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## THE BACKGROUND

There was a bloody coup d'état on April 11, 2002 in Venezuela. Similar to the overthrow of the Allende government in Chile nearly thirty years prior, an unlikely bond between labor unions, business associations and the elite military command had been formed with a common goal: to remove President Hugo Chávez Frías from his elected office. In a stark contrast to Chilean history, the coup in Venezuela failed and two days later, President Chávez was reinstated. Yet the details surrounding the events of those brief moments remained murky and confusing and tall tales of human rights abuses, authoritarian-type actions and peaceful protests by a falsified majority overshadowed the true facts.

What really happened during those three days that changed Venezuelan history forever? A coup d'état led by a joint force of corrupt labor leaders, corporate interests, media moguls and high military command really did try to overthrow President Chávez. The private media in Venezuela, which is owned by a corporate elite, played a key role in manipulating information and news about the developing events, misleading Venezuelans and international followers into believing that the Chávez government had open fired on opposition demonstrators, therefore justifying the coup. Pedro Carmona, then president of Fedecámaras, Venezuela's chamber of commerce, assumed the position of "interim president" of the nation and quickly dissolved all of Venezuela's core democratic institutions. A select crowd of 395 representatives from the Venezuelan elite stood by at the Presidential Palace and endorsed Carmona's decree, legitimizing his "dictatorship" on April 12, 2002.<sup>(1)</sup>

In the United States, the Bush Administration expressed its support for the Carmona government and refused to recognize a military-corporate coup had occurred. Instead, the U.S. blamed the violence and instability on the Chávez government and

claimed President Chávez had resigned from his elected office.<sup>(2)</sup> Behind the scenes, high level U.S. State Department officials in Caracas, such as Otto Reich, Elliot Abrams and Ambassador Charles Shapiro met several times with Pedro Carmona and other coup leaders, before, during and after the events of April 11<sup>th</sup>.<sup>(3)</sup> The U.S. stood practically alone in its recognition of Carmona as a legitimate head of state. The Organization of American States, CARICOM and nations of the European Union, with the exception of Spain, all issued statements or comments condemning the coup and refusing to acknowledge Carmona as President of Venezuela.

On April 13, 2002, when President Chávez was returned to power by popular uprising and support from within the military barracks, the U.S. was forced to publicly retract the unconditional support it had given to the coup leaders. Yet the headstrong Bush Administration continued to blame Chávez for the preceding events and merely claimed that his return as President was a "second opportunity" to try and correct his policies and make good with the U.S., i.e. succumb to U.S. power.<sup>(4)</sup>

President Hugo Chávez was elected by approximately 60% of the vote in 1998, defeating Venezuela's traditional two parties, Acción Democrática (AD) and COPEI, by a landslide. He appealed to a cross section of Venezuelan society in that first election, primarily because he offered an alternative to the corrupt AD and COPEI parties that had ruled the nation for 40 years and had run the economy into the ground by the late 1990s. But Chávez's immediate implementation of his campaign promises, including a restructuring of the State-owned oil company PDVSA, and a redrafting of Venezuela's young Constitution, proved too radical and abrupt for many Venezuelans accustomed to life under AD and COPEI, where promises were abandoned and structural change was spoken of but never implemented.

Despite shock from some sectors at the swiftness of the Chávez Administration's actions, more than 70% of the electorate participated in drafting and ratifying a new Constitution in 1999 that would authorize sweeping changes in Venezuelan society. As a result of new Constitutional terms, presidential elections were held again in 1999 and Chávez won with a similar 60% margin. With the authority of the 1999 Constitution behind him, Chávez was able to initiate a series of structural changes within PDVSA that would enable a more equal distribution of the company's profits, and in turn, provide income for social programs intended to decrease poverty and ensure social services for Venezuela's vast low and no income population.

