

Maduro's Regime: a "Joint Criminal Enterprise"

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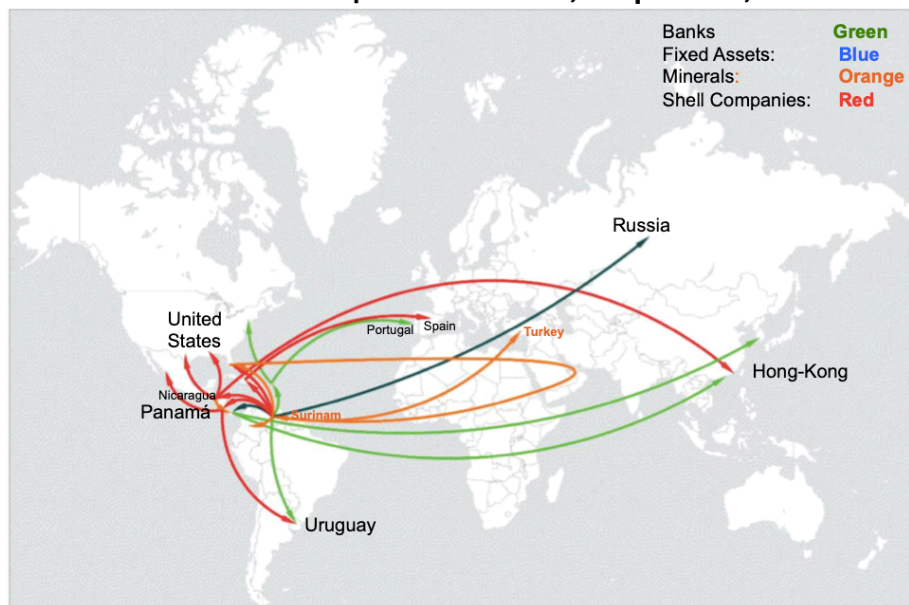
Executive Director

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Last Thursday, at the Center for Strategic and International Studies, Douglas Farah, president of IBI Consultants and visiting researcher at the National Defense University in the United States, presented the study "[Maduro's Last Stand: Venezuela's Survival through the Bolivarian Joint Criminal Enterprise \(BJCE\)](#)". This study was the product of a 5-year investigation in 11 countries.

In this research, Douglas Farah and Caitlyn Yates (co-author) identified that the BJCE has links with 183 people and 205 companies that operate in at least 26 countries. They also determined that the Venezuelan State "supports transnational organized crime as an instrument of state policy", from the time of Hugo Chávez until today.

Bolivarian Joint Criminal Enterprise: 26 countries, 183 persons, 205 business



Source: IBI Consultants, LLC

Also, they indicate, "The BJCE is a unique structure, built with the direct participation of the State that acts criminally and operates through multiple economic spheres and police jurisdictions".

The illicit activities of the BJCE have "the support of a group of criminalized states and non-state actors that work in coordination with shared objectives".

The events that facilitated the emergence of the BJCE were: the Central American guerrilla organizations (FMLN and FSLN) product of the Cuban thesis of the internationalization of the

revolutionary war in Latin America - asymmetric war - of the sixties of the last century; the incursion of the Revolutionary Armed Forces of Colombia into the business of cocaine - a business of drug trafficking - since the mid-1980s, and the seizure of power by the electoral route of Hugo Chávez in Venezuela at the end of 1990 -socialism of the 21st century, Bolivarian Alliance for the peoples of our America. It is a new "revolutionary architecture" to face the eternal "enemy" of Cuba, the United States (fight against imperialism).

According to the investigation, the late Venezuelan President Hugo Chávez was the one who directed the operations of the global network "in conjunction with allied political leaders, economic elites and criminal organizations". Among them the leaders of Cuba, Nicaragua, Bolivia, Ecuador, Surinam, and El Salvador. After Chávez's death in 2013, Nicolás Maduro's regime assumed the leadership.

This architecture represented in the BJCE has a transnational criminal network of networks configuration that uses shell companies with financial structures in tax havens and international allies. Operations range from corruption, money laundering, drug trafficking, and gold smuggling.

The report also details that the BJCE works in at least five financial operations: fake oil sales and loans, purchases of physical assets, fictitious megaprojects of public infrastructure, illegal gold mining and bank transfers.

