in the expenditure of these resources, the legal regime unraveled. Party anarchy and the virtual privatization of electoral campaigns were the result. With hundreds of lists of candidates for the Senate and the House, the supervisory and management role of the NEC became untenable.⁶ In short, campaign finance reforms until the 1990s proved to be detached from the practical considerations of implementation and enforcement.

In 2005 Law 996 was passed to regulate the election of the president, but it dealt mostly with hiring by the government before the elections, not with the financing of campaigns. Today Colombia has a mixed political finance system. Both the state and individuals channel funds to political parties and electoral campaigns. In addition, there are limits to the amount that parties can spend and the private contributions they can accept. For presidential campaigns, there

4. Posada-Carbó (2008, p. 14).

5. Pizarro (1998, p. 36).

6. Pizarro (1998, p. 39).

is an overall cap on private funding, as well as a ceiling on individual contributions, of 2 percent of total campaign expenditures. The bulk of the funding—approximately 80 percent—must come from the public treasury. While a fragment of the money is disbursed before elections, the number of votes determines the amount that parties and candidates ultimately receive. There are similar ceilings and controls for those running for Congress. The state also partially funds internal party referendums for candidate nominations.

The National Electoral Council allocates and administers these public resources. All political organizations financed with taxpayer money must report their annual income and expenses as well as the specific allocation of public funds. Once the NEC reviews and approves the reports, national newspapers make them public. It is worth underscoring that the legal system of political finance in Colombia is still based on the legislation and decisions of the NEC and, since 1991, on the constitution.⁷ The privileged status that political finance laws have in Colombia is unique in Latin America and is a product of its turbulent history.⁸

The arguments for regulating political finance in Latin America as a whole are varied. Apart from those related to ensuring competition, eliminating financial barriers to political activity, and achieving more transparency, a recurrent concern has been to avoid “what happened in Colombia.” The region now understands quite well that “dirty or illicit money corrupts the system and undermines the rule of law.”⁹

This chapter puts forth the argument that the idea of a criminal organization corrupting a democratic system by seeking legal benefits is overly simplistic. This caricature of reality ignores the fact that not all drug lords are created equal: some provide financial support to politicians, others resort to direct proselytizing, and still others show a total disregard for public life. In addition, one cannot overlook the symbiotic and long-standing relationship that exists between the Colombian elite and illegal actors. Indeed, a fraction of the political class has had a long tradition of partnerships with informal and illegal activities.

The account of the relationship between political finance and organized crime in Colombia over the past four decades reveals that the dynamics of illegal political finance can be understood only in the wider context of political negotiations, nonfinancial agreements, legal confrontations, and all-out war between organized crime and the political establishment.

7. Law 58 of 1985, Law 130 of 1994, and Law 996 of 2005. See also Montoya and Navarrete (2009); de la Calle (1998).

8. According to Pizarro (1998), the other exception is Brazil.

9. Payne and Cruz Perusia (2007, p. 78).

Finally, the chapter draws testable hypotheses from the Colombian experience, discusses the public policy implications, and captures the lessons learned from the Colombian case.

Organized Crime and Political Finance: The Actors

Colombia's illegal armed actors exhibit two styles over two generations. Colombian armed barons of the first generation, roughly extending from the 1980s to the end of the century, generally fit one of two styles: the entrepreneur or the political warrior. Among the entrepreneurs were drug traffickers and emerald traders. Guerrillas fall into the political warrior category, while the paramilitaries are a mixed group, with both business and political elements. These distinctions are widely recognized by the general public and even acknowledged by drug traffickers. Virginia Vallejo, a former anchorwoman, Pablo Escobar's lover, and close friend of Gilberto Rodríguez Orejuela (head of the Cali cartel), summed it up: "I cannot help thinking that those surrounding Pablo are always talking about politics, while those surrounding Gilberto only talk about business."¹⁰

The second generation—composed of the descendants, lieutenants, employees, and persecutors of the first *capos*—is far more varied and less visible. They have become more specialized and focused on the business of drug trafficking and generally show less interest in politics. Without attempting to provide an exhaustive account of how these actors support and interact with politicians, the rest of the chapter shows the diversity of approaches that Colombian *narcos* have taken toward politics.

The Medellín Cartel: Business, Politics, and War

Pablo Escobar, the head of the Medellín cartel, had a long criminal career that started at a young age.¹¹ While in school, he had many followers and commanded respect—his popularity being partly due to his money, which he began to earn by distributing smuggled cigarettes in neighborhood shops. It was with Alfredo Gomez, an influential local politician, that Escobar and his cousin Gustavo Gaviria became serious criminals. Gomez, popularly known as The Godfather, made a fortune as a smuggler while maintaining his status as a respected public figure in Envigado, a small town near Medellín. Pablo Escobar also took notice of his grandfather, Roberto Gaviria, who had chosen a similar

10. Vallejo (2007).

11. Based on Castro Caycedo (1996); Salazar (2001); Bowden (2001); Legarda (2005); Salazar Pineda (2006); Vallejo (2007).

lifestyle. According to Doña Hermilda, Pablo Escobar's mother, her father lived in Cañasgordas and became mayor of the town, but "above everything, he was a smuggler."¹² Escobar first learned the tricks of the trade from his grandfather's practice of transporting liquor in coffins. Later, while working as a bodyguard for Gomez, Escobar met weapons experts and others who formed part of his web of illicit activities.

Unlike the Rodriguez Orejuela brothers of the Cali cartel, whose links to politics came later in their careers, Escobar showed talent and ambition for public life from an early age. He spent his childhood at the estate of Joaquín Vallejo, his real godfather, a wealthy politician from Antioquia and a former state minister. At school, Escobar was elected president of the Student Welfare Council and was known for stealing answers to tests and distributing them to his classmates. He had leftist leanings but mainly wanted to be rich.

By age twenty-five, and while working for Gomez, Escobar was deeply involved in illicit trade but was also interested in his boss's political activities. During the 1974 elections, Gomez supported the Conservative Party's presidential candidate, Belisario Betancur, as well as several candidates for the Senate and House of Representatives. Even though Betancur lost, several individuals on Gomez's payroll won congressional seats. This incident became public and prompted a debate in Congress, which Escobar followed in great detail by collecting press clippings. A skilled lawyer, Guido Parra, defended Gomez in these proceedings, and Escobar became ever more mesmerized by his boss's power. That same year, the novice kingpin was arrested for stealing a vehicle, and he shared his time in prison with Gomez, who had been arrested for carrying smuggled goods in military trucks. Gomez's generosity toward poor prisoners—and the fact that politicians of national stature, such as Alberto Santofimio, visited him—also made an impression on Pablo Escobar.