During the period of 1998-2000, Chávez encountered an indifferent U.S. policy towards Venezuela. It wasn't until George W. Bush arrived at the White House in 2000 that relations between Venezuela and the U.S. took a turn for the worse. The Chávez Administration policies did not sit well with the Bush Administration. The idea of a government in charge of one of the most important oil industries in the world that liaised closely and openly with Fidel Castro was a difficult pill to swallow for a Republican Administration that had again tightened the noose around the Cuban economy with the 40-year old goal of ousting Castro. Furthermore, Chávez's revitalization of the Organization of Petroleum Exporting Countries ("OPEC"), an entity the U.S. would have preferred muted, and his visits to fellow oil producing countries, such as Libya and Iraq, rubbed the Bush Administration the wrong way. Not to mention the Venezuelan government's focus on policies to reduce poverty and promote a participatory democracy, ideas repulsed by diehard market economists. Add in a very disgruntled and wealthy Venezuelan business elite with friends in high places in the U.S. government and corporate world, and a clear dislike for the Chávez gov-

ernment was clinched.

The overt statements and declarations made by U.S. Government officials indicating a tendency to break relations with the Chávez Administration began in early 2001. After President Chávez expressed his disagreement and outrage to the bombings in Afghanistan post-9/11, relations between the Bush and Chavez Administrations quickly deteriorated. Chávez was not playing by the "you are either with us or against us" rules and his country was too important to leave in the hands of such a disobedient actor.

## **THE INVESTIGATION:**

### **A FACT-FINDING MISSION IN THE US ARCHIVES**

Utilizing the Freedom of Information Act in the U.S., my colleague Jeremy Bigwood and I submitted numerous requests to various agencies and entities in the U.S. Government regarding different issues pertaining to Venezuela. The Freedom of Information Act (FOIA) is a body of U.S. law passed after the end of the Nixon administration that enables journalists and others to access and declassify secret U.S. government documents. Information requested through the FOIA is first analyzed by the government agency possessing the relevant documentation, which may release or withhold it in entirety, or a combination thereof.

There are many different entities within the U.S. government and in order to find out how deeply involved the U.S. has been in Venezuela, it was necessary to file hundreds of requests with agencies ranging from the Department of State, to the Department of Defense, Department of the Army, U.S. SOUTHCOM, Department of Agriculture, National Endowment for Democracy, US Agency for International Development and others.

The investigation, which was initiated in 2003, continues to the present time and most

likely will extend for decades to come. Generally, the U.S. Government takes a long time to respond to FOIA requests and typically engages in delay tactics and censoring intended to prevent information from reaching the public at large. Often, documents or information withheld or unlawfully delayed can be appealed, but the appeals process can continue for an indeterminable period, therefore hampering critical information from reaching public scrutiny.

FOIA investigations generally occur years or decades after the U.S. intervention has occurred, such as the case of Chile, often when it is too late to act in a preventative or precautionary manner. This investigation, however, is occurring in “real time” and therefore has the privileged opportunity of effectuating change in U.S. policy on Venezuela. To date, the results of the investigation have already impacted U.S.-Venezuela relations and have also open the eyes of millions of Venezuelans that were unaware of the extent of U.S. meddling in their nation. The details of what the investigation has uncovered up to the present moment follow.

I must issue a disclaimer, however, because the investigation is not yet near completion. Due to the timeliness and importance of the information, I believe it is critical to conduct immediate analyses and make the documents available to the public domain as obtained. But it must be clear, that as more documents are acquired, more facts about the U.S. role in the events of the past few years in Venezuela are revealed and could alter the present understanding of this investigation. Also, many of the documents have been heavily censored and appeals have been submitted when appropriate. The appeals process will delay the release of information for a longer, unpredictable period. Therefore, I withhold from drawing any conclusions at this point regarding the extent of U.S. intervention in Venezuela.

## THE INTERVENTION

Present U.S. intervention in Venezuela has been implemented in three stages, each adapting to the circumstances presented by the failure of the previous attempt to garner any success. The U.S. strategy in Venezuela has followed a textbook outline of intervention in Latin America. The tactics used in Venezuela appear to be a metamorphosed version of those previously applied in Chile (1970s), Nicaragua (1980s) and Haiti (1990s), which all resulted in the ouster of democratically elected presidents, either through coup d’etats (Chile and Haiti) or heavily influenced electoral processes (Nicaragua).

