

House Homeland Security Committee

Subcommittee on Counterterrorism, Law Enforcement, and Intelligence

Countering Threats Posed by Nation-State Actors in Latin America to U.S. Homeland Security

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Introduction

Chairman Pfluger, Ranking Member Magaziner, and distinguished members of this subcommittee, thank you for the opportunity to address you today on countering threats posed by nation-state actors in Latin America. I am pleased to provide relevant research and policy insights from FDD's Center on Economic and Financial Power (CEFP), where I serve as senior director and head.

CEFP, one of FDD's three centers on American power, was launched in 2014 to conduct cutting-edge research and promote strategies and policies to bolster an effective economic security framework that deters America's adversaries and protects U.S. national security objectives. Our lines of research and analysis focus on countering illicit finance, kleptocracy, and authoritarian corruption; economic warfare, including sanctions, export controls, and regulatory guard rails; new alliances for economic security; risks to USD primacy; and global supply chain risk.

Today, I will touch on several examples of how authoritarian states influence Latin America's political, economic, and security dimensions — impacting stability in the region and driving mass migration to the United States. Rising populism, slowing growth, hyperinflation, crime, endemic corruption, organized crime, and horrifying violence are displacing populations and changing the economic and political dynamics. The influence of authoritarian regimes in Latin America continues to grow, especially China's outsized economic and political influence.

In the aftermath of 9/11, the Department of Homeland Security (DHS) was created to take a more unified, “whole of government” approach to counter new and emerging asymmetric terrorist threats to the homeland. I was honored to help stand up the department as deputy and acting assistant secretary for policy development and as director of the DHS Office of Cargo and Trade Policy. Those first years forming a new department were both exhilarating and immensely challenging. We didn't have a playbook for most decision-making. But we could count on and leverage the primacy of U.S. global leadership and economic influence, which allowed us to take essential steps at home and abroad to protect America from further attack.

Two decades later, we find ourselves in a new paradigm where elements of the U.S.-led global economic, trading, and monetary systems are being weaponized against us by foreign adversaries and competitors, and in the process, escalating the erosion of democratic rules and norms. The traditional terrorist threats evolved and persist, but now we face additional and fundamentally different sets of threats to the homeland that require new strategies and tactics — threats that are attacking not only our physical borders but our financial, digital, or trade borders as well.

Overview: Rising Authoritarian Threats Throughout the Hemisphere

A lack of a compelling and comprehensive U.S. vision for productive engagement with Latin America has left our hemisphere vulnerable to authoritarian encroachment and weakening economies. America's backyard, instead of being filled with democratic friends and booming economies, is home to [Russian bombers and mercenaries](#), 29 Chinese-owned [ports and port projects](#), a widespread Iran- and Russia-fueled [anti-U.S. propaganda](#) machinery, Chinese-enabled [fentanyl and money-laundering](#) operations, [wobbling](#) and [fallen](#) democracies, and widespread economic and political [instability](#).

Over the last two decades, Latin America has seen wild swings from left-wing populists to right-wing populists and back, all of which have enabled corruption, disappointed their populations, and left the United States with fewer stable partnerships across the region. In response, Washington has settled into a [hands-off approach](#) to the region — allowing [Venezuela](#) and [Nicaragua](#) to slide into dictatorships and largely ignoring chaos in [Bolivia](#), [Peru](#), [Argentina](#), and [El Salvador](#). Since 2008, Latin America has seen a [greater decline in democratic indicators](#) than any other region in the world.

In addition to rising internal autocratic forces within Latin America, external autocratic forces are imposing their will upon the region with little in the form of a coordinated American response. Russia and Iran are increasingly active throughout the Americas, [providing military assistance](#) to Venezuela, [evading sanctions](#) in Cuba, or pushing [misinformation](#) and [destabilizing democracy](#). The rising influence of authoritarianism throughout Latin America is pushing the region toward totalitarianism and away from the stable and interdependent democracies that would benefit both local citizens and the hemisphere at large.

The true autocratic behemoth in the region, however, is China, which has ramped up its economic investment throughout the hemisphere, driving deep [debt dependency](#) while pushing an anti-democratic vision of [surveillance](#) states and crumbling, corruption-driven infrastructure. Ecuador has already discovered “[thousands](#)” of cracks in its new \$3 billion Chinese-built and -financed hydroelectric dam. Chinese organized crime, with tacit state support, is [infiltrating](#) Central American drug trafficking and money laundering operations — supercharging both. China has become deeply interwoven in Latin America’s [energy grids and critical infrastructure](#), putting basic services at risk to the whims of Beijing. And China is increasing its military engagement throughout the hemisphere, from booming [weapons sales and anti-riot police gear](#) to [joint exercises and training](#). The United States needs a concrete strategy to address Chinese encroachment throughout the region, whether through its [illegal overfishing](#) off of South America’s Pacific coast or its growing [fentanyl](#) operations throughout Latin America.

America’s cool relations with Central and South America have, meanwhile, failed to capitalize on the tremendous promise of the region and its critical role in American economic and national security. A prosperous Latin America lowers the pressure on immigration to the United States, offers critical supply chain advantages, and is rich with resources and human talent that should catalyze 21st century technologies. Mexico has frequently benefitted from U.S. efforts to locate supply chains closer to home, but so much more could be done. “Ally-shoring” shifts of U.S. manufacturing from Asia to Latin America could [promote prosperity](#) throughout the region, [lower costs](#) for American businesses, and reduce pressures contributing to political instability and mass migration.

Corruption, Trade, Critical Minerals, and Infrastructure: the BRI's Bad Deal

Trade between China and Latin America has skyrocketed over the last two decades, increasing more than [25 times](#) in that span. Over the next decade, trade between China and the region is projected to double again to over \$700 billion. Chinese loans have also increased the debt burden of Latin American countries by \$138 billion. Much of that debt has come from China's Belt and Road Initiative (BRI) — a program that promises quick infrastructure and election-friendly megaprojects for which leaders in the region have been eager to sign up. Latin America trails only Asia in terms of BRI funding, having received [more funding](#) between 2005 and 2021 than Africa.

BRI projects are particularly appealing to the rulers of overindebted countries with weak governance standards since BRI loans provide no protection against corruption or limitations on indebtedness. Unfortunately, while BRI mega-projects are appealing to political leaders and their cronies, they have left a [troubling legacy](#) of corruption, broken promises, substandard infrastructure, opaque contractual terms, and mountains of debt.

In Ecuador, the [\\$3.4 billion](#) Coca Codo Sinclair hydroelectric project was supposed to provide 1,500 megawatts of electricity for Ecuador's people. Instead, Ecuadorian officials, including former President Lenin Moreno, received more than [\\$75 million in bribes](#), and the citizens of Ecuador received a dam with at least 17,000 known cracks — putting the entire project and the lives of locals living downstream at risk. A [million Ecuadorians were displaced](#) to build the dam. Now there is major doubt that it will ever be fully operational.

Still, the Chinese debt continues to get paid under opaque terms that let Beijing walk away with [80 percent of Ecuador's oil](#) — its most valuable export. On top of that, China gets the oil at a massive discount, allowing Beijing to resell the oil on the open market for a profit that should be going to Ecuador.

China has been aggressive in its attempts to exploit Latin America's abundant natural resources as it seeks to monopolize critical supply chains vital to the world's energy future. China controls around [65 percent](#) of global lithium processing and refining capacity. In South America's Lithium Triangle of Argentina, Bolivia, and Chile, home to [over half](#) of the world's known lithium reserves, China is working to corner the market in all three countries.¹

¹ Diana Roy, "China's Growing Influence in Latin America," *Council on Foreign Relations*, June 15, 2023. (<https://www.cfr.org/background/china-influence-latin-america-argentina-brazil-venezuela-security-energy-bri>); "Ganfeng Global Layout," *Ganfeng Lithium*, accessed June 16, 2023. (http://www.ganfenglithium.com/about3_en.html); "Zijin Mining Completes Acquisition of Neo Lithium," *Zijin*, February 5, 2022. (<https://www.zijinmining.com/news/news-detail-119227.htm>); Ward Zhou, An Limin, Luo Guoping, and Lu Yutong, "China consortium to develop lithium deposits in Bolivia," *Caixin* (China), January 27, 2023. (<https://asia.nikkei.com/Spotlight/Caixin/China-consortium-to-develop-lithium-deposits-in-Bolivia>); Antonio De la Jara, "Tianqi buys stake in lithium miner SQM from Nutrien for \$4.1 billion," *Reuters*, December 3, 2018. (<https://www.reuters.com/article/us-chile-tianqi-lithium/tianqi-buys-stake-in-lithium-miner-sqm-from-nutrien-for-4-1-billion-idUSKBN1O217F>)

American companies, meanwhile, are being sidelined under suspicious circumstances. The U.S. company EnergyX, the only bidder in Bolivia to successfully demonstrate its technology with a pilot plant on site, was [disqualified](#) from bidding after missing a deadline by ten minutes. The project was ultimately awarded to a [consortium of Chinese companies](#).