Shortly after being released from the penitentiary, Escobar became a populist local leader and surrounded himself with powerful leftists. He organized and funded nearly a hundred neighborhood committees to undertake community projects. He sought to eradicate the slums of Medellín with the construction of 5,000 homes, partnering with the former director of city planning, who offered a plot of land for each house. (Later he would serve as intermediary for a negotiated solution to the confrontation between the government and the drug traffickers.) Escobar's political vocation was further buttressed by the influence of an uncle, who was a union leader, and by the alliance with Carlos Lehder, a drug lord from Armenia, a nearby city of coffee growers. Lehder, also a member of the Medellín cartel, had his own political party, edited a newspaper, and aligned

12. Salazar (2001, p. 37).

himself with some members of the M-19 guerrilla group. He was famous for his radical speeches and for giving a plane to the governor of his *departemento*, or district. With a blend of fascism, Marxism, antiimperialism, and patriotic doctrine, Lehder boasted that he used an island in the Bahamas as a base for flooding the “American enemy” with cocaine.

Social work in poor neighborhoods led Escobar to dig deep into politics, and in 1982 he campaigned for a seat in the House of Representatives. The presidential contenders were Alfonso López Michelsen and Alberto Santofimio, from the Liberal Party, and Belisario Betancur, a Conservative Party candidate. Representing Nuevo Liberalismo, an antipatronage movement, the nominee was Luis Carlos Galan, a scrupulous man. Jairo Ortega, a former lawyer for Gomez, wanted to join Galan and invited Escobar to run for Congress. At a rally in Medellin, however, Galan and one of his closest collaborators, Rodrigo Lara Bonilla, publicly rejected Ortega and Escobar—an affront that the drug lords would never forgive. They then joined Santofimio, who encouraged Escobar’s political career, noting that “with your money and intelligence it is certain that you will be president of Colombia.”¹³ Ortega ended up winning the congressional post, which he alternated with Escobar. A few months later, the Spanish Socialist Party officially invited Escobar and Alberto Santofimio Botero to Madrid for the inauguration of Felipe Gonzalez as president of the Spanish Government. That same year, *Semana* magazine devoted a lengthy cover story to Pablo Escobar, calling him Antioquia’s Robin Hood.

Another outcome of the 1982 elections was the rise to the presidency of Belisario Betancur, who then appointed Rodrigo Lara Bonilla as his minister of justice. Lara Bonilla then decided to wage war against drug traffickers. Irritated, Ortega and Escobar prepared congressional hearings against Lara Bonilla. Ortega accused him of receiving dirty money to finance the Nuevo Liberalismo campaign with Galan, presenting as evidence a copy of a check drawn by the drug trafficker Evaristo Porras to finance the campaign and a video recording of Porras’s meeting with Lara Bonilla. It was all a trap, which Escobar had planned in retaliation for his public expulsion from Galan’s movement. Lara Bonilla’s response, when faced with the scandal, was to step up action against drug traffickers.

Lara Bonilla managed to lift Escobar’s parliamentary immunity to reopen proceedings against him for murder, and Escobar publicly renounced politics. An arrest warrant for extradition was issued against Lehder, and in March 1984 government authorities destroyed Tranquilandia, a large cocaine-processing center. In May of that year Lara Bonilla was murdered, in Bogota. A couple of

13. Salazar (2001, p. 92).

months following the assassination, an important meeting between Colombian politicians and drug traffickers took place in Panama.

Excluding the plan to frame Lara Bonilla and the support of a few political friends, little is known about Escobar's financing of campaigns or political parties. It is likely that he considered this kind of support ineffective. Indeed, his major achievements—and there were many of them—resulted from kidnappings rather than from bribing politicians.¹⁴ As an example of his influence, Escobar even managed, through his lawyers, to make contact with the U.S. attorney general and offer information against the guerrillas in exchange for amnesty.¹⁵

Escobar claimed to be the ruler of the underworld, and as such, he collected taxes from other drug traffickers and earned a unique level of financial and political autonomy. Out of fear of retribution, many drug dealers would make the payments.¹⁶ Escobar also believed, up until the end, that he held sway over mainstream society. In an interview days before his death by shooting—which resulted from one of the darkest alliances between the mafia and the Colombian and U.S. governments—Escobar said, “I do not think it was a mistake [to go into politics]. I am sure that if I had participated in the next election I would have won overwhelmingly over all politicians in Antioquia.”¹⁷

Mostly Business: The Cali Cartel

In sharp contrast to Pablo Escobar, the leaders of the Cali cartel led mostly apolitical careers, managing parallel legal and illegal businesses.¹⁸ Gilberto Rodríguez started as a drugstore messenger, moving thereafter to own a pharmaceutical empire. Behind the façade of a legal and successful business lay links to the Cali underworld. Along with his brother, Miguel, he headed a gang called Los Chemas, supposedly left-wing revolutionaries, and generated money by abducting people.

In 1972 the brothers founded Drogas La Rebaja, a drugstore chain that would eventually handle about half of the pharmaceutical market in Colombia. This business, which sold medicine at prices up to 30 percent less than its competitors, served as a money-laundering machine but also as a charitable front, seemingly committed to the health of the poor. The cartel acquired 66 percent of Banco de los Trabajadores, and although it was never proven, this was apparently the first major financial institution to wash drug dollars. In the mid-eighties, the cartel sold this stake to the corrupt politician Rafael Forero Fetcua. By 1978 the Cali cartel had gained control of a bank in Panama. In addition to having a foot in

14. Rubio (2005).

15. Bowden (2001, p. 68).

16. Reyes (2007, p. 54).

17. Bowden (2001, p. 192).

18. Based on Chaparro (2005); Téllez and Lesmes (2006).

the drug and bank markets, it bought a chain of radio stations, which went on to become the third biggest chain in Colombia.

Following the assassination of Minister Lara Bonilla and the Betancur government's decision to enforce the extradition treaty, Gilberto Rodríguez fled to Brazil and then to Spain, where he was arrested along with Jorge Luis Ochoa, a colleague of Pablo Escobar's in the Medellín cartel. Rodríguez managed to avoid extradition to the United States through legal loopholes. In the end, he was sent to his own country and soon set free. This episode shows the immense power and legal muscle that drug lords commanded.

Suspicion about Drogas La Rebaja's ties to drug trafficking arose in the late 1980s, when bombs attributed to Pablo Escobar destroyed almost a hundred stores of the chain. Despite these attacks and several criminal investigations, a sophisticated legal team managed to keep the business running. By this time, the magnitude of the illegal business was such that Miguel Rodríguez conceived a kind of OPEC to regulate the world price of cocaine. Through taxes on all dealers, he wanted to fund payments to politicians who would help legalize their fortunes as well as to finance campaigns to take on common enemies. It was not until then that the Rodríguez Orejuela brothers began to seriously consider forging high-level political alliances to avoid extradition to the United States and to ensure that their businesses and lives ran smoothly.

By the time that the Cali cartel financed the 1994 presidential campaign, this organization was already well established. This was almost a textbook case of organized crime financing politicians in exchange for legal benefits. This instance of political involvement differed from the stereotype in that it was also a long-term personal investment for retirement and was partly motivated by philanthropy. For years, the kingpins of the Cali cartel treated politicians no differently than they did businessmen: they did not trust either. The Rodríguez brothers understood that their money would not guarantee any particular outcome, which became clear when they were subsequently arrested, and they seemed to have been aware of the diminishing marginal returns of electoral expenditure.¹⁹ In its war against the Medellín cartel, the Cali cartel's territorial control and sophisticated intelligence network proved to be more successful than political clientelism.