## A BRIEF NOTE ON THE CHILE PARALLEL

The past few years have shared common histories with Chile during the late 1960s and early 1970s. Distant cousins of the coup and strikes that plagued Chile have also beleaguered Venezuela, yet the latter was able to resist and overcome the attempts of the right-wing opposition movement financed and politically backed by the U.S. government. The former, unfortunately, was forced to succumb to a violent takeover that resulted in the assassination of a democratically elected and popularly support president, Salvador Allende and instituted one of the most brutal dictatorships in Latin American history. The bloodied hands of the U.S. government were stamped all over the 1973 coup d’etat in Chile, and later, declassified documents attained by the National Security Archives revealed the intricate plots Henry Kissinger and his cohorts had enacted to crush the growth of socialism in the region.

In Chile, the U.S. employed tactics that have subsequently proven successful time and time again. Before the coup, the U.S. had succeeded in funneling hundreds of thousands of dollars to labor unions, business associations and social organizations willing to band together to oppose Allende. The U.S. attempted to prevent Allende’s election in 1970 by

strengthening and supporting opposition parties and candidates, but the overwhelming popularity of the socialist leader left the U.S. government with little choice but to go the violent route. Still, after Allende's election, the U.S. instigated acts of economic sabotage through massive strikes led by its financed counterparts and it attempted to isolate the Allende government from the international community. The U.S. also applied a strategy, later known as "Chileanization", which involved organizing internal right wing forces to destabilize the elected government. This concept ensured that as opposition forces incited violent confrontations with the government, international scandals and reactions would form over "Allende Crackdowns", the nation would spiral into civil disorder and instability and the government would be labeled a "human rights violator" or international pariah. It wasn't until all these efforts had failed three years later that the coup plan proceeded forward.

The tactics used in Chile were preserved for future use by the U.S. government. The embarrassment of some members of Congress over the U.S. role in the overthrow of a democratically elected president and its unconditional support for a brutal dictator who went on to commit human rights atrocities for more than a decade merely affected the tone of future interventions, but not the substance. In Venezuela, the U.S. applied many of the same tactics it had used in Chile – the formation of a movement bringing together labor unions, business associations, political parties and social organizations, the economic sabotage and the strikes. And of course, the bloody coup. But the failure of this strategy to take root in Venezuela led the U.S. government to alter its tactics, to merge together strategies it had successfully applied in other Latin American nations and to modernize its methodology.

It seems almost surprising that in the year 2002, the U.S. government would conceive of

instigating a coup d'état to remove a democratically elected leader. Yet a quick glance at the U.S. administration at the time of the coup in Venezuela and particularly those overseeing Latin American policy provides a plausible answer. Many of the same figures present during the coup in Chile or later during the armed conflict and intervention in Nicaragua and other Central American and Caribbean nations are today those setting policy in the Bush administration. Individuals such as Otto Reich, Roger Noriega, Charles Shapiro, William Brownfield, Luigi Einaudi, John Negroponte, Elliot Abrams, and others, all made their bones on Latin America in the 1970s and 1980s. Clearly, there are no lessons learned for these fellows. Even after the failed coup in Venezuela in 2002, the U.S. government instigated the overthrow of Jean Bertrand Aristide, the elected president of Haiti, in early 2004, this time successfully.

U.S. intervention strategy in Venezuela has adapted to its circumstances. Quickly picking itself up after the failure of the Chilean intervention model in Venezuela, the U.S. moved on to more modern tactics.

## THE NICARAGUA MODEL

During the 1980s, the U.S. government was heavily involved in Nicaragua. More than \$1 billion<sup>(5)</sup> was invested into removing the Sandinistas from power, first through armed struggle and later through electoral intervention. The National Endowment for Democracy, the U.S. Agency for International Development and the Central Intelligence Agency shared terrain in that small Central American nation and these entities applied a series of methodologies that had been successful in prior interventions in Chile, the Philippines and Panama, to name a few.