Finally, a positive trading relationship between the United States and Latin America has slowly been eroded and replaced with substantial Chinese engagement. This has spurred Brazil to push to resurrect the BRICS alliance as a non-America alternative trading and economic engagement bloc. In particular, Brazil has been vocally promoting the idea of pursuing a [BRICS-based currency](#) as an alternative to U.S. dollar primacy and dollar-based trade, with others in Latin America, such as Argentina and Venezuela, actively looking to join the alliance.

The United States, mobilizing its innovative private sector, has much more to offer Latin America than an alliance with a moribund Russia and a corrupting China can provide. To date, however, commercial risk-aversion and U.S. government disinterest has allowed China to carve out a dominant economic relationship throughout the region, much to the detriment of economic security in the Americas. The current “[Americas Partnership for Economic Prosperity](#)” is an important initiative that focuses on enhancing trade in this critical region, but it needs resources. The United States must do more to engage economically with others in the hemisphere, expanding and reinvigorating free trade agreements and de-risking the environment for private capital and companies. Strong private sector engagement combined with a U.S. reprioritization of the rule of law and transparency in Latin America has the potential to substantially stabilize conditions in the hemisphere and diminish the conditions that contribute to U.S.-bound migration.

Ports, Logistics, Data, and Surveillance: LOGINK, Cranes, and 5G

China’s 29 ports in Latin America control vast swaths of regional trade, but China also manufactures [96 percent](#) of all shipping containers and [80 percent](#) of the world’s ship-to-shore cranes, and they lead the world in [shipping capacity](#). Ships, containers, and cranes are only the beginning. Chinese-operated ports not only commercially link Beijing to the world but also act as outposts for data gathering and surveillance on a massive scale. China’s port companies are [legally required](#) to collect information for the Chinese Communist Party.

Data collection is happening everywhere in the ports and providing China with a significant asymmetric advantage. Seemingly mechanical shipping cranes are being investigated as [spying tools](#). China’s logistical software system, LOGINK, is being used at [ports](#) around the world and [tracks](#) a wide range of trade, market, and maritime information, including: vessel and cargo status, customs information, billing and payment data, geolocation data, price information, regulatory filings, permits and driver’s licenses, trade information, and booking data — information that gives Beijing critical commercial and geopolitical advantages. Chinese ports have 5G towers providing Wi-Fi to cruise ship tourists, and China provides the [operating systems](#) for the ports facility computers.

China’s information advantage could permit Beijing to pinpoint economic attacks on critical U.S. trade and supply chain vulnerabilities. Even worse, China has knowledge and control over vast

amounts of maritime infrastructure that underlies the shipping of Western military supplies, equipment, and components — cornering logistical data that could severely undermine U.S. and allied military capabilities in any potential conflict.

China's high-powered navy — now the [largest in the world](#) — also maintains critical advantages by having access to a global web of state-owned ports. Chinese commercial ports routinely [host ships](#) from China's navy and could act as critical resupply points — providing a massive tactical advantage in any potential conflict. China is, moreover, actively [pursuing civilian/military interoperability](#) to make infrastructure, such as its ports, even more militarily valuable.

Foreign ownership or control of global ports and their informational infrastructure is not an intrinsic hazard. However, given China's aggressively adversarial economic and geopolitical posture towards the West, it is critical that risks of China port-ownership are fully understood and mitigated. This must begin with understanding what *exactly* China knows: what information it is collecting, what data streams it has access to, and what state-sponsored intelligence gathering is linked to its port operations.

The United States should also work closely with Canada and Mexico to ensure that China's logistical advantages do not allow Beijing to manipulate trade information in ways that undermine North American security, such as promoting trade-based money laundering, disguising fentanyl operations, aiding human trafficking, or contributing to other national security trade risks. In the same vein, the United States has an opportunity to collaborate with global allies that also face Chinese port-related risks to comprehensively examine and test operations and logistical systems to make sure that trade data is not being compromised or weaponized.

Fentanyl and Money Laundering: Two Sides of the Same Coin

The fentanyl crisis has tremendous consequences for the United States. [One hundred thousand Americans are dying](#) from drug overdoses a year — the vast majority of those from synthetic drugs like fentanyl. That is more than all the deaths from [car crashes and gun violence](#) combined. While most Americans understand the impact of fentanyl on our communities, what is less understood is the sophisticated network of internationally organized criminal syndicates, illicit precursor supply chains, and Chinese money laundering operations that underpin this tragedy.

Fentanyl is unique, both in its lethal nature and in terms of the victims it targets. By and large, fentanyl is not being used by the general addict population but is much more likely to be used, unknowingly, by children and first-time users that believe they are buying legitimate pharmaceuticals, like Adderall or Vicodin ... with deadly consequences. By disguising fentanyl (which costs as little as 10 cents a pill to produce) as more profitable pharmaceuticals, Mexican cartels make a killing by killing American kids.

Tragically, fentanyl is a drug crisis that is simultaneously a money laundering crisis, chewing up American children in the process. Fentanyl, manufactured in Mexico from precursor chemicals imported openly from China, is just one link in a money laundering process that is primarily designed to allow Chinese nationals circumvent China's strict controls on taking cash out of the country. Chinese money launders take dollars from the drug cartels, sell them to Chinese expats

for yuan, trade the yuan to Mexican businesses that trade with China, taking pesos back, and then they sell the pesos back to the drug cartels — with the money launderer taking a cut at every transaction. One anonymous U.S. source [described](#) the Chinese operation as “the most sophisticated form of money laundering that’s ever existed.”

We can no longer consider our border a physical barrier between the United States and Mexico. Increasingly, our trade and financial borders reach worldwide — and China is taking advantage, breaching those borders at will. As Admiral Craig Fuller, commander of U.S. Southern Command, said in 2021, [Chinese money laundering](#) is “the number one underwriter of transnational criminal organizations.” As another expert pointed out, [China launders](#) roughly half of the world’s illicit money, responsible for cleaning approximately \$2 *trillion* in illicit proceeds a year.

Fortunately, the illicit finance backbone of the fentanyl trade is also its greatest weakness. While interdicting tiny pills at the physical border is nearly impossible, truckloads of cash are passing right under our noses, running through our financial system and, often, operating in plain sight. Building a strategy to follow and attack the money, therefore, will do far more to stem the dramatic rise in overdose deaths than any other drug enforcement strategy.

Misinformation and Rising Authoritarianism

Authoritarian regimes are driving migration to the southern border in tremendous numbers with migrants from Cuba, Venezuela, and Nicaragua now [outnumbering](#) even migrants from the Northern Triangle of Honduras, El Salvador, and Guatemala. If we are seeking to address the root causes of migration, addressing rising authoritarianism is a strategic imperative. It also means fighting back against a false narrative designed to undermine the U.S. role in the region.

Authoritarianism throughout the hemisphere is increasingly supported and enabled by a sophisticated misinformation campaign by a new Axis of Authoritarianism, most notably Russia, Iran, and Venezuela. As Southern Command Administrator General Laura Richardson [stated](#) in her 2022 Posture Statement to Congress, “Russia intensifies instability through its ties with Venezuela, entrenchment in Cuba and Nicaragua, and extensive disinformation operations.”

Russia’s main conduits for propaganda throughout Latin America are Russia Today’s Spanish language channel, [Actualidad RT](#), and Sputnik’s Spanish channel, [Sputnik Mundo](#). These channels are then amplified by the Venezuelan-led channel, TeleSur and the Iranian channel, HispanTV, whose broadcasts to Spanish-speaking audiences are closely intertwined with Russia’s.

As [pointed out](#) by my colleague, [Emanuele Ottolenghi](#), “the Spanish language media networks controlled by Iran, Russia, and Venezuela push out [conspiracy theories](#), [fake news](#), [whataboutism](#), and [disinformation](#),” whereby authoritarian governments package “their [imperialism](#) as [resistance](#), their [terrorism](#) as [anti-terrorism](#), and their [authoritarianism](#) as [democracy](#).”

Russia itself is transparent in its attempts to use propaganda as a weapon of war to promote its narrative throughout Latin America and build consensus for pro-authoritarian, anti-American policies. As the editor-in-chief of Russia Today [stated](#) “... not having your own foreign

broadcasting is like not having a Ministry of Defense. When there is no war, it seems to be unnecessary. But damn, when there is a war, it's downright critical."

The reach of this propaganda is tremendous. RT's Spanish [Twitter account](#) has 3.4 million followers. Its [YouTube account](#) has 5.9 million subscribers. [TeleSur's Twitter](#) has 2 million followers.