Global Technocrats or Warlords: The Snitches' Cartel

The second generation of illegal armed actors in Colombia is far more diverse, complex, and inconspicuous than the first. From what is known about the heirs of the great bosses, one could conclude that the business-oriented strategy and the policy of discretion were more effective than all-out war and direct

19. Casas-Zamora and Zovatto (2010).

participation in politics. While the children of Escobar and Lehder completely dropped out of illicit trade, those of the Rodriguez brothers continued the model of trafficking with a veneer of legal activities.

Many of the new drug lords learned from their former bosses, while others learned about trafficking by combating it as members of security forces. Second-generation drug barons generally kept a low profile, away from politics and even from their country. Agustin Caicedo Velandia, a powerful contemporary narcotics trafficker and a former agent of the Fiscalia, or prosecutor's office, alternately lived in Argentina and Central America and sponsored drug shipments from abroad.²⁰ In the Drug Enforcement Agency operation in which he was captured, a former officer from the Administrative Department of Security also fell. An ex police officer who worked with the traffickers provided key information for their arrest.

A detailed description of a couple of kingpins of this new generation suggests several features. In general, we can observe a trend toward the specialization and sophistication of the business. The educational level of drug lords is also higher: there are engineers, medical doctors, professionals in finance, and even specialists in law. William, the son of Miguel Rodriguez, studied law at Harvard, for example. An extensive network of highly skilled professionals in Colombia and abroad allowed them to outsource part of the business. The owner of a route may subcontract the production of raw materials as well as the processing, transporting, and distributing of drugs. He may also export money laundering.

It is also clear that technological advancements have facilitated these and other transformations in the illicit trade. Indeed, the very changes that have eased legal trade and enabled globalization have also boosted illicit trade. New telecommunication media, vessels with global positioning systems, submarines, and the availability of synthetic cocaine are just some of the inventions from which drug dealers have greatly benefited. It is no longer necessary for the boss to have a militia, because he can purchase protection and debt-collection services in the marketplace. As a consequence, alliances with politicians have become rare. Only two politicians are known to have been involved with the notorious *neocapos* from Medellin, Juan Ramon Zapata and Gabriel Usuga, known as Los Ciclopes. The first public figure was a man from El Salvador with diplomatic status who leased his plane to transport money to Panama, and the second was an Arab prince who partnered with the kingpins to export a huge amount of cocaine from Venezuela to France.²¹

20. "Ex agente de CTI" (2010).

21. Reyes (2007). On the partnership between the Arab prince and the Colombians, see also Monti (2004).

The other players that gained prominence in this period were the paramilitary groups that sold protection and debt-recovery services. With the end of the Medellín and Cali cartels, most of these private armies retreated to rural areas and maintained tight political control over some villages. The leader of one of those paramilitaries is Cuco Vanoy, the Lord of Bajo Cauca, who has been compared to Pablo Escobar for his weight in the drug market and philanthropy toward the poor. Vanoy has “built playgrounds, two clinics with sophisticated equipment, community kitchens; paved roads; gave groceries, fans, chairs, sheets of zinc roofing; remodeled asylums; made donations to the Catholic, Christian, and Evangelical Churches; created the Tarazá Without Hunger program, which benefited 100 families; and paid for the tubal ligation surgery of 270 women. Populism has been his most effective strategy for conquest.”²²

In terms of organizational structure, drug-trafficking organizations went from being very hierarchical to having a fragmented and more elusive composition. This new feature had political implications and may explain the diminished interest in public life. Some argue that the motivation for engaging with politicians went from a desire to influence national decisions to a desire to tap into local power networks. This move, and the fact that scattered cells could be more easily kept clandestine, offered greater protection from the authorities.²³

While some illicit armed actors signaled a retreat from politics, others had political ambitions—but of a different nature from those of the first generation. In the case of Los Chamizos in Santa Marta, the military leader himself became a political candidate.²⁴ There have also been mayors who, harassed by the guerrillas, sought protection from the paramilitaries. These paramilitaries, in turn, earned prestige, power, and political allies. The heirs of the first cartels were also willing to deal directly with the U.S. justice system and are thus known as the *cartel de los sapos* (snitches).

Politicians: Anything Goes

Traditionally, those involved in dealing with issues of organized crime and political finance have operated under the presumption that the link between drug trafficking and politics can be boiled down to bad guys corrupting mostly honest guys. The fact is, however, that the empirical record does not justify this assumption: opportunistic politicians, seduced by the profits associated with all types of contraband, plague Colombia’s history.

22. “Cuco Vanoy” (2007).

23. Duncan (2006).

24. Zuñiga (2007, p. 243).

Background: Smuggling and Clientelism

It would be impossible to go into detail about Colombia's century of civil wars, uprisings, rebellions, violence led by politicians from the capital, amnesties, betrayals, and military dictatorships. What is critical to point out is that they all suggest a long history of weak democracy.²⁵ It is also worth mentioning that the rise of the M-19 urban guerrilla—a major player in drug trafficking and politics—was the result of electoral fraud in the 1970 presidential election. Indeed, some of the illegal armed actors at least initially had genuine and legitimate political grievances.

Political clientelism, understood as the granting of favors with public resources in exchange for electoral support, has a long tradition in Colombia, especially in the border cities and ports.²⁶ Some of Colombia's first rumors of illegal money in election campaigns emerged among the *marimberos*, the smugglers and exporters of marijuana who operated on the north coast. Several of the first congressmen accused of having links to drug traffickers were from the coast or from the departments at the border with Ecuador and Venezuela, the traditional places for smuggling.²⁷ A president of the Senate in the early 1970s, for instance, was the partner of a powerful smuggler and marijuana czar.

This alliance between politicians and smugglers dates back to the beginning of the nineteenth century. In a sample of sixty criminal investigations of smuggling during the first half of the 1800s, the businessmen involved were found to be “very close to the most influential politicians of the time.”²⁸ The case of Pablo Escobar, the grandson and pupil of a smuggler, also confirms that illegal markets were training grounds for the first generation of Colombian armed actors. Another example is Santiago Ocampo, mentor of the leaders of the Medellín cartel, who began his career as a customs agent on the border with Venezuela. He was the first to establish contact with Omar Torrijos, commander of the Panamanian National Guard and de facto leader of Panama at the time, for the transit of cocaine. The first series of vendettas in Medellín, at the start of Pablo Escobar's career, was the “Marlboro war” among cigarette smugglers.