The U.S. started a dirty war in the late 1970s in Nicaragua against the Sandinistas government and decided to make that tiny nation the "test case" of its new strategic operations. Ronald Reagan's administration creat-

ed the “contras”, a fifteen thousand-strong armed counterrevolutionary force that brutalized and terrorized Nicaraguan citizens at the behest of the U.S. government. Alleging fears that “communism” would “spread throughout the region”, the Reagan administration justified the widespread human rights abuses and atrocities committed at the hands of its CIA-trained counterrevolutionaries. However, after several years of armed combat that resulted in strengthening, rather than weakening, the Sandinista government, the U.S. Government had become so desperate that it had to sell arms to Iran illegally in order to support its billion-dollar conflict in Nicaragua. Seeing its own failure in Nicaragua, officials in the Reagan Administration proposed a change in U.S. policy – a move towards a “democratic” solution rather than an armed conflict.

Coming out of the 1970s, the U.S. Congress was hesitant to finance covert operations in Latin America after the harsh revelations of the U.S. role in the overthrow of Allende in Chile were made public through Congressional investigation.<sup>(6)</sup> The Congress had imposed substantial restrictions on CIA funding and support of private groups and organizations in other nations, therefore hampering the capacity of the U.S. government to covertly build networks that supported U.S. interests abroad. The Iran-Contra scandal made financing of such groups even more difficult and it became obvious that a new approach was necessary.

## THE NATIONAL ENDOWMENT FOR DEMOCRACY

In the late 1970s, the American Political Foundation (APF), a coalition of labor, business, political and academic leaders, formed with the objective of seeking new methods of achieving U.S. foreign policy goals abroad despite the Congressional restrictions in place. The APF, funded by Congress and composed of ultra-conservative think tanks such as the Center for Strategic and International

Studies and the American Enterprise Institute together with representatives from the National Security Council (NSC) and the USIA, the propaganda office of the U.S. Government, proposed the creation of an institution funded by Congress to provide financial and political support to groups and organizations working in U.S. interests abroad. The institution would focus on “promoting democracy” abroad through financial support intended to foster the “infrastructure of democracy” that would enable a free press, unions, political parties, universities and social organizations to function in the interests of U.S. foreign policy.

In 1983, resulting from APF recommendations, the National Endowment for Democracy (“NED”) was established by Congressional legislation, the “National Endowment for Democracy Act” (P.L. 98-164), and Congressional funding was authorized to ensure its success. At the time of the NED’s creation, the APF had also recommended the formation of “core grantees” to act as funnels for Congressional funds to reach political parties and partisan groups in other nations. The core grantees, which included the Center for International Private Enterprise (CIPE), the National Democratic Institute (NDI), the International Republican Institute (IRI) and the Free Trade Union Institute, connected to the AFL-CIO and later denominated the American Center for International Labor Solidarity (ACILS), were all connected through an interlocking board of directors that even shared influences within the NED and the US Congress.<sup>(7)</sup>

The NED was created to serve as the perfect conduit for U.S. government funds to provide international political aid that would support its interests abroad and influence foreign and domestic policy in nations of strategic importance. Established during the Cold War, the NED’s objectives reflected a neoconservative agenda that prioritized its global struggle against communism over democratic notions

of sovereignty and self-determination. Hence, the NED's premiere in Nicaragua provided a major dose of U.S. intervention on a political and electoral level and its technique was perfected over the course of nearly a decade.

In Nicaragua, the CIA had originally been the principal conduit for financing the anti-Sandinista movement (the Contras), but after their failure to unseat the Sandinistas during the 1984 elections, the NED was employed to ensure success in the 1989-90 ballot. In fact, during the 1984 elections, the U.S. was so sure of their defeat that they advocated for widespread voter abstention on the opposition side in order to discredit the elections, which, despite U.S. power and influence, still failed. Therefore, the second time around the U.S. decided to take a thoroughly proactive role in the electoral process. Through the formation and crafting of an opposition movement comprised of social organizations, political parties and NED affiliates, the U.S. government was able to foment and control the outcome of the Nicaraguan elections. The U.S. pushed for the unification of the various political parties and social organizations that opposed the Sandinistas, many of which were far right and shared conservative agendas with the Reagan-Bush administration. In fact, the U.S. made financing through the NED to these organizations contingent upon their formation of a unified group, the Coordinadora Democrática Nicaragüense ("CDN"), capable of winning the 1989-90 elections. The CDN was comprised of four conservative political parties, two trade union groupings affiliated with the AFL-CIO, and a private business organization, COSEP, that had close links to influential U.S. corporations and figures in the business community. Closer towards the elections, the NED blackmailed the fourteen opposition parties in Nicaragua into forming one party, UNO, that would endorse the U.S.-chosen candidate, Violeta Chamorro, for the presidency.