The United States has not sanctioned any of these channels. It should.

Canada, the European Union, and the United Kingdom have already blocked RT and Sputnik with sanctions. After ordering the removal of Russian state-owned media from internet search results, the EU imposed sanctions on RT and Sputnik in March 2022, and in May 2022, it banned [additional](#) Kremlin-backed media platforms, such as RTR Planeta, Russia 24, and TV Centre.

But RT and Sputnik are still available on cable, the internet, and social media, across the United States and throughout Latin America, [with significant, negative impact](#) on global audiences. U.S. sanctions could change that, severely degrading a key weapon to promote authoritarian disinformation.

Hispanic TV is owned by the Islamic Republic of Iran Broadcasting authority, or IRIB. The U.S. Department of Treasury has sanctioned [IRIB](#). As an IRIB subsidiary, HispanTV, should also be sanctioned.

Russian and Iranian regimes further boost Latin American authoritarianism with [military sales](#), joint exercises, direct funding, and commercial engagement. [Iranian warships](#) were recently welcomed to Rio de Janeiro, and two weeks ago, Iranian and Venezuelan officials signed 25 separate [memoranda of understanding](#) on issues that could be used for military cooperation or sanctions evasion. The United States must do more to push authoritarian regimes out of Latin America.

Recommendations

The challenge of authoritarian interference in Latin America presents critical questions about how the United States can use its vast economic and political power to drive stability, opportunity, investment, and democratic principles. Most critically, we must determine how we can leverage diplomatic and operational engagement in the region to secure our borders, convey benefit to more people throughout our hemisphere, and reinvigorate true democracy in the process. The U.S. government, in close and aligned partnership with the private sector, must present a compelling vision for new economic alliances and democracy-reinforcing engagements that push back against the malign and corrupting influence of foreign authoritarian governments from Asia, Europe, and the Middle East.

DHS has a central role to play. DHS and its relevant components can implement a more effective strategy to understand, address, and mitigate threats to the homeland emanating from Latin America. But it requires a shift in mindset and thinking more creatively about the tools available and new ones required. In general terms, this demands that DHS:

- *Have a plan.* DHS should implement a more robust economic security threat assessment process that prioritizes foreign adversaries and strategic competitor interests.
- *Show up.* A risk-based approach to economic security threats can drive more effective deployment of both physical and digital boots on the ground for gathering intelligence and information, especially at ports, and establishing core relationships with government counterparts and private sector actors.
- *Bring resources.* DHS must invest in its own critical security infrastructure in the region and more directly support USG efforts to bring more capital and private sector partners to strategic regional investments, especially in critical supply chains, foreign commercial port operations, and other strategic vectors where we have known vulnerabilities.
- *Commit.* Long-term responses will send the right message to partners and allies. The post-9/11 operational readiness and investment strategies have largely fallen by the wayside. We need to send a stronger message to friends and partners in the region that we are committed to long-term partnerships. Otherwise, China and other malign actors will wait us out.

More specifically, DHS can undertake the following concrete actions to strengthen its efforts to combat malign authoritarian influence in Latin America:

1) Identify and analyze a broader range of economic security threats as core drivers of homeland security vulnerability.

New and emerging threats across Latin America — from rising authoritarianism, high-tech surveillance-tactics, weaponized corruption, and increasingly deadly drugs — leave our borders, and our regional economic and security objectives, vulnerable to the malign influence of adversaries and competitors, from both within and outside of the Western Hemisphere. DHS must shift its intelligence and analysis framework to encompass a wider range of new actors, threats, and data sources to ensure that its intelligence and analysis anticipate a range of interrelated national and economic threats in Latin America as drivers of risk, vulnerability, and migration. The threat picture is complex and nuanced, but, at the same time, these actors also exploit existing mechanisms. Smuggling, trafficking, intellectual property violations, illicit trade, disinformation campaigns, and money laundering are flourishing and increasingly used by both transnational criminal organizations (TCOs) and authoritarian state actors. These tools are leveraged as mechanisms for strengthening criminal networks, advancing anti-American political and economic objectives, and exerting malign influence on the homeland. Meanwhile, threats from China's massive infrastructure investment strategy and growing trade relationships have dented U.S. economic leadership in the region while co-opting foreign officials willing to go along with Beijing's wishes and create unprecedented access to valuable natural resources, commercial infrastructure, and military engagement. These new and evolving vectors of risk should be more tightly woven into DHS's existing threat analysis.

2) Re-engage and expand private sector supply chain partnerships to improve information and data that supports better intelligence gathering and analysis.

We need more and deeper partnerships with the private sector, especially those involved in manufacturing, transporting, importing, exporting, and investing in commercial operations and

key supply chains in Latin America. Much like the immediate post-9/11 environment, it is critical to take a more collaborative approach to risk-based targeting and effective use of data to maintain a real-time view at the ports and across vital economic interests. But we need to evolve beyond legacy terrorist threats. Extension of mechanisms like the Authorized Economic Operator (AEO) program and additional Mutual Recognition Arrangements (MRAs) offers potential pathways. Created after 9/11 as part of the Bali Trade Facilitation Agreement, AEO is the equivalent of the Customs Trade Partnership Against Terrorism, or C-TPAT, for non-U.S. entities. Programs like AEO, if used effectively, can improve our “ground game” by connecting DHS with critical foreign-based private sector organizations willing to provide more advanced trade data and information to CBP in exchange for expedited access at the borders. We need more connectivity to information and engagement with supply chain actors and operators that have access to valuable data streams. In some cases, additional private sector-driven link analysis and analytics can provide a much deeper view into the actions of individuals, entities, competitors, and adversaries and our global supply chain vulnerability. Working with AEOs and helping to grow private sector participation in such programs could be a significant contributor to better informational and intelligence analysis.

3) Conduct a detailed review of China’s multi-layered influence on ports and related critical trade infrastructure in Latin America and strategies to counter that influence.

DHS and CBP should lead a comprehensive review of potential vulnerabilities at Latin American ports, including mapping Chinese ownership and links to the sanctioned entities; the implementation of Chinese-made technology, including cranes, screening devices, logistics software, and the security data associated with these capabilities; an assessment of 5G network access and ownership, cyber risks, relevant trade data information; understanding China’s operations and maintenance strategies and influence; assessing the risk of potential dual-use infrastructure; and investigating illicit actors and entities associated with critical infrastructure.

4 Expand and enhance the effectiveness of Trade Transparency Units.

Trade Transparency Units (TTUs) were established in 2004 to exchange trade data between the United States and its trade partners on a bilateral basis and improve the understanding of trade-based money laundering. TTUs should be resourced and supported as part of a broader effort to counter the illicit financial pathways favored by authoritarians.

As of 2020, the United States has trade transparency agreements — the mechanisms that allow for the exchange of information between jurisdictions — with over a dozen countries and their Trade Transparency Units (TTUs), primarily in Central and South America. An April 2021 [GAO](#) report recommended that DHS expand the number of agreements and “develop a strategy for the TTU program to ensure ICE has a plan to guide its efforts to effectively partner with existing TTUs, and to expand the program, where appropriate, into additional countries.”

Concurrently, Congress must work with the administration to strengthen the effectiveness of our own TTU. Another GAO report [released](#) in December 2021 identified two critical deficiencies:

1. The establishment of an “interagency collaboration mechanism to promote greater information sharing and data analysis between federal agencies and with relevant private-sector entities on issues related to trade-based money laundering and other illicit trade schemes”; and
2. Ensuring that ICE take “steps to enable and implement sharing of the Trade Transparency Unit’s trade data—including for the purposes of trade data analysis about patterns or trends of illicit activity related to trade-based money laundering and similar schemes—with U.S. agencies with roles and responsibilities related to enforcing trade laws and combating illicit financial activity, as appropriate.”

As of today, these recommendations remain unresolved, with ICE officials noting that the “data-sharing agreements with foreign countries prohibit the sharing of their information, and data-sharing agreements among U.S. law enforcement agencies provide a mechanism to request access and authorization if an agency needs access.” Congress should review DHS’s authorities to find a way to streamline the exchange of information between the United States and partner TTUs.

5) Increase investigative work to uncover Chinese money laundering networks and the financial institutions supporting them.

As my colleague Anthony Ruggiero and I have written, Congress should authorize the president to impose a range of sanctions on the facilitators who serve the drug traffickers, including individuals who are grossly negligent concerning financial transactions or export drug precursors. DHS can play a role in this effort by surging its investigative resources to identify entities involved in producing and shipping precursor chemicals and supporting surge capacity with law enforcement counterparts to investigate U.S.-based and foreign money laundering networks and associated persons and entities.