Ernesto Samper, whose presidential campaign in 1994 would be financed by the Cali cartel, began his political career in a movement made up of merchants from *sanandresitos*, or shopping centers that sold contraband goods. A speech he gave at the time perfectly illustrates the nature of his dealings: “I was with the *sanandresitos* before being a councilman. . . . Thanks to you I was taken to

25. See Ronderos (2003).

26. Archer (1990).

27. Castillo (1987, p. 231).

28. Meisel (2009).

the Council of Bogotá and managed to get the necessary funds for the paving of these streets From 1982 *sanandresitos* began to be respected. From this year on we showed that the only sin committed by *sanandresitos* is the sin of selling good, nice, and cheap products.”²⁹

The motivation behind dirty money in politics has not always been to protect illegal businesses, although that has certainly been important. Drug dollars have also been channeled to populist causes or used in more autonomous forms of clientelism. To illustrate this point, note the perspective of Alvaro Jimenez, a former member of the M-19, on how drugs furthered nonviolent politics:

The conversation with people at the corner of the square or on the sidewalk was not enough to maintain the tie with the peasants. So we bought the Caracol radio station. We wanted to go into politics directly, as *auto-defensas*; we did not want politicians to win our reputation. We also overhauled the stadium, financed football teams of guys who wore t-shirts, and sponsored beauty contests. And people knew it was our doing, without any help.³⁰

Unreliable Partners

A recurring theme among narco-traffickers is their deep distrust of politicians and, in some cases, even open contempt toward those whom they have funded. In the speech announcing his retirement from politics—when he lost immunity in Congress and resigned his seat—Pablo Escobar declaimed against politicians and complained about politicking. He berated public servants for focusing on “the narcissistic retouch of their damaged image and . . . their tottering and rotten feuds.”³¹ During Lara Bonilla’s funeral, when President Betancur announced that he would revive extraditions to the United States, Escobar felt betrayed by what he believed to be a breach of election promises and even considered making public the evidence of tainted political contributions. Pablo Escobar and the Medellín cartel generally retaliated by killing or kidnapping those who betrayed them, and Federico Estrada’s story is a case in point. Escobar demanded that Estrada, a senator, promote a favorable law; Estrada refused and, months later, was assassinated.

The leaders of the Cali cartel were no different from Escobar and the Medellín cartel in their disdain for politicians. They believed that candidates made empty promises and that, once in office, they might or might not honor agreements.

29. Quoted by Villar Borda (2004, pp. 289–90).

30. COPP (2002, p. 67).

31. Salazar (2001, p. 121).

In response to the criticism that he was spending too much money on bribes, Gilberto Rodriguez said: “Politicians are bandits, but you have to have them as friends or you are fucked.”³² When the journalist who served as intermediary for the financing of the 1994 campaign said to Rodriguez that Ernesto Samper was evidently a good friend, he answered: “Let’s hope that the heart of that sonofabitch won’t be spoiled.”³³ Unlike Escobar, however, the Rodriguez brothers would usually expand bribes to reduce defections.

The Cali cartel developed two lists of politicians: in one list were their friends, which included all those who had been tested for several years and deserved their trust. In the second they placed “undesirable politicians,” who were deemed unreliable but necessary. This second list also included members of Congress who they thought would align with the highest bidder. A prosecutor of the judicial trial that followed the 1994 campaign financing scandal said that the Cali leaders “knew that politicians are today with you and tomorrow with someone else. So they decided that it was best to take control by buying the largest possible number of congressmen, and the most influential.”³⁴

An episode that perfectly illustrates the precarious relationship between politicians and drug lords occurred in 1996, when Congress decided to debate the forfeiture law. Congressional hearings were set to find out how a vote on the law of forfeiture could have been influenced by the Rodriguez brothers, who were in prison. To prevent the investigation, the brothers sent the sponsor of the congressional debate a copy of a letter signed by him, thanking Pastor Perafan, a known drug dealer, for the financing of his campaign. The drug barons also reminded the transgressor that he was “not the only person in public life from whom they have documents and testimonial evidence of his double standards.”³⁵ It is clear that business deals between representatives and drug lords—essentially, political finance—were characterized by constant bribes and blackmail.

Dealings with Organized Crime

The first known incident of drug-trafficking money in politics was in 1976, when a provincial deputy got arrested for trading thirty kilos of cocaine.³⁶ Later that year, Luis Carlos Galan said that mafias involved in the business of smuggling drugs and emeralds had “reached the point of placing their own

32. Chaparro (2005, p. 77).

33. Chaparro (2005, p. 90).

34. Chaparro (2005, p. 80).

35. Chaparro (2005, p. 300).

36. Castillo (1987, p. 225).

agents in the state administration and in Congress.³⁷ From then on, cases of compromised politicians came to light relatively often and involved both major parties. In 1978 members of the Conservative Party reported drug influence in the competitive race for the presidency between Liberal Julio Cesar Turbay and Conservative Belisario Betancur. The influence went beyond presidential elections: according to the U.S. ambassador, the drug traffickers “may have already bought and paid ten members of the legislature.”³⁸ The alleged support came from the *marimberos*, the marijuana *capos* on the Atlantic coast, who were notorious for their unruly behavior and frequent vendettas. Turbay was elected, and as a consequence of pressure from the media—CBS’s *60 Minutes* dedicated a report linking the new leader to drug trafficking—and the U.S. government, he ordered the destruction of crops and signed, at the time without major reactions, an extradition treaty with the United States.

The debate over narco-dollars in politics intensified during the 1982 presidential elections. The Conservative candidate, Belisario Betancur, who joined the race for the second time, was accused of having received some \$300,000 for the 1978 elections from a confidant of the Ochoa brothers, who were associated with the Cali cartel.³⁹ For the elections that were in progress, Gustavo Gaviria—Pablo Escobar’s cousin—financially supported Betancur and became part of the candidate’s elections committee. Betancur responded in kind by publicly pledging not to extradite Colombians. Once elected, Betancur sent a letter to Hernando Gaviria, Escobar’s uncle, thanking him for the decisive contribution to the Movimiento Nacional.

The Liberal Party showed no more respect for the rule of law during these elections. The official candidate, Alfonso López Michelsen, appointed as campaign manager his former mentee, Ernesto Samper, known for his political clientelism and links to *sanandresitos*. While touring Medellín, the two politicians and a few colleagues from Antioquia gathered at the Intercontinental Hotel with the leaders of the cartel in a meeting that lasted several hours. At the meeting the group agreed to finance the elections through a car raffle, with drug dealers buying \$350,000 worth of tickets. According to one of the Ochoa brothers, contributions in fact amounted to approximately \$800,000.⁴⁰ López Michelsen purportedly agreed to visit Escobar at his ranch, Nápoles, as the *capo* was interested in forging a relationship with an important and clever statesman. Despite the ruinous publicity, there are photographs of renowned politicians, including Alberto Santofimio, at the ranch and also using Escobar’s Cheyenne II aircraft.

37. Quoted in Salazar (2001, p. 72).

38. Castillo (1987, p. 225).

39. Salazar (2001, p. 93).

40. Salazar (2001, p. 95).

The Liberal campaign in Medellín, however, ended up with an official deficit of about \$200,000. When local politicians asked the campaign manager, Samper, for funds, he responded that he would pay when he became president. After the campaign, Samper founded a think tank, the Instituto de Estudios Liberales. It was in that same year that Escobar was expelled from the party of Luis Carlos Galán. Allied with Alberto Santofimio, he was elected to the House of Representatives.