The U.S. could not afford another loss in

Nicaragua against the Sandinistas and this time around, the effort was a "no holds barred" full-fledged electoral intervention to ensure the U.S.-selected candidate would assume the presidency. The CIA had been financing Nicaragua's main newspaper, *La Prensa*, during the Sandinista-contra war, and passed on the baton in large part to the NED and its international affiliates during the late 1980s. Control of media was a major tool in the propaganda war intended to not only win over supporters internally in Nicaragua, but also to filter news and information to the international press with a guaranteed anti-Sandinista and pro-U.S. spin. The Venezuelan government, then headed by Carlos Andrés Pérez (in his second term), played a major role in the funneling of funds and support from the U.S. government to the CDN, UNO and *La Prensa*.

Carlos Andrés Pérez ("CAP") had developed close ties to the Chamorro family while in exile in Costa Rica during the Pérez Jiménez dictatorship in Venezuela. He additionally had ties to other influential Nicaraguans that he had developed during his first presidential term from 1976 to 1980. CAP was eager to offer Venezuela's support for the U.S. efforts to oust the Sandinista government through the strengthening of an anti-Sandinista civil opposition. Beginning in 1989, the CIA rerouted a minimum of \$200,000 monthly through Venezuelan private foundations destined to fund *La Prensa* and campaign materials for the UNO. CAP maintained close contact with President Bush during the electoral process in Nicaragua and even appointed his Secretary of the Presidency, Beatriz Rángel, as his personal representative in his contacts with Bush. According to one source, Rángel was observed carrying a suitcase "stuffed with secret funds from Washington and Miami to Caracas" destined for the Nicaraguan opposition's campaign.<sup>(8)</sup>

Venezuela's largest union, the

Confederación de Trabajadores Venezolanos (“CTV”) worked in connection with the NED and the AFL-CIO to establish ties with workers and unions in Nicaragua, with the goal of incorporating them into the opposition movement.<sup>(9)</sup> CAP also recommended the use of the U.S. polling firm, Penn and Schoen Associates, to conduct a polling program in Nicaragua as part of the electoral intervention agenda. Penn and Schoen had done polling for CAP’s presidential campaign together with the Venezuelan firm DOXA and had also been used successfully as part of U.S. electoral intervention in Panamá. Penn and Schoen later became the polling firm of choice for these types of interventions and have subsequently been used in the former Yugoslavia during the elections that ousted Milosovic from power and most recently, in Venezuela, during the recall referendum against President Chávez on August 15, 2004. In fact, in Venezuela, Penn and Schoen came under international scrutiny for allegedly producing fraudulent exit poll results conducted with Venezuelan NED-grantee, Súmate, that were intended to discredit the official results of the referendum.

The Venezuela connection with the NED and CIA intervention in Nicaragua in the late 80s evidences the strong bond that was formed between those entities and politicians involved in the actions of that period. Such relationships have clearly been integral in the recent interventions the U.S. government has pursued in Venezuela during the Chávez era. CAP particularly has played an interesting role in the three different interventions the U.S. has engaged in ultimately in Venezuela and has served as a liaison between old-school officials and other influential individuals in the U.S., as well as a facilitator of funds to those who led the coup against Chávez and as an international propagandist spreading harsh critiques of the Chávez administration.

In Nicaragua, the U.S. utilized a variety of tools and methodologies to remove the

Sandinistas from power. First armed conflict was exploited, then a skillfully crafted electoral intervention plan that involved the formation of a capable opposition movement, the selection and molding of an opposition candidate, the unification of diverse opposition parties, the buying of media to win the propaganda war<sup>(10)</sup>, the financing of the opposition’s electoral campaign and the use of international networks to covertly funnel additional funds to the opposition and media in Nicaragua and ensure regional support for the U.S. selected candidate. The U.S. intervention scheme also involved the use of U.S. selected polling firms to influence opinions on the electoral process and the creation of a “neutral” Nicaraguan non-profit entity dedicated to “electoral education” during the campaign.