Congress should also enact so-called secondary sanctions targeting those who do business with the primary targets of fentanyl sanctions. Specifically, the law should impose sanctions on foreign financial institutions that knowingly conduct or facilitate significant financial transactions on behalf of a sanctioned person.

6) Support legislation to counter kleptocracy and state-sponsored corruption, such as the Foreign Extortion Prevention Act (FEPA).

Corruption preys on weak regimes throughout Latin America, boosting authoritarianism, destroying lives and livelihoods, undermining U.S. interests, pushing out law-abiding U.S. companies, and facilitating China’s bribe-fueled incursions throughout the hemisphere. U.S.-based and U.S.-listed companies face major consequences for bribing foreign officials under the Foreign Corrupt Practices Act. Corrupt officials, however, get off scot-free, as do the Chinese companies and officials bringing [gift boxes filled with cash](#).

China is sidelining American companies in the race for critical resources, partnerships, and contracts largely because corruption and opacity are [central features](#) of Chinese engagement. In order to raise the stakes for crooked foreign officials and narrow the window for Chinese

interference, Congress should consider expanding anti-corruption law enforcement tools such as those found in the Foreign Extortion Prevention Act (FEPA) — which would parallel the FCPA by criminalizing bribe demands made of U.S. and U.S.-listed companies.

FEPA had strong bipartisan support in the last Congress, is supported by the U.S. Chamber of Commerce and a broad coalition of civil society, and reflects a commitment included in the National Security Council's Strategy on Countering Corruption.



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***“Countering Threats Posed by Nation-State
Actors in Latin America to U.S. Homeland
Security.”***

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Chair Pfluger, Ranking Member Magaziner, and distinguished Members of the Subcommittee on Counterterrorism, Law Enforcement, and Intelligence, I am very grateful for this opportunity to testify before you today. The views represented in this testimony are my own and should not be taken as representing those of my current or former employers.

The democratic, relatively prosperous and largely pro-U.S. nature of Latin America and the Caribbean (LAC) has been a strategic asset for the United States for decades. Yet, the region today is at a tipping point; there is a significant risk that it could become a liability in strategic competition with China and to a lesser extent Russia in the next decade. In particular, the influence of extra-hemispheric authoritarians, including Iran, has been on the rise throughout LAC. These actors pose interlocking challenges to regional, and by extension U.S. security. While each possesses different capabilities and long-term objectives, they often coordinate both informally and formally to challenge U.S. influence in the region. It is therefore important to view these three actors not in isolation, but how their behaviors reinforce and interrelate. Moscow, Beijing, and Tehran each espouse different geopolitical goals and world views, yet they have shown an alarming degree of convergence when it comes to efforts at fomenting discord and disruption within the United States' shared neighborhood. Such efforts come both through support for overt authoritarians, especially the dictatorial regimes in Cuba, Nicaragua, and Venezuela, but also where they cannot totally pull countries out of the U.S. orbit, these regimes seek to peel away once staunch U.S. allies and convert them into comparatively neutral bystanders. This can be seen with the rhetoric of the government of Brazil, ascribing blame to both Ukraine and Russia for the war, and in Argentina, Brazil and longstanding ally Colombia's refusal to sell Soviet legacy weapons to help Ukraine defend itself. It is noteworthy that no LAC country, save Costa Rica, has joined the international sanctions effort against Russia for its war of aggression.

Russia's brutal and illegal invasion of Ukraine has caused autocracies the world over to close ranks and sharpen their competition with the United States and fellow democratic allies.¹ Indeed, recent developments in the region, from the docking of Iranian warships in Brazil, to revelations about Chinese espionage activities in Cuba, and overtures to Haiti by the notorious Russian Wagner group, have plainly illustrated the risks to U.S. security that come from allowing dictatorships to proliferate and coordinate their activities. Another comparatively under-appreciated dimension is the role of authoritarian alliances in helping dictators remain in power and repress their populations more effectively, accelerating mass irregular migration to the detriment of the region at large.

The most dramatic example of this comes from Venezuela, where over 7.3 million people have left the country as a result of the profound economic, security, and humanitarian crises brought on by the regime of Nicolás Maduro's gross mismanagement and repression.² Maduro nevertheless remains in power, shored up by arms and intelligence from Russia and China, and a sanctions-evading oil trade with Iran. Nicaragua has also seen dramatic upticks in outward migration, creating an acute crisis in neighboring Costa Rica, while U.S. apprehensions of Nicaraguans at the southern border have multiplied by a factor of more than 50 between fiscal years 2020 and 2022.³ Even Cuba, the longest-standing dictatorship in the hemisphere, has seen record-setting levels of migration as the country's economy continues to reel and as the regime further clamps down on dissent following the massive protests on the island in July 2021.⁴

Furthermore, the presence of dictatorial regimes within the Western Hemisphere offers a springboard for extra-hemispheric authoritarians to expand their influence, co-opting, coercing, and manipulating other countries in the region to undermine their relations with the United States, often empowering anti-democratic forces in the process.

These challenges should not cause the United States to underestimate the considerable advantages it still possesses when it comes to geopolitical competition in the hemisphere. LAC on the whole still looks to the United States as its preferred partner. If the U.S. seizes the opportunity to present a comprehensive, well-resourced counteroffer, the region will consider it seriously. Crafting such a response however will require a sustained, and forward-looking strategy for engagement with LAC which to date has unfortunately appeared lacking from a United States government which has long turned to the region only in response to crisis and neglected it at all other times.

Russia: The Great Disruptor

Facing resource constraints which have only grown more acute in the wake of its 2022 full-scale invasion of Ukraine, Russia nevertheless evidences a brazen disregard for international norms and law in its efforts to disrupt the security of the United States and allies, including in the Western Hemisphere. While Russia cannot compete with China or the United States in provision of raw economic assistance, it makes up for this through the sheer diversity of avenues in which Moscow seeks to advance its interests by any means necessary.

Russian influence in the region primarily comes from security ties, fostered through Moscow's global arms industry which countries across Latin America have relied upon in the past to fill their armories with cheap, reliable weapons and equipment. In June of 2022, Nicaragua renewed the mandate for Russian military forces to operate within its borders. Russia also maintains a number of GLONASS satellite positioning stations, with one outside of Managua and another scheduled to be deployed in Venezuela.⁵ The infamous Wagner private military contractor has also set up shop in Venezuela, providing security for Maduro and training the Venezuelan armed forces.⁶ The role of this shadowy state-affiliated mercenary group is cause for elevated concern especially as leaked U.S. intelligence reports have indicated the group also explored contracts to provide security in Haiti. More recently, reports have circulated of Cuban citizens living in Russia signing up to fight in Ukraine, while Havana and Russian client state Belarus recently inked a deal for Cuban forces to help train the Belarussian military.⁷

Cybersecurity is another vulnerability which Russia has proven adept at exploiting. This in some respects can be traced to a lack of awareness across the region as to the vulnerabilities faced from infiltration by malign foreign actors. This extends even to regional ministries and national defense institutions. The Brazilian military for instance relies on Russian firm Kaspersky Lab for data protection services, even to the point of renewing its contract the summer of 2022 as the war in Ukraine raged.⁸ Russian cyber actors have also used their technologies to interfere in elections in Chile, Colombia, Ecuador, and Peru, among others. This has mostly taken the form of disinformation and amplifying polarizing voices and showcases Moscow's well-developed mis- and disinformation tactics. Such capabilities are further augmented by ostensibly aboveboard news outlets. RT en español and Sputnik Mundo, Russia's Spanish-language mouthpieces, have over 30 million viewers in Latin America and the Caribbean, with media agreements to operate

in 11 countries.⁹ Russia's ability to exploit mis- and disinformation opportunistically was on display recently when images from Mexico of cartel soldiers wielding U.S.-made AT-4 anti-tank missile launchers began circulating on social media. Russian sources, amplified by Moscow's embassy in Mexico City, seized on the narrative that these launchers were redirected from U.S. arms shipments to Ukraine, pushing false claims that the war there was fueling Mexico's internal security challenges.¹⁰

Russia's ongoing war has also touched off a wave of migration, as thousands of mostly young, educated Russians flee the country by increasingly circuitous and dangerous routes to avoid being drafted to fight in Ukraine. The number of Russian nationals encountered at the United States' border quadrupled between 2021 and 2022. Russians seeking entry to the United States often transit through Mexico due to significantly easier visa requirements.¹¹ While these outflows underscore the unpopularity of Moscow's war, they create novel challenges for North American security as well. Rising levels of Russian migrants through Mexico open new revenue streams for criminal groups engaged in human smuggling. Those fleeing Russia are not the only newcomers to Mexico, which, according to U.S. Northern Command, is home to the largest concentration of GRU agents outside of Russia.¹² Weaknesses in screenings of Russians seeking asylum may therefore present new avenues for Moscow to infiltrate and disrupt the United States itself, to say nothing of the corrosive effects on regional security Russian espionage has already produced.