An important feature of Colombia's story about drug money in politics is its back and forth between affability and war. During periods when rapprochement efforts collapsed, usually due to the killing of a prominent figure on either side, the parties declared open battle. To highlight this dynamic and Colombia's struggle against corruption, this section summarizes several important events: three episodes of the war on drugs, two major summits in Panama, and two scandals of narcotics financing elections.

War on Drugs: The Raid of Tranquilandia, 1984

Just two years after the 1982 scandal surrounding both the Liberal and Conservative candidates for the presidency, which suggests a cozy relationship between the government and the major cartels, members of the National Police in cooperation with the United States Drug Enforcement Agency raided and destroyed a major cocaine-processing center called Tranquilandia. The offensive occurred during the presidency of Belisario Betancur, who allegedly received campaign funds from the Cali (via the Ochoa brothers) and Medellín cartels. However, the relationship between the president and drug cartels deteriorated soon after the election period, as Betancur appointed Lara Bonilla as minister of justice and, as previously noted, the latter declared war on the illegal armed groups. Betancur himself began to treat drug traffickers with an iron fist in response to the assassination of Lara Bonilla in 1984, which explains the raid and his decision to reconsider extraditing criminals to the United States.

The complex of Tranquilandia, which belonged to the Medellín cartel, was located in the jungles of Caqueta, near several clandestine runways. According to authorities at the time, the Fuerzas Armadas Revolucionarias de Colombia (FARC) protected both the runways and the laboratories; however, evidence of this partnership between drug traffickers and the guerrillas was thereafter deemed questionable.⁴¹ The possible link between drugs and the left-wing revolutionaries added another layer of difficulty to a government that vacillated between negotiations and military approaches to tackle illegal armed groups. At this time, the Betancur government was actually having peace talks with the FARC, and they became formalized with the signing of the Acuerdos de la

41. Salazar (2001, p. 122); Lee (1989, p. 171).

Uribe. Against this backdrop, one can presume that the first summit in Panama between government officials and drug kingpins was the latter's last attempt at dialogue before going to war against the state. Both the betrayal of Betancur and the political rapprochement with the rebels exasperated the *capos*.

Negotiations: First Panama Summit, 1984

In mid-1984 Alfonso López Michelsen, who was defeated by Betancur and was now leader of the Liberal Party, and the attorney general, Carlos Jiménez Gómez, held two meetings in Panama with the most visible leaders of the Medellín cartel. According to one of Escobar's lieutenants, the first meeting was organized by Alberto Santofimio, a politician and member of the Liberal Party. The purpose of the summit was to convince President Betancur, through López Michelsen and Jiménez Gómez, to put the threat of extradition definitively to rest.⁴² Claiming to control 80 percent of Colombian cocaine exports, the drug traffickers offered to withdraw from the business, reveal their routes, and invest the money in the country. The main obstacle to the negotiations was the recent murder of the justice minister, Rodrigo Lara Bonilla, as the Medellín cartel was the suspected orchestrator. Nonetheless, López Michelsen and Jiménez Gómez committed to consult with the Colombian government and the U.S. embassy about a possible deal.

Two incidents in the war on drugs jeopardized further negotiations. First, General Noriega of Panama, yielding to U.S. pressure, raided the Medellín cartel's laboratories in the Darien zone. The kingpins vacated their refuge in Panama and emigrated to Nicaragua. Having lost the opportunity to negotiate, the smugglers returned to Colombia to start a war on behalf of the *extraditables*, who were led by Escobar. Before this confrontation the very Santofimio who had organized the summit in Panama confided to Escobar that threats would be more effective than bribes for avoiding extradition.

It was in this context of failed talks and renewed conflict that Liberal Virgilio Barco, a man by temperament and conviction not prone to crooked schemes, won the presidency in 1986. His administration was particularly hard on illegal armed groups and illicit trade; hence the period from 1986 to 1990 brought perhaps the worst level of narco-terrorism—in retaliation for government policies.

Barco's successor, Cesar Gaviria, inherited the Liberal candidacy after the assassination of Luis Carlos Galán. Galán's battle against drug traffickers made any electoral agreements with drug barons highly unlikely. During the Gaviria administration, the Cali and Medellín cartels, locked in a fierce war, made a truce to gain legal benefits in the National Constituent Assembly. The division

42. Legarda (2005, p. 55).

of labor was clear: Cali would put up the money for political campaigns and the bribing of delegates, and the Medellín cartel would take care of kidnappings.⁴³

War on Drugs: The Pepes, 1993

There is no doubt that one of the saddest chapters of the war on drugs in Colombia is the unusual alliance of the *perseguidos por Pablo Escobar*, or people persecuted by Pablo Escobar, known as the *pepes*. They set out to kill the powerful *capo* after his escape from the prison La Catedral.⁴⁴ Several factors contributed to the consolidation of this ruthless vigilante group. The trigger was the assassination of the Galeano and Moncada brothers, valued members of the Medellín cartel, who refused to pay the contribution required by Escobar to keep his war going. To avenge their deaths, a group of convicts freed in exchange for information about Escobar joined together in what came to be called the Dirty Dozen.⁴⁵ Escobar's escape from *La Catedral*, a prison that had been built to his own specifications, also contributed to the emergence of the *pepes*, as his transgression ended the justice system's quiet acquiescence.

Confrontation was back. In 1992 President Gaviria created the Bloque de Búsqueda (Search Bloc), a division of the armed forces with the sole objective of apprehending Pablo Escobar. The United States welcomed the initiative, with the DEA and the CIA joining forces.⁴⁶ After several months of searching to no avail—even with the assistance of informants—the government began relaxing the boundaries of the law to intensify the hunt. As the *pepes* morphed into a death squad, the paramilitary troops of the Castaño brothers, who also sought to take vengeance for the death of the Moncadas and Galeanos, joined the hunt. Finally, there was the Cali cartel, which partly funded the venture, as it also sought to end the long-standing feud with Escobar.

In January 1993 two car bombs exploded in Medellín, confirming that Escobar would pursue the feud using the same tactics he had used to wage war against the state. The *pepes* murdered collaborators, harassed family members, tortured potential informants, threatened Escobar's lawyers, and even killed Guido Parra, Escobar's main lawyer, along with his son. The chief hit man of the *pepes* was Adolfo Paz, commonly known as Don Berna. He was soon to be a key paramilitary figure and an assistant to one of the Galeano brothers. After several months of fighting, with its death toll of approximately 3,000 people,

43. Chaparro (2005, p. 84).

44. For details of this operation, see Bowden (2001). For a short summary, see "Pacto con el Diablo" (2008).

45. Salazar (2001, p. 299). The list of the twelve is supplied in Reyes (2007, p. 56).

46. Bowden (2001). See also declassified information from the National Security Archive (www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB243/index.htm).

they managed to kill Escobar on December 2, 1993. The *pepes* disintegrated after they achieved their goal; many of them later became part of the AUC (United Self-Defense Forces of Colombia).

Negotiations: Pact of Recoletos

To the chilling story of the *pepes*, it is necessary to add a less bloody but equally embarrassing episode that helps place the 1994 presidential election financing scheme in context. Given a truce between the government and the drug lords and a combination of threats, kidnappings, and bribes, the Cali and Medellín cartels were able to ensure that the ban on extradition of nationals was included in the 1991 constitution. Their victory is testament to the control that drug cartels possessed in Colombia during this period.