Vía Cívica, as it was denominated, was created at the behest of the NED to function as a conduit for funds to finance the electoral process directly. Since Nicaraguan law prohibited the direct financing of political parties and campaigns, as does U.S. law, the NED had to seek alternative routes to channel its funds. NED’s “core grantees” were used to finance the opposition parties, as were the pathways provided by the CAP administration in Venezuela, but the creation of Vía Cívica offered an overt and direct channel. As the elections neared in late 1989, the U.S. Government actually trapped the Nicaraguan government into permitting the financing of the opposition’s campaign to the tune of \$9 million, despite the prohibitions in place by law.<sup>(11)</sup> Vía Cívica, an alleged “non-partisan civil society” organization, was additionally utilized to influence the electoral process in favor of the opposition by preparing and distributing electoral material and conducting “electoral education” workshops and conferences that clearly showed bias towards the opposition.

The major U.S. investment and intervention in Nicaragua was successful. In 1990,

Violeta Chamorro was declared the winner of the elections and the Sandinistas were officially removed from power. As a result of the layers and networks the U.S. had built to cover its influential role in the electoral process, the elections were widely viewed as “transparent and democratic” and were accepted internationally. The U.S., satisfied with the outcome of its efforts, proceeded to expand and implement its new “democratic intervention” model in other nations.

## **U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT**

One of the other entities that existed prior to the Nicaragua intervention and that was also utilized to enable financing of U.S. interests abroad is the United States Agency for International Development (USAID), an international funding entity established by the U.S. Congress in 1961. USAID was originally intended to aid humanitarian development around the world but also, similar to the NED, had large portions of its funds diverted to support foreign political movements aligned with U.S. interests. Though USAID was created to separate military aid from humanitarian and development aid, it merely became an additional fund for the CIA to dip into for covert interventions. USAID’s annual budget is much larger than the NED’s, but the funds still originate from the U.S. Congress. USAID is also overseen and directed by the Department of State, which exercises “make or break” authority over its actions.

### **A NOTE ON USAID**

One of the first misuses of USAID funds was during the early 1960s in Brazil. The CIA was heavily involved in attempts to swart João Goulart from succeeding in the Brazilian presidency because he was viewed as “leftist-leaning” and supported “social and economic reforms” that in the eyes of the CIA had “communism” written all over them. The CIA and USAID spent approximately \$20

million to support hundreds of anti-Goulart candidates for gubernatorial elections in 1962. USAID was also used to invest heavily in the Brazilian labor movement. The funds were filtered through the international branch of the AFL-CIO, the then American Institute for Free Labor Development (AIFLD), now known as the American Center for International Labor Solidarity (ACILS), and were controlled on the ground by the CIA. In 1964, President Goulart was overthrown by a CIA-backed coup that resulted in a brutal US-sponsored dictatorship extending approximately 20 years.<sup>(12)</sup>

In the 1980s, as part of the move towards “democratic intervention” models, the Department of State established the USAID Office of Democratic Initiatives, with the goal of supporting and “strengthening democratic institutions.” From 1984 to 1987, USAID utilized the Office to filter more than \$25 million into electoral processes in Latin America. Although the NED later assumed similar operations, USAID has continued to use the Office, now known as the Office of Transition Initiatives (“OTI”), to intervene in nations involved in crises that “threaten democracy”. At the same time, USAID and the NED overlap in funding initiatives for the International Republican Institute and the National Democratic Institute, both core NED grantees. In most instances, the USAID and the NED funds provide financial assistance for electoral processes.