China: Civil-Military Fusion

The People's Republic of China (PRC) engages with LAC first and foremost through an economic framework. Between 2000 and 2020, the PRC's share of trade with the region grew eightfold, and China's signature Belt-and-Road Initiative (BRI) has successfully garnered some twenty-one signatories in the hemisphere. Nevertheless, viewing Beijing's relationship to the Western Hemisphere solely as one of trade obscures many of the more nefarious activities which have emerged as part and parcel of expanded PRC engagement.

The PRC's interests in LAC are manifold. Broadly speaking, LAC is vital to China's economic development, as it is home to extensive deposits of natural resources, including minerals and metals such as copper and lithium, as well as petroleum products. LAC is also key for China's food security, with the region representing much of the PRC's food imports.¹³ Increasingly, as China's economy cools off from its previous red-hot growth, China is turning towards LAC countries not merely for their raw materials, but as a base of consumers eager to purchase Chinese-manufactured products. Geopolitically, China has long been fixated on the region as home to the majority of sovereign states that continue to recognize Taiwan. The PRC has assiduously chipped away at this number, and three Central American countries — Panama, El Salvador and Nicaragua — have switched diplomatic recognition from Taiwan to China since 2017. So too has the nearby Caribbean Island nation of Dominican Republic, and in March 2023, the government of Xiomara Castro in Honduras recognized the PRC, opening an Embassy in Beijing on June 11th; a move which brought the total number of Taiwanese diplomatic allies in the region down to just seven countries. In Guatemala as well, which is headed towards presidential elections at the end of June, outward support for Taiwan may nevertheless belie an internal calculus where recognition is far more contingent. Should recognition of Taiwan slip

further in the hemisphere, the PRC will in all likelihood be further emboldened in its rhetoric and provocations directed towards the island.¹⁴

While the PRC has clear strategic interests underpinning its focus on LAC, China's engagement in the hemisphere is largely regime agnostic. Nevertheless, high levels of PRC engagement have been associated with worrying trends in recipient countries' democratic health. China often acts as a "lender of last resort," bankrolling authoritarian governments when other sources of financing will not touch these. The China Development Bank and the Export-Import Bank of China offered in excess of USD \$137 billion to the region in loans to various sectors, Venezuela being the single greatest recipient of Chinese loans at USD \$60 billion.¹⁵ Furthermore, China's public security initiatives have raised concerns after the PRC's "safe cities" surveillance technology was associated with crackdowns on opposition parties in countries like Ecuador under the Correa government, to say nothing of China's assistance with social control and digital monitoring in Venezuela.¹⁶

Military and security collaboration is also a growing aspect of Chinese activity in LAC. China has sold equipment to military and police forces from countries historically opposed to the United States—such as Venezuela, Cuba and Bolivia—as well as close American partners like Colombia, Chile, and Ecuador. Venezuela, however, is by far the region's largest buyer of PRC arms. Between 2009 and 2019, \$615 million in weapons was sold to Venezuela.¹⁷ China could be poised to make greater arms sales to fill a vacuum left by Russia needing to keep supplies at home due to its invasion of Ukraine. In addition to military sales, the People's Liberation Army has a burgeoning presence in the region, which it maintains through training and visits, permitting it greater familiarity with countries' operational frameworks and preparedness, as well as their strategic doctrine and training routines. China has furthermore exploited a paucity of U.S. police assistance in the region, coupling this with the dire security crises faced by countries throughout the hemisphere, to advance its own model of security assistance.¹⁸

While China leads with trade and investment, security concerns are never far off, as one report by the Asia Society outlines how China employs "civil-military fusion" in its development projects, ensuring that they are designed to specifications that offer both commercial and military advantages.¹⁹ In Latin America, this manifests in projects like the Espacio Lejano space research station in Argentina, which is effectively off limits to inspection by Argentine authorities. Analysts have noted that, while certainly capable of its stated purpose of deep space scientific research, the station could readily be used for satellite telemetry tracking and control, collecting signals intelligence, and even potentially missile guidance, tools which would serve China well in a potential conflict scenario.²⁰ Even further south, the PRC is seeking to expand its presence with a new agreement between Chinese state-owned Shaanxi Chemical Industry Group Co. Ltd. and the province of Tierra del Fuego to begin construction on a port in Ushuaia, a key gateway to the Antarctic, and strategic chokepoint along the Drake Passage and Strait of Magellan.²¹ In Peru, a mega port is being built by a state-owned company from China which will become a key link between China and Latin America, ensuring Chinese supply chains of metals, critical minerals and agricultural products.²² General Laura Richardson in recent testimony before Congress has also raised concerns that Chinese-constructed infrastructure along the Panama Canal could be easily turned to military purposes in the event of a conflict or crisis scenario.

Finally, approximately 100 miles off the coast of Florida, the White House has now confirmed the presence of a PRC-run base, replete with long-range radars and other electronic surveillance equipment directed towards the United States.²³ The revelations underscore how the PRC utilizes its economic heft to extract far more expansive geopolitical advantage. Cuba, undergoing its most severe economic crisis since the collapse of the Soviet Union, reportedly accepted billions of dollars from China to take over and upgrade the facility in a trade which was likely too good to refuse for Havana.²⁴

As with Russia, a growing trend of Chinese nationals seeking respite from repressive policies at home have been pursuing circuitous routes to the United States by way of LAC countries. According to U.S. Customs and Border Patrol data, more than 4,000 Chinese nationals were encountered between October 2022 and February 2023 at the southern border, a dramatic uptick from the 421 encounters reported during the same period from 2021 and 2022.²⁵ Typically, these individuals arrive via countries like Ecuador which does not have a visa requirement for Chinese citizens to visit. From there, they travel a long and often dangerous road, together with tens of thousands of Latin American and Caribbean migrants transiting the Darién Gap between Colombia and Panama.

Iran: Opportunistic Encroachment

Often viewed as a secondary, or even tertiary player in the hemisphere, Iran's engagement with LAC exacerbates many of the challenges outlined above. The continued global sanctions regime against Iran limits its tools for influence and has largely relegated Iranian influence in the hemisphere to Venezuela, Nicaragua, and Cuba, which are already willing to flaunt U.S. sanctions. Here, Iranian engagement has a complementary effect to more well-established and substantive Russian and Chinese efforts.

The docking of Iranian warships in Rio de Janeiro in March 2023 and high-level visits by Iranian officials to Caracas and Managua and Havana suggest Iran is seeking to project military power throughout the region in addition to economic benefit. Diplomatically, it appears Iranian Foreign Minister, Hosein Amir Abdollahian's February 2023 tour of the hemisphere's dictatorships was a preview for an even greater engagement, as President Ebrahim Raisi began making the same circuit of visits on June 12.²⁶ In the past, Iran allegedly sent members of its Quds Force to help Nicolás Maduro stay in power, including with arms shipments.²⁷ Informed observers have speculated that in return, Maduro may be shipping Venezuelan-made kamikaze drones, or their parts, on regular triangular flights between Venezuela, Tehran, and Moscow.²⁸

Another security concern is the continued presence of Hezbollah in Latin America. The group's origins in the region extends back decades, where they were originally concentrated around the Southern Cone, especially the tri-border area of Paraguay. Today, Hezbollah operations have shifted northwards, mainly to Venezuela where they have a sympathetic backer in the form of the Maduro regime.²⁹ The group has been responsible for helping Maduro launder gold as well, with Israeli intelligence revealing in February 2023 the existence of a gold smuggling operation between Caracas and Tehran facilitated by Hezbollah.³⁰

Cross-Cutting Themes

All three extra-hemispheric authoritarian regimes recognize that their goals in Latin America are aligned for the time being, and all have a vested interest in sustaining anti-U.S. regimes, and disrupting U.S. security. In many cases, there is strong complementarity between the interests of these authoritarians. China for instance has high demand for cheap oil, while both Iran and Venezuela need to find clients willing to buy their energy exports in the face of sanctions. At other times, cooperation among autocrats gives different regimes the ability to defray costs and deflect responsibility. Russia for example can supply Nicaragua with arms and equipment while entrusting the training of its repressive apparatus to Venezuelan and Cuban officials.³¹

Accordingly, it must be understood that autocrats around the world follow a similar “playbook” of policies for how to take and hold power, clamp down on dissent, and survive in the face of international pressure. Nicaragua’s Foreign Agents Law for instance was closely modeled after Russia’s, allowing it to clamp down and expel dissenting voices.³² Cybersecurity and the information space more broadly represent key vulnerabilities that malign authoritarians view as entry points for influence, many countries in the region still do not take their data security seriously enough.