After the *pepes* killed Pablo Escobar, Cali cartel leaders changed their business strategy. They wanted to quietly retreat and surrender to authorities in exchange for mild sentences and the guarantee of no extradition to the United States. To that end, Cali drug barons decided to strengthen their relationship with Congress and to the possible next president. A coalition of dealers managed to put together \$15 million to fund the election campaign.⁴⁷ This scandal, essentially over the Cali cartel financing the 1994 presidential election, is known in Colombia as Proceso 8000.

According to Santiago Medina, treasurer of the campaign, the deal began to take shape a year before the election.⁴⁸ A journalist and a politician, both in the cartel's payroll, traveled to Madrid to meet with the then ambassador of Colombia, Ernesto Samper. There, in a well-known coffee shop, the three formalized the general terms of the financing scheme in an agreement called Pacto de Recoletos. The candidate intended to support a process of surrender to justice without the risk of extradition, and the Rodríguez Orejuela brothers and Medina agreed. For the first round of elections \$1 million of drug money entered the campaign, and an unspecified sum was paid directly to different leaders and political *caciques* in Cali. For the second round, the situation was thornier because of quota limits, which were then around \$5 million. The Rodríguez Orejuela brothers in the end agreed to send the money. They received, as a receipt, a signed document listing the proposed expenditures of the funds.

Not surprisingly, with such a history of corruption and violence, especially following the episode of the *pepes*, those who took part in the Recoletos pact perceived what they were doing as a small, venial sin. In fact, the signatories were either so pleased or so unconcerned about their commitment that they left

47. Chaparro (2005, p. 78).

48. Medina (1995).

a photographic record of it.⁴⁹ At the same time, the Rodríguez Orejuela brothers of the Cali cartel—and a few years later, paramilitary leader Carlos Castaño—hoped that the Colombian establishment and the United States would show their appreciation for their valuable contribution to the downfall and death of Pablo Escobar. Indeed, the death squad had operated with the support of citizens, the government, national security forces, and U.S. agencies.

War on Drugs: Millennium Operation, 1999

At the end of 1999, in a joint effort of the Colombian National Police and U.S. agencies, more than thirty drug heavyweights were captured in several cities across the country. Alejandro Bernal, a typical second-generation drug lord, and Fabio Ochoa, an old member of the Medellín cartel, both fell in the raid. Known as the Millennium Operation (Operación Milenio), this action is considered one of the most important of the war on drugs, similar to the fall of the Cali cartel. As important as the drug traffickers who were caught are those who managed to flee, thanks to their contact with Baruch Vega, an asset of the FBI, the CIA, and other agencies. Many drug lords and paramilitaries, frightened by the blow, rushed to the second summit in Panama to initiate or speed negotiations with the United States. At the same time, the Millennium Operation prevented some narcotics traders from benefiting from the resocialization plan promoted by Vega. Being included in the Millennium list, for example, meant not being able to negotiate with American judges.

Ultimately, Operation Millennium created a dilemma. On the one hand, drug traffickers and paramilitaries did not know where to turn for protection in Colombia, but on the other hand, they knew that extradition to the United States was the worst outcome. As an agent of Vega pointed out, “the drug trafficking problem is with the American government, not with the Colombian government.”⁵⁰

Negotiations: Second Panama Summit, 1999

The secret negotiations that led to the second summit in Panama at the end of the century began to take shape shortly after the unsuccessful first summit. Baruch Vega, the key person in the whole process, was a Colombian photographer whom the CIA recruited in the Universidad Industrial de Santander to infiltrate the Venezuelan guerrillas.⁵¹ In the 1980s he managed to meet with Rodríguez Gacha, as Gacha had been led to believe that Vega could clean his

49. Medina (1995).

50. Reyes (2007, p. 182).

51. See Téllez and Lesmes (2006); Reyes (2007).

record through a corrupt contact in the FBI. Vega was able to demonstrate his efficacy by having one of Gacha's friends freed from a prison in Los Angeles. The news about Vega's potential value spread, and he became very popular among drug lords. He held discussions with the leaders of the Medellín and Cali cartels and later with top second-generation narco-traffickers, including people close to the paramilitary leader Carlos Castaño. Castaño's resignation and subsequent murder was in part due to his active promotion of negotiations with the U.S. justice system and the split that it caused among his ranks.

For five days in October 1999 approximately thirty second-generation drug traffickers, who claimed to be responsible for 80 percent of Colombia's cocaine exports, met in Panama. The organizer was Baruch Vega, and the meeting—to begin direct dealings with U.S. justice—was with Drug Enforcement Agency officials, prosecutors, and half a dozen lawyers. A few years earlier, the U.S. Department of Justice had decided to try negotiating with Colombian drug traffickers rather than prosecuting, and with that goal in mind and the support of the prosecutor, U.S. Attorney General Janet Reno, they created a resocialization program for drug traffickers. The high-profile group, called the Blitz Committee, was established to coordinate the dozen agencies needed for the initiative, to devise strategies, and to guide the negotiations. Baruch Vega directly reported in writing to the committee about all of his meetings with drug dealers.

By 2006 nearly 300 Colombian drug traffickers had negotiated with the U.S. justice system. One of the first smugglers who came forward was Nicolas Bergonzoli, an Escobar lieutenant who had emerged as a major drugs exporter. Bergonzoli met the Castaño brothers early in his career, as well as paramilitary leaders and commanders of the AUC. Through him, Carlos Castaño had set out to convince the new drug lords—many of them paramilitaries—to initiate similar talks. Hernando Gómez, popularly known as Rasguño, attended the second summit in Panama and, on behalf of Castaño, expressed interest in starting direct negotiations with U.S. officials.⁵² The mistrust generated by Castaño's proposal to negotiate between paramilitaries, along with the fear of betrayal, led to his replacement as AUC leader by Salvatore Mancuso, the promoter of the Pacto de Ralito.

Even though for Carlos Castaño it was better to negotiate with American courts, given that the deaths of an informant and three policemen were attributed to his group, the talks reached a halt. Not all *capos* wanted to forgo part of their fortunes and plead guilty before a U.S. judge. Instead, they preferred to consolidate the status quo and increase their political influence in the Colombian Congress. "Owners of large estates, the warlords managed to keep several

52. Téllez and Lesmes (2006).

government contracts, control oil royalties, sectors of the health system, and even the collection of taxes from gambling.”⁵³ For these *neocapos*, Castaño’s resignation and Mancuso’s new leadership in the Pacto de Ralito was the better option.