The leading Venezuelan state company behind the BJCE is the state oil company PDVSA, used for money laundering and corruption in the region, in the same way as the Brazilian company Odebrecht. The international financial network and the global business of Pdvsa have allowed covering these illegal operations. One of the forms was through the false sale of oil to its PDV Caribe subsidiaries in El Salvador, Alba Petróleos, and in Nicaragua, Albanisa.

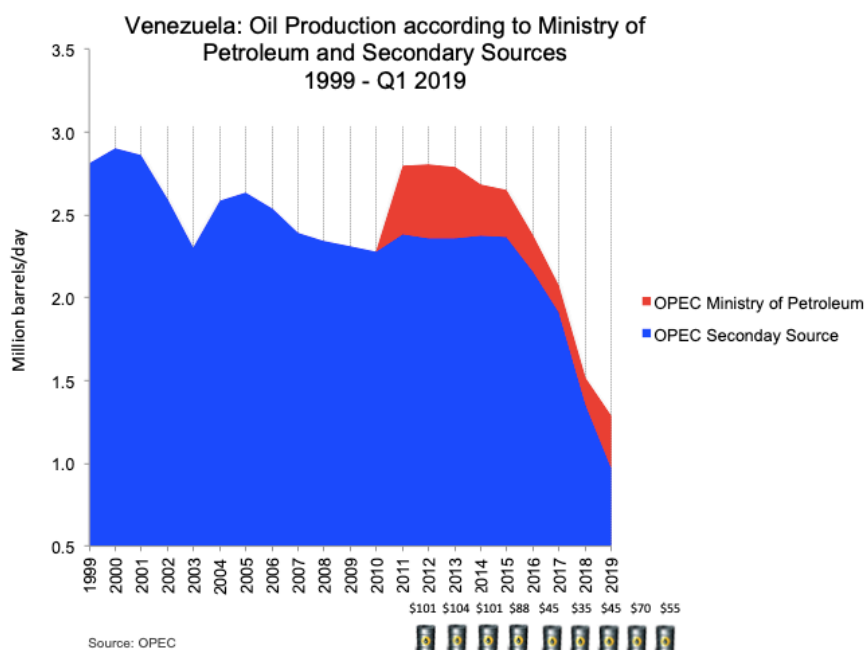
In the case of Alba Petróleos, the company reported millionaire sales but "almost did not receive oil from PDVSA between 2007-2017", although its registered revenues of 200 million dollars per year. In 2007, Alba Petróleos announced the construction of a refinery to process its gasoline that did not operate. These operations made it possible to launder funds for 1.1 billion dollars through the use of 8 Panamanian companies that went to tax havens in the Caribbean and Europe, such as the Virgin Islands, Cayman Islands, Belize, Switzerland, and Russia. The big operator on the part of the Salvadoran State was José Luis Merino, Deputy Minister of Foreign Investment and Financing for Development of the FMLN Government and former guerrilla commander.

Albanisa, the PDVSA subsidiary in Nicaragua (Daniel Ortega-FSLN), has used similar methods to create front companies and launder Venezuelan funds from corruption and drug trafficking activities (between 4 billion and 6 billion dollars in illicit funds during the last decade).

The investigation shows that the network of networks of shell companies moved in El Salvador and Nicaragua operations "of at least 10 billion dollars in capital linked to Venezuela" between 2007 and 2018 while a consortium of Latin American journalists established that PDVSA

diverted a total of 43 billion dollars during the same period.

The firm Inter American Trends determined that Venezuela's oil production has presented a difference between the figures reported by OPEC, between secondary sources and the Ministry of Petroleum, which induce to ratify the pattern of "false sales of crude oil" observed in the research of IBI Consultants. A discrepancy observed since 2011 when Rafael Ramírez was president of PDVSA and followed the orders of Hugo Chávez, head of the BJCE.



Due to this overproduction of oil, Pdvsa recorded cumulative sales above the real one in its accounting books in 72 billion dollars for the period 2011-2018; an amount that would have been part of the scheme used by the BJCE.

The Farah and Yates study also reveal that the BJCE conducts cocaine trafficking operations and illicit gold production, observing an increase in these activities in the face of the sustained fall in oil production since 2015.

Therefore, the democratic governments of the world that recognize Juan Guaidó as interim president of Venezuela must have firmness and courage to face the significant threat represented by the BJCE of Nicolás Maduro and his regime for the liberal democracies and the stability of the entire Western Hemisphere. Through the justice system and the agencies of drug control, money laundering, fight against terrorism, and organized crime.