Another common thread is the linkage between authoritarian regimes and migration. Dictatorships are associated with a number of push factors for migration, the most basic of which is the simple reality that most people do not wish to live under unaccountable and repressive governments. This is evidenced today by the thousands of Russian and Chinese nationals who have uprooted and risked their lives in an attempt to find better conditions oceans away. Autocracies also drive migration by adopting poor economic policies and channeling resources to inner circles while the rest of the country languishes. Venezuela is perhaps the archetypical case of such gross economic mismanagement producing the world’s largest migration crisis outside of an active war zone. Authoritarianism is part and parcel of the root causes of migration, and ought to be treated as such in any U.S. response.

Recommendations

The 2022 National Security Strategy notes that “No region impacts the United States more directly than the Western Hemisphere.”³³ Unfortunately, resources and political capital have not been commensurate with the scale of the threat posed by the interlocking efforts of Russia, China, and Iran, along with regional authoritarians. A comprehensive resource-backed approach to LAC is urgently needed if the region is to be secure, democratic, and prosperous. This would include, as one example, revising Development Finance Corporation rules to allow financing of projects in middle income counties of the region, especially given the huge disparities in development within different LAC countries.

Strengthen Regional Migration Responses: Irregular migration remains one of the most profound challenges affecting the entire Western Hemisphere. As authoritarian regimes the world over contribute to mass outflows of people, the United States has an important leadership role to play in identifying and advancing solutions to manage migration, protect the security and rights of individuals in transit, and support host countries. At the same time, the United States should encourage countries with visa-free entry policies for Russian and Chinese nationals to reexamine their screening processes to prevent the espionage apparatuses of these regimes from gaining access to the United States and allies under the guise of humanitarian need. The opening of new

migration processing centers in Colombia and Guatemala in this respect represents an important step forward. Reports of Russian efforts to negotiate visa-free entry with Mexico and a number of Caribbean states should also come as cause for concern, and the United States should be active in opposing measures which could facilitate the entry of Russian government agents into the region.

Invest in Digital Capabilities: Cyber vulnerabilities not only create practical information security risks that damage the national security of Latin American and Caribbean countries, but a lack of general knowledge on cybersecurity opens the door to malign foreign powers offering facile solutions. SOUTHCOM, in partnership with CYBERCOM, and the Cybersecurity and Infrastructure Security Agency (CISA), can lead training with partner countries to outline key risks, and the elements of a better strategy to counter cyber threats.

Counter the Dictator's Playbook: As it becomes increasingly apparent that autocrats both within LAC and beyond are borrowing from a shared “playbook” of policies and tactics for maintaining their grip on power, the United States must double down on efforts to coordinate a response among like-minded democracies to counter instances of autocratization. Such a “democratic playbook” should include measures such as helping to strengthen democratic institutions, early warning signs for civil society watchdogs to track, forums like the Summit for Democracies which allow international coordination to pressure dictatorships, as well as a reexamination of how U.S. sanctions policy can be more effectively deployed against dictators and would-be autocrats.

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³ Charles G. Ripley III, “Crisis Prompts Record Emigration from Nicaragua, Surpassing Cold War Era,” Migration Policy Institute, March 7, 2023, <https://www.migrationpolicy.org/article/record-emigration-nicaragua-crisis>.

⁴ Ed Augustin and Frances Robles, “‘Cuba Is Depopulating’: Largest Exodus Yet Threatens Country’s Future,” *The New York Times*, December 10, 2022, <https://www.nytimes.com/2022/12/10/world/americas/cuba-us-migration.html>.

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¹¹ Yulia Vorobyeva, “Entrepreneurial newcomers: Russian-speaking migrant smugglers on the US southern border,” Global Initiative Against Transnational Organized Crime, May 11, 2023, <https://globalinitiative.net/analysis/russian-migrant-smugglers-us-southern-border/>.

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³² Ryan C. Berg, “Nicaragua’s Upcoming Election Highlights Need for Long-Term Forms of Pressure on the Ortega Regime,” *CSIS, CSIS Commentary*, August 6, 2021, <https://www.csis.org/analysis/nicaraguas-upcoming-election-highlights-need-long-term-forms-pressure-ortega-regime>.

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Statement of
JESSICA BRANDT
Brookings Institution
**BEFORE THE UNITED STATES HOUSE
HOMELAND SECURITY COMMITTEE**
**SUBCOMMITTEE ON COUNTERTERRORISM,
LAW ENFORCEMENT, AND INTELLIGENCE**
Concerning
**“Countering Threats Posed by Nation-State Actors
in Latin America to U.S. Homeland Security”**

June 21, 2023

Thank you Chairman Pflugar, Ranking Member Magaziner, distinguished members of the committee, for inviting me to address you today on the threats posed by nation-state actors in Latin America to U.S. security.

With geopolitical competition resurgent, considerable attention has been paid to Russian and Chinese “playbooks” and authoritarianism more broadly. As has been widely documented, Moscow and Beijing use a suite of low cost, deniable tools and tactics to conduct influence operations designed to undermine their democratic competitors and make the world safe for illiberalism. They wage these operations using at least four non-military, asymmetric tools: economic coercion, political subversion, information manipulation and cyber operations.¹

Importantly, Russia and China each apply the toolkit differently in Latin America than in their respective home regions. And within Latin America, they operate distinctly from one another, in ways that reflect their unique capabilities and long-term objectives. As I recently argued in the *Washington Quarterly*, together with AEI’s Zack Cooper, developing a coherent strategy to push back on Russia and China’s coercive activities in Latin America—and elsewhere—depends on an appreciation of these nuances. Many of the observations in this testimony are drawn from that work.²

RUSSIAN COERCION IN LATIN AMERICA

¹ For definitions, see: *Authoritarian Interference Tracker*. Alliance for Securing Democracy, <https://securingdemocracy.gmfus.org/toolbox/authoritarian-interference-tracker/#methodology>.

² Brandt, J. & Cooper, Z. (2022). Sino-Russian Splits: Divergences in Autocratic Coercion, *The Washington Quarterly*, 45:3, 23-46, <https://doi.org/10.1080/0163660X.2022.2124016>.

Russia takes a different approach to applying the authoritarian toolkit in Latin America than it does in its own region. Within Europe, Moscow endeavors to weaken political leaders and institutions to gain a relative edge over its competitors—in other words, as an end unto itself. In Latin America, Moscow’s influence activities aim to dent the prestige of mostly Western liberal governments and institutions and the political model they represent. Which is to say, its activities are largely instrumental—a means to the ends of eroding cohesion within liberal democracies and among them, and to undermining their soft power. Throughout Latin America, the Kremlin works to frustrate relationships between the United States and its partners, deepening relationships with leaders that share Putin’s desire to create alternatives to governance institutions that are dominated by the United States and Europe. As analyst Paul Stronski has argued, “Moscow hopes to embarrass Washington, and show that it too can make a foray into its main global adversary’s backyard.”³

Economic Coercion

As elsewhere around the world, Russia uses commercial deals, primarily within the energy sector, as an avenue of influence in the region. To bolster Kremlin ally Nicolas Maduro, Russian state-controlled oil firm Rosneft poured roughly \$9B into projects in Venezuela between 2010 and 2019. “From the very beginning,” conceded an executive involved in the effort, “it was a purely political project.”⁴ More recently, in order to build support for its confrontation with Western governments over Ukraine, the Kremlin softened the terms of loans it had made to Cuba worth more than \$2 billion. Both countries were among the five that abstained from or declined to participate in a UN vote last year denouncing Russia’s brutal invasion.⁵

Political Subversion

Because the Kremlin’s activities in Latin America are designed to strengthen ties with illiberal partners, rather than weaken the cohesion of liberal competitors, the Kremlin does not appear focused on undermining democratic political processes in Latin America, as it does closer to home. Moscow has, though, deployed private security contractors linked to the Wagner group to prop up its ally in Caracas in opposition to U.S. interests, and its mercenaries have looked for opportunities to expand their presence in the region, from Haiti to Mexico.⁶ Russia’s economic and political influence activities in the region are by no means the primary driver of migration to

³ Stronski, P. and Sokolsky, R. (2017). *The Return of Global Russia: An Analytical Framework*, Carnegie Endowment for International Peace, <https://carnegieendowment.org/2017/12/14/return-of-global-russia-analytical-framework-pub-75003>.

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⁵ Others included Bolivia, El Salvador and Nicaragua. Resolution A/RES/ES-11/1, “Aggression against Ukraine: resolution / adopted by the General Assembly,” <https://digitallibrary.un.org/record/3959039>.

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the United States. However, to the extent that they facilitate corruption, make governments less responsive to their citizens, erode the rule of law, and otherwise undermine good governance, they contribute to migration's root causes.