Negotiations: From the Pact of Ralito, 2001, to Proceso 8000

In 2006 a major scandal erupted. This time it was over an agreement signed five years earlier in Ralito, a small village in northern Colombia, between lawmakers, public officials, and paramilitary leaders. Invitations to the meeting, made on behalf of the AUC, lacked any threats and were delivered by the governor of Bolivar, who was Mancuso’s close friend. The document that came out of the meeting, known as the Pacto de Ralito, sought to “reestablish” the nation. As paramilitary leader and organizer of the meeting, Salvatore Mancuso characterized its purpose as consolidating the AUC’s project. This case marks the consolidation of the economic and military power that, de facto, the paramilitaries exercised in the area, as well as the apogee of the *parapolitica*. Nearly thirty of the hundred attendees signed it.

With such a boost, the paramilitaries predicted that their candidates would win in the 2002 parliamentary elections. Some analysts argue that those elections changed Colombia’s political history, as it was the first time that a group of senators and representatives befriended paramilitaries to the level that they were willing to defend their interests in Congress.⁵⁴ Specifically, the parapoliticians would represent them on issues related to their demobilization, for example, by taking extradition to the United States off the table. In their defense, some politicians claimed that the meeting had been an effort to reach peace with the illegal armed groups, while others argued that they had been forced to sign. Thus far, nearly a hundred parliamentarians have been prosecuted for having links to paramilitaries.

Both the Proceso 8000 and the parapolitics scandal of 2006 were more than public disgraces. The political and judicial discussions that ensued, as well as the hot debate in the media, immensely affected the administrations that presided during the turmoil and also Colombia’s international relations. Interestingly, in both cases it was protagonists who leaked the information. Shortly after the political financing agreement, Proceso 8000, one of the candidates gave the government the recordings and other pieces of evidence that specified the use of drug money in political campaigns. Five years after the agreement, Mancuso himself purportedly leaked the document of the Pacto de Ralito.⁵⁵

53. Reyes (2007, p. 215).

54. Valencia (2007, p. 26).

55. “La historia detrás” (2010).

Generally speaking, Proceso 8000 fits best the typical case of organized crime and political finance in exchange for legal benefits. The scheme was almost out of a textbook, as Colombians came to learn after listening to its every detail from the campaign treasurer.⁵⁶ As far as the paramilitary scandal is concerned, the impact was more mixed: some of it was classical campaign financing with drug dollars, but there were also direct threats to voters and even juries.⁵⁷ Even though these two financial deals with illegal armed groups have been the most widely publicized—and those that have had the most impact and been backed by the most evidence—they are unfortunately not unique in Colombia's history.

In particular, it is important to note that one cannot really speak of a stable recurrence of fraudulent deals in politics, financial or in kind. There does seem to be, however, a constant back and forth between agreements and confrontations. Arguably, such political finance arrangements have been a consequence, albeit indirectly, of previous battles. The first summit of Panama cannot be understood outside of the context of the war on drugs, which began with the murder of Lara Bonilla. The narco-terrorist war that ensued lay latent as a consequence of broken agreements between organized crime and political leaders. The second meeting in Panama, in which lawyers and federal agents participated, would probably not have been well attended without the Millennium Operation.

The cycle of confrontation and negotiations is also a consequence of the public repudiation of negotiations with drug dealers. Whenever talks to financial agreements have been made public, they have usually led to political scandals and judicial processes. Sudden repressive action against narco-traffickers, especially in the midst of a rapprochement period, increases uncertainty and creates a sense of betrayal, which intensifies the confrontation. The escalation of violence usually ends when the government eases back and makes people believe—as happened with the guerrillas—that it is time to negotiate again, at least privately. These are the most fertile periods for typical cases of organized crime and political finance. And the cycle begins again.

Mafia and Politics: Lessons from Colombia

Inherent in the issue of organized crime and political finance are two paradoxes. The first is the strange situation of illegal armed groups looking for protection when the essence of their business is precisely commercializing such services. Groups whose main activity is blackmail and extortion try to befriend politicians to avoid extradition and to prevent their property from being seized and

56. Medina (1995).

57. Beltrán and Salcedo (2007, p. 4).

their business destroyed. The second is the observation that the phenomenon of organized crime and political finance exemplifies the problem of a contract's not being legal and, therefore, not being enforceable through legal channels.

As we attempt to understand this dilemma in Colombia, hypotheses emerge that capture the idea that the link between politics and organized crime depends not only on the strength of government's institutions but also on the nature, structure, and level of development of the illegal business.

Two Hypotheses

One hypothesis posits that the source of income of the illegal armed group determines the way politicians and illicit groups collaborate and interact. If income is gained from highly lucrative activities, such as drug trafficking, the typical pattern of bribing politicians to gain political or legal concessions becomes likely. On the other hand, if resources come from coercive and less liquid activities, such as kidnapping and extortion, the prevalence of traditional schemes diminishes. The Colombian guerrillas are a case in point. Their electoral influence has always been based on intimidation rather than funding. The case of Pablo Escobar, with the Medellín cartel—which was second only to the FARC in kidnappings—also points to this relationship: Escobar's monetary resources were almost inexhaustible, but he obtained legal and political protection through threats rather than cash.

Another hypothesis posits that the size and the degree of vertical and horizontal integration of the illegal business play the crucial role in political financing. To illustrate this idea, it is useful to compare the relationship of organized crime and political finance with legitimate business lobbying. Conglomerates seem more prone to lobby and to finance political campaigns than highly specialized firms, and the reason is simple. Conglomerates are affected by a wide variety of legal reforms; therefore, investing in lobbying has a certain economy of scale. In Colombia, Bavaria, the flagship firm of the Santo Domingo Group, for decades managed not only to prevent unfavorable regulatory changes but also to thwart any attempt to raise taxes on beer. This conglomerate had an enormous team of lobbyists as well as important Congress members on their payroll. When the multinational company SABMiller acquired Bavaria, making the company liable to international rules against political funding, it became feasible to approve tax reform against the interests of this company.⁵⁸

The case of the Rodríguez Orejuela brothers exemplifies the differing ways that large conglomerates and specialized businesses operate. The voluminous campaign financing associated with Proceso 8000 took place when it was already

58. "El senador 103 dejó de ser de Bavaria" (2010).

consolidated in various economic sectors and felt that its illegal business would be exposed. In contrast, the new, highly specialized criminal enterprises that are subcontracted at various stages of the export chain show less interest in political finance. Even among the narco-traffickers with a natural vocation for public life, such as Pablo Escobar, financial contributions to campaigns came when they did not know what to do with so much excess liquidity and felt like masters of the universe, controlling every detail of their business, starting at production and ending with money laundering.

Other Factors

With a few specific exceptions, such as asset forfeiture laws and sophisticated procedural issues that are handled by lawyers, in Colombia the main legal issue for organized crime is extradition. Preventing passage of extradition treaties is therefore of great interest to them, specifically, through influencing legislators.

The personality of those running illegal enterprises explains other levels of engagement in politics. In Colombia there are illegal armed actors with the profile of businessmen and there are others who are more politically inclined. It appears to be the case that those in the first category—and only under certain conditions—subcontract political services by supporting politicians with a shared ideology. The politically inclined, on the other hand, directly participate in public life. For them, the need to forge alliances with politicians arises when they expand geographically, as in the case of the paramilitaries. Within their territory, politicians tend to be long-standing allies, friends, or business partners of the underworld.

There are of course a myriad other factors, especially of a cultural or social nature, that may explain a criminal organization's political participation. A Colombian expert on the subject, for example, is currently trying to understand why the paramilitaries in Antioquia come from poorer socioeconomic backgrounds while those in coastal areas tend to be from the upper echelons of society.⁵⁹ As far as politicians are concerned, personal traits may also be very relevant. Some public figures have accepted financial support from illegal armed groups, while others have never done so—and observers have yet to discern why.

Today, one of the key puzzles in the literature has to do with whether or not political decentralization facilitates the infiltration of criminal organizations into government institutions. Latin American countries have undergone a process of decentralization in recent years, thereby making the question particularly relevant.⁶⁰ The Colombian experience over the past two decades suggests

59. Gustavo Duncan, personal communication.

60. Casas-Zamora and Zovatto (2010).

bad news: as Gustavo Duncan explains, the reforms to the political and administrative system embodied in the constitution of 1991 seemed to generate benefits for regional criminal organizations. While they were aimed at strengthening local democracy, the legal changes ended up favoring the warlords.

The implementation of the electoral quotient law, the administrative decentralization, and the increased fiscal transfers made possible the emergence of independent politicians with a relatively small electoral base. The fragmentation of the professional political class facilitated the control of small-armed groups over regional party structures. It was much easier to intimidate and take control over small owners of votes than it had been to replace the hierarchical and influential machinery of the old *caciques*.⁶¹

The atomization of cartels that resulted from the war on drugs was accompanied by an atomization of politics, which in turn promoted a symbiotic relationship between neo-narco-traffickers and politicians.

Public Policy Implications

The Colombian experience suggests that efforts to change the legal framework that affects illicit activities may backfire. Through a combination of bribes, threats, and legal expertise, organized crime has managed to turn instances of reform into opportunities to strengthen its position. Such situations have been so common that they have a name, *narcomicos*, and they basically point to the fact that poor regulation can be worse than lack of regulation.⁶²

Another lesson is that successful control of the relationship between organized crime and political finance must be preceded by efforts to prevent tax evasion and to ensure clean accounting practices. Any regulation of private funding sources has to ensure that the funds are visible to the regulator, something that is not possible with illegal or underground money. With regard to the underground nature of the funds for political finance, a survey in Colombia finds that, among legal businesses, only 56 percent report campaign contributions, and of those, only 51 percent verify that the recipient has duly recorded it. In other words, almost three-quarters of the legal funds that go to finance politics could be lying outside of official accounting records.⁶³

The events leading up to Proceso 8000 show that limits on private funds to finance campaigns can be counterproductive. Part of the eagerness to accept

61. Duncan (2006, p. 273).

62. Casas-Zamora and Zovatto (2010, p. 11).

63. Transparencia Por Colombia (2009).

illegal money was precisely due to the fact that the campaigns had exceeded the caps set by law. This remark is not to be taken as an invitation to drop reforms. Rather, it is to promote an approach that is more long-term oriented. Needless to say, the general suggestions that follow require further empirical research and fine-tuning, especially to adapt them to local conditions.

Local Prevention

One of the basic concepts of contemporary criminology is that of the paths that lead to juvenile delinquency. Several studies in various countries show that young offenders almost never begin committing a serious crime but instead are progressively engaged in increasingly serious criminal conduct. Well-timed prevention tends to hold more promise than penalties delivered later, to a hardened criminal. This simple idea can be useful in the field of political finance—not in terms of prevention of youth violence or organized crime, which is a different field of public policy, but to identify and try to control political practices based on agreements with local violent actors.

In Latin American barrios, or poor neighborhoods and municipalities, gang members have de facto political control more often than commonly thought.⁶⁴ Informal taxes, illegal contributions to receive a business permit, tolls to public transportation, and direct threats to political and community leaders are the seeds of mafia interference in politics. Some incidents of political use of youth gangs in Central America are quite similar to partnerships, for electoral purposes or private justice enforcement, between politicians and paramilitary groups in Colombia. It is difficult to know whether or not such coercive practices are more widespread than vote buying or political financing. The Colombian experience suggests that they may exist simultaneously. The task of identifying such practices and alliances, and the specific policies to control them, cannot be theoretical but must be empirically documented on the ground.

Moral Persuasion

The tools available to control improper conduct are not limited to the legal realm. Especially in countries where law enforcement is weak and judges and officials are overloaded with work, it is useful to consider a wide range of social and moral sanctions.

Politicians and illegal armed actors are both sensitive to public opinion, although the former much more than the latter. The incident of the check trap from Porras that triggered the first major offensive against drugs in Colombia

64. Rubio (2007).

supports this observation. Colombian politicians went far to try to eliminate all traces of their contacts with criminal organizations, as they became national embarrassments. Pablo Escobar was very aware of politicians' Achilles heels, as they secretly visited him at his ranch, Nápoles. He took advantage of an occasion when several of them were gathered in a boat on a river and "laughing slyly, he asked a reporter from *El Tiempo* to take a photograph of them."⁶⁵ It is clear that in this field a timely picture can be worth a thousand legal words.

Global Coordination

In 1999 at the Maiquetia airport in Venezuela, a group of National Guard members carried the luggage of an Arab prince aboard his plane. Of the 150 bags, 92 contained a total of two tons of drugs that would leave for Paris. The cocaine had arrived from Medellín. Two Colombian neo-narco-traffickers associated with the prince and a Spanish financier in charge of laundering the money through Swiss banks had coordinated the operation. Interestingly, one of the obstacles that had to be overcome was the prince's distrust of the banker, whom he thought was an informer for the British intelligence services.⁶⁶

A few years earlier, Medellín drug dealers associated with a chemical engineer from Bogotá had set up a synthetic cocaine factory in a huge barn located in Pristina, the capital of Kosovo. They had considered the possibility of installing the manufacturing in Madagascar, where one of them knew the prime minister. Yugoslav partners were responsible for the supply of raw materials and the transportation of the final product to Italy. Other investors would be in charge of the distribution in that country, and money was to be laundered by a Spaniard.⁶⁷

There is no need to list more examples to illustrate that drug trafficking is a truly transnational business. It has been this way since the first generation of Colombian criminal organizations, which managed to establish contacts in, at least, Panama, Venezuela, Nicaragua, Mexico, Cuba, Haiti, the United States, and Spain. Needless to say, national laws are insufficient to tackle an international business of this scale. This observation is relevant to any aspect of the illicit business, including as it relates to organized crime and political finance. The coordination and cooperation required for drug seizures, and to control money laundering, are enormous and incredibly important.

In the fight against drugs, in efforts to dialogue with the guerrillas, and increasingly in criminal procedures against politicians, the role of foreign governments and nongovernmental organizations has been, and will continue to

65. Salazar (2001, p. 95).

66. Monti (2004).

67. Reyes (2007).

be, decisive. For these partnerships to bear fruit, governments need to enhance institutional coordination. Despite the fact that American influence in the war on drugs—and in the dealings with guerrilla and drug dealers—might have been excessive, it is still valid to recommend that the relationship between organized crime and political finance be addressed with a global perspective.

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