Information Manipulation

Within the information domain, Moscow has made a concerted effort to promote its state media properties online, often with remarkable success. The Twitter account of RT en Español (@actualidadRT) has more followers than RT's primary English-language account (@RT_com) and is retweeted nearly twice as often. Of the five most frequently retweeted Russian state media and diplomatic accounts on Twitter thus far this year, three target Latin American audiences (@ActualidadRT, @mae_russia, @SputnikMundo).⁷ Last year, Russian Ministry of Foreign Affairs' Spanish-language account (@mae_russia) was more frequently retweeted than its Russian-language one (@MID_rf), even though the latter tweeted more than five times as frequently.⁸ The same is true on other platforms. On Facebook, RT en Español has more than twice the followers of RT's English language version, and more followers than any other Spanish-language international broadcaster. On TikTok, it is more popular than BBC Mundo, El Pais, Telemundo, and Univision.⁹

As it wages its unprovoked assault on Ukraine, the Kremlin is putting these assets to use to erode support for Western countermeasures among Latin American publics, where opinion about the conflict appears up for grabs. For months, it blamed Western sanctions for food and fuel shortages affecting the region. "The Russian military operation in Ukraine does NOT threaten the food supply," argued the Russian MFA on Twitter in Spanish, for example, asserting that the "real reasons" for shortages include "myopic U.S. and European policies" and "illegitimate sanctions against Europe."¹⁰ Spanish is the fourth most spoken language in the world, and Russian content targeting the region could have significant global reach.¹¹

Interestingly, at least within overt space—among state media and diplomats on Twitter, and on state-backed news websites—there is limited apparent evidence that the Kremlin proactively stokes chaos at the border. The top five most retweeted Spanish-language Russian state-backed messages on Twitter covering migration thus far this year offer praise for Mexican President Lopez Obrador's handling of the issue.¹² Immigration topics have surfaced in known covert information operations targeting the United States, but that activity seems aimed at weaponizing

⁷ Hamilton 2.0 Dashboard (2023). Alliance for Securing Democracy, <https://securingdemocracy.gmfus.org/hamilton-dashboard/>.

⁸ Brandt, J., & Wirtschafter, V. (2022). *Working the Western Hemisphere*. Brookings. <https://www.brookings.edu/research/working-the-western-hemisphere/>.

⁹ *The Global Information Wars: Is the U.S. Winning or Losing?*, Before the Subcommittee on State Department and USAID Management, International Operations, And Bilateral International Development of the Senate Foreign Relations Committee, 118th Congress (2023) (statement of Jessica Brandt, Brookings Institution). https://www.foreign.senate.gov/download/05/04/2023/050323_brandt_testimony.

¹⁰ Cancillería de Rusia (@mae_rusia), Twitter, June 21, 2022, c; RT en Español (@ActualidadRT), Twitter, June 6, 2022, <https://twitter.com/ActualidadRT/status/1533947341811638272>. For additional sample content see https://www.brookings.edu/wp-content/uploads/2022/12/FP_20221216_russia_propaganda_brandt_wirtschafter.pdf.

¹¹ Brandt & Wirtschafter (2022).

¹² RT en Español (@ActualidadRT), Twitter, May 6, 2023(a), <https://twitter.com/i/web/status/1654737760018898944>; RT en Español (@ActualidadRT), Twitter, May 6, 2023(b), <https://twitter.com/i/web/status/1654828357140336644>.

a politically divisive issue to exacerbate discord.¹³ Unsurprisingly, some Russian state-backed content focused on immigration boosts domestic criticisms of U.S. policy.¹⁴

Cyber Operations

In its own region, Moscow conducts cyber operations to punish entities that expose Russian malfeasance, steal information that it can later weaponize in an information operation, and to disrupt critical infrastructure, making it more difficult for democracies to govern themselves.¹⁵ Because its activities in Latin America primarily aim to foster friendships, there is little evidence that Russia penetrates computer networks to alter or collect data, or to disrupt institutions or political processes in the region.

CHINESE COERCION IN LATIN AMERICA

China, like Russia, takes a different approach to applying the authoritarian toolkit in Latin America than it does in its own region. Closer to home, Beijing has been considerably more assertive in undermining its opponents than elsewhere around the world, including in Latin America, where target countries have at times benefitted from Beijing's efforts to build influence using positive inducements.

Economic Coercion

Boycotts, tariffs, import restrictions and export quotas – these are among the mechanisms that China has used to coerce its neighbors in response to actions Beijing perceived as undermining its interests, exercising its leverage as the top trading partner of most countries in its home region. In Latin America, by contrast, Beijing is focused on building leverage that it can apply in the future, using the Belt and Road Initiative (BRI) to expand its engagement with more than 20 countries in the region.¹⁶ These coercive economic activities foster dependences that make Latin American governments less responsive to their citizens, and therefore undermine good governance. Thus, they too may contribute to the root causes of migration.

Political Subversion

¹³ *S. Rept. 116-290 - Russian Active Measures Campaigns and Interference in the 2016 U.S. Election, Volume II.* (2023, June 20), <https://www.congress.gov/congressional-report/116th-congress/senate-report/290/1>; “Senate Intel Committee Releases Bipartisan Report on Russia’s Use of Social Media” (2019), *U.S. Senate Select Committee on Intelligence*, <https://www.intelligence.senate.gov/press/senate-intel-committee-releases-bipartisan-report-russia%E2%80%99s-use-social-media>.

¹⁴ Ekimenko, S. (2022). “Texas’ Greg Abbott Slams ‘Hypocrite-in-Chief’ Biden After WH Dubs Migrant Transport ‘Illegal Stunt,’” *Sputnik International*, https://sputnikglobe.com/20220916/texas-gov-abbott-slams-hypocrite-in-chief-biden-after-wh-calls-migrant-bussing-illegal-stunt--1100838329.html?utm_source=dlvr.it&utm_medium=twitter; RT en Español (@ActualidadRT), Twitter, May 11, 2023, <https://twitter.com/i/web/status/1656522016995041280>.

¹⁵ Brandt, J. and Taussig, T. (2020). “Europe’s Authoritarian Challenge,” *The Washington Quarterly*, 42:4, 133-153, <https://doi.org/10.1080/0163660X.2019.1693099>.

¹⁶ Roy, D. (2023). *China’s growing influence in Latin America*. Council on Foreign Relations. <https://www.cfr.org/backgrounder/china-influence-latin-america-argentina-brazil-venezuela-security-energy-bri#:~:text=As%20of%202023%2C%20Beijing%20has,agreement%20with%20Uruguay%20are%20ongoing.>

In Latin America, Beijing uses some of the same political inducements that it does to cultivate influence among China's neighbors, but with less of an emphasis on direct subversion. China tends to use carrots, rather than sticks, to build sway, using BRI funding as an incentive to tow Beijing's line. This difference primarily stems from the goal of China's activities in the region: to position itself as helpful to Latin American societies in their battle against hypocritical, over-reaching democracies, led by the United States.

Information Manipulation

Because China's ultimate objective is to frame itself as a responsible global power, Beijing's information operations primarily seek to build a positive view of China and its leadership. In Latin America, as elsewhere, Beijing's propaganda apparatus promotes narratives that cast democracy as feckless or hypocritical and highlights the strength of its governance model.¹⁷ In the global south, during the height of the Covid crisis, Beijing undertook a tailored messaging campaign arguing that its Sinovac vaccine, which does not require cold chain storage, should be the option of first resort.¹⁸ In its propaganda targeting overseas audiences, Beijing uses U.S. immigration policy to cast the United States as hypocritical in its advocacy for human rights elsewhere around the world.¹⁹ "For a long time, the United States has been giving lessons to other countries on human rights," China's People's Daily recently tweeted in Spanish, "But the way the U.S. treats migrants and refugees at home highlights their hypocrisy on this issue."²⁰ This is in keeping with Beijing's strategy of using whataboutism to deflect criticism of its own rights record.

Cyber Operations

While in Asia, there is considerable concern about the use of information networks designed and run by Chinese companies, amid concerns that equipment sourced from vendors in China could contain back doors that enable surveillance by Beijing, that is not as much the case in Latin America.²¹ Within the region, China has provided surveillance systems to at least nine countries, including Argentina, Chile, Brazil, Mexico and Venezuela.²² To the extent that these systems undermine political and human rights, they too may contribute to the root causes of migration.

¹⁷ Brandt (2021).

¹⁸ Schafer, B., Frankland, A., Kohlenberg, N., & Soula, E. (2021). *Influence-enza: How Russia, China, and Iran have shaped and manipulated coronavirus vaccine narratives*. Alliance For Securing Democracy. <https://securingdemocracy.gmfus.org/russia-china-iran-covid-vaccine-disinformation/>.

¹⁹ Lan, L. (2021). "Whipping migrants shows US human rights hypocritical," *Global Times*, <https://enapp.globaltimes.cn/article/1234865>; China News 中国新闻网 (@Echinanews), April 28, 2023, <https://twitter.com/Echinanews/status/1652129574145097728/photo/1>

²⁰ Pueblo En Línea (@PuebloEnLnea), June 9, 2022, <https://twitter.com/PuebloEnLnea/status/1534823562699104257>.

²¹ Brands, H. (2021). "Huawei's Decline Shows Why China Will Struggle to Dominate," *Bloomberg*, <https://www.bloomberg.com/opinion/articles/2021-09-19/huawei-s-decline-shows-why-china-will-struggle-to-dominate>.

²² *AI Global Surveillance Technology*. Carnegie Endowment for International Peace, <https://carnegieendowment.org/publications/interactive/ai-surveillance>.

DIFERENCES BETWEEN RUSSIAN AND CHINESE APPROACHES TO COERCION IN THE REGION

Although Putin and Xi work from the same playbook, their approaches reflect their unique capabilities, as well as their distinct goals. Moscow and Beijing share certain near-term objectives, but the two are operating on different trajectories and time horizons, with different points of leverage and long-term aims. Russia is a declining power by many measures, which seeks to disrupt the partnerships and institutions of its mostly Western competitor states here and now as a means of gaining relative advantage. With little to lose and perhaps something to gain from exposure, it is not particularly sensitive to attribution for its coercive activities. Seeing the benefits of chaos abroad, its efforts tend to be destructive. China, by contrast, is a rising power with a great deal to lose from having its coercive activities laid bare. It does not seek disorder, but rather a new order more conducive to its interests, and so its efforts to change the status quo have tended to be more patient.²³ Both countries are most active in their own regions. For Russia, building influence in Latin America is a means to the end of disrupting Western alliances and institutions. For China, it is a means of building support for Beijing's way of doing business.

These nuances carry over into the ways that Russia and China conduct economic coercion in the region. For Russia, this activity leverages its status as a commodity exporter, with energy amounting to half of its exports.²⁴ For China, its coercive economic practices primarily draw on the size of its market, which gives it leverage over trading partners, as well as its relative wealth, which it uses to support friendly politicians.

Russia and China differ significantly in their use of political subversion as well. Moscow's intelligence agencies are much better equipped at understanding how to influence foreign systems than those of Beijing, since the Kremlin has made the use of asymmetric tools a leading component of its foreign policy for decades. The Kremlin has a high tolerance for risk and is comfortable deploying security services abroad. China, by contrast, has less experience with political subversion far afield. To the extent that Chinese operatives have been involved in subversion, they have tended to focus on China's neighbors.²⁵ But the differences don't just stem from different capabilities. Political subversion is a tool more fit for Russia's purposes (undermining the cohesion of democratic societies and their institutions) than China's (building a new international order).

Russia and China have both conducted information operations targeting audiences in the region, but likewise, in different ways and toward different ends. Where Moscow has a long history of this sort of activity abroad, China is just beginning to experiment with information manipulation far afield. Where Moscow aims to tarnish the appeal of Western systems, China works to

²³ Brandt, J. (2021). How Autocrats Manipulate Online Information: Putin's and Xi's Playbooks, *The Washington Quarterly*, 44:3, 127-154, DOI: 10.1080/0163660X.2021.1970902; Brandt, J. (2023). *AidData: Autocratic approaches to information manipulation: A comparative case study*. AidData, a research lab at William and Mary. <https://www.aiddata.org/publications/autocratic-approaches-to-information-manipulation-a-comparative-case-study>.

²⁴ "Russia (RUS) Exports, Imports, and Trade Partners," *Observatory of Economic Complexity*, last modified January 2022, <https://oec.world/en/profile/country/rus>.

²⁵ Schrader, M. (2020). *Friends and Enemies: A Framework for Understanding Chinese Political Interference in Democratic Countries*, Alliance for Securing Democracy, <https://securingdemocracy.gmfus.org/wp-content/uploads/2020/05/Friends-and-Enemies-A-Framework-for-Understanding-Chinese-Political-Interference-in-Democratic-Countries.pdf>.

position itself as an attractive alternative. Russian state media almost never cover Russia; Chinese state media cover China a great deal.²⁶

IMPLICATIONS FOR POLICYMAKERS

The United States needs a strategy for pushing back on Russia and China's asymmetric activity in Latin America. It should reflect these nuances, be rooted in the United States's own considerable asymmetric advantages, and uphold democratic values, recognizing that those values are strengths. To that end, there are numerous steps that Washington can take to position the United States for success. Let me propose three.

First, recognizing the range and reach of Russia's manipulation activity in Latin America, Washington should focus attention and resources on public diplomacy in the region. Concerns over terrorism and resurgent geopolitical competition have driven attention to the Middle East and Asia, and as a result, U.S. public diplomacy financing overseen by the State Department has deprioritized the Western Hemisphere.²⁷ Washington could make new investments in entities like Voice of America (VOA) targeted at Spanish language audiences. Of the twelve overseas bureaus currently operated by VOA, none are in Latin America.²⁸ This should change. Such an approach could also include ensuring that the Global Engagement Center (GEC) is optimally equipped to track Russian information manipulation activity in Latin America. There are more than 40 million Spanish speakers in the United States and U.S. security interests are directly tied to events in the region. Washington cannot afford to cede the information environment to its competitors.²⁹

Second, Washington should conduct messaging campaigns grounded in truthful information to highlight the failures of repression to audiences in Latin America. These campaigns could build on the success of the administration's novel strategy of downgrading intelligence related to the war in Ukraine to shape how it is perceived.³⁰ They could call attention to the fact that although Russia and China position themselves as "anti-imperialist" and "anti-colonial" powers, both are pursuing expansionist foreign policies. They might also highlight the costs of China's BRI to the region. Many publics have soured on the environmental destruction and unsustainable debt that too often come along with Chinese investments.³¹ Many of the region's recipient countries are democracies, and drawing attention to those shortcomings can better inform their voters. Doing

²⁶ Brandt (2021).

²⁷ Custer, S., Burgess, B., Baehr, A., & Dumont, E. (2022). *AidData: Assessing U.S. Historical Strategic Communications: Priorities, Practices, and Lessons from the Cold War through the Present Day*. AidData, a research lab at William and Mary. <https://docs.aiddata.org/reports/gf01/gf01-02/Assessing-US-Historical-Strategic-Communications-Priorities-Practices-and-Lessons-from-the-Cold-War-through-the-Present-Day.html>.

²⁸ Brandt. Testimony on *The Global Information Wars* (2023).

²⁹ Brandt. Testimony on *The Global Information Wars* (2023).

³⁰ Brandt, J. (2022). Preempting Putin: Washington's campaign of Intelligence Disclosures is complicating Moscow's plans for Ukraine. Brookings. <https://www.brookings.edu/blog/order-from-chaos/2022/02/18/preempting-putin-washingtons-campaign-of-intelligence-disclosures-is-complicating-moscows-plans-for-ukraine/>.

³¹ Shepard, W. (2021). How China's Belt and Road became a "Global Trail of Trouble," *Forbes*. <https://www.forbes.com/sites/wadeshepard/2020/01/29/how-chinas-belt-and-road-became-a-global-trail-of-trouble/?sh=2bc0da0a443d>.

so is in keeping with a strategy of exploiting Putin and Xi's weaknesses, recognizing their fragility to open information.

Third, Washington must equip itself to see across the full threat picture, recognizing that Russian and Chinese coercive activities in Latin America and elsewhere are multidimensional. It is good, then, that Congress established a Foreign Malign Influence Center (FMIC) within the Office of the Director of National Intelligence to consolidate analysis of adversary use of all four tools of interference. It is also good that FMIC appears to be resourced to look at the full range of threats, which as I and others have documented, go beyond elections.³² As it undertakes its work, FMIC should aim to cut across traditional stovepipes within government, and share information where appropriate and feasible with private sector partners and the public.

As it does all of this, Washington should coordinate with partners and allies to share best practices, standing shoulder to shoulder with other democratic societies to counter foreign interference threats. Ultimately, this is a contest over principles, and Washington's strong network of partners is perhaps its greatest advantage.

Distinguished members, by drawing on a sophisticated picture of the complex ways that Russia and China deploy coercive tools in Latin America and taking these steps that flow from it, Washington can position itself to protect its interests and the American people.

³² Foreign Malign Influence Center. 50 U.S.C. §3059 (2023).
<https://uscode.house.gov/view.xhtml?req=%28title%3A50+section%3A3059+edition%3Aprelim%29>.

Appendix A

Brandt, J. & Cooper, Z. (2022). Sino-Russian Splits: Divergences in Autocratic Coercion, *The Washington Quarterly*, 45:3, 23-46, <https://doi.org/10.1080/0163660X.2022.2124016>.