## **VENEZUELA**

In the case of Venezuela, both the NED and USAID have played a major role in the ongoing political crisis. In fact, Venezuela’s turmoil has been created in large part by the work of these entities and their overseers. Similar to its role in Chile, Nicaragua, Haiti, Panamá and the Philippines, amongst other nations, the U.S. has taken it upon itself to influence the future of Venezuelan politics and society. In Venezuela, the U.S. has

applied its successful model of “democratic intervention”, which has involved the filtering of funds into opposition groups and political parties and the essential political training that enables its counterparts to successfully obtain their objective. However, despite adapting to new realities in Venezuela and an unexpectedly strong populace that supports its government, the U.S. line of attack has been staved off each time it has been launched. Thus far, the three stages of intervention: the Coup, the Strike and the Referendum, have been unsuccessful, but the tactical and methodological undermining of the Chávez Administration has evolved and adapted each time to its new setting. It is without doubt that a fourth intervention will occur before President Chávez completes his term in 2006.

Within each separate stage, a similar methodology has been utilized that involves several time tested key strategies intended to justify the final result; removing Chávez from power. These tactics, which have been utilized previously in Chile and Nicaragua, for example, include:

- Isolating Chávez from the International Community
- Exploiting the tensions between government, political parties and civil society
- Exploiting the problems faced by the nation to place blame on the Chávez government
- Nurturing the opposition to Chávez to build a solid anti-Chávez movement
- Financing and politically encouraging and enabling the opposition to Chávez
- Conducting a media campaign to discredit Chávez’s image and empower the opposition<sup>(13)</sup>
- Imposing a war psychosis on the greater population through mass media overplaying conflict scenarios<sup>(14)</sup>
- Charging the Chávez government with human rights abuses and denouncing such alleged abuses in the international community without providing real evi-

dence to support claims<sup>(15)</sup>

- Attempting to associate the Chávez government with supporting terrorist groups and networks<sup>(16)</sup>
- Discrediting and destroying the image of President Chávez
- Threatening the Chávez Administration with potential “hostile” treatment from the U.S. Government.

All of the above tactics have been used by the U.S. government in prior interventions in Latin America and worldwide. In Chile, as explained previously, an opposition movement that brought together unlikely allies amongst labor and business and military was nurtured and financed for years before Allende’s overthrow. Nicaragua saw a decade long U.S. imposed conflict that attempted to create a “pariah” image of the Sandinistas, financed a war to induce their removal from power and built a unified opposition movement that, with hundreds of millions of dollars from the U.S. government and limitless political support, was able to achieve its goal via elections.

## THREE STAGES OF INTERVENTION

### I. THE COUP

Months before the April 11, 2002 coup, the U.S. government had put into action a skillfully devised plan to aid the anti-Chávez movement in its objectives. An opposition to Chávez had been loosely formed between unlikely allies that included Venezuela’s largest labor union, the Confederación de Trabajadores Venezolanos (CTV), the chamber of commerce FEDECAMARAS and leaders from the traditional political parties, Acción Democrática, COPEI, Movimiento al Socialismo and others. Despite their differences, these entities shared a common disagreement with the Chávez administration’s policies based on their own loss of political and economic power that had resulted from the change of government. This opposition,

including the CTV, was primarily comprised of individuals and organizations stemming from Venezuela's elite, or as commonly referred to in Venezuela, the "oligarchy".

Although tension and animosity was stirring amongst Venezuelan elites soon after President Chávez won his second term under the newly ratified Constitution in 1999, it wasn't until 2001 that the opposition coalition began forming and making its voice heard. History shows that this wasn't the first time this alliance between the CTV, Fedecámaras and the traditional political parties had been formed. In the late 1980s, during Carlos Andrés Pérez's generous collaboration with the U.S. government, these same entities came together to form the National Democratic Foundation, which was used to funnel NED monies from the U.S. to Nicaragua. So once again, labor, business and political parties were unified to promote U.S. interests in Latin America.

The NED had been present in Venezuela, though minimally, since the late 1980s when they began financing the CTV. But from 2000 to 2001, the NED's budget in Venezuela quadrupled and funding began flowing in to large and small organizations that all shared one common characteristic: a public aversion to President Chávez. In 2001-2002, the NED gave out approximately \$850,000 to "promote democracy" in Venezuela. Recipients of the money included several Venezuelan organizations that were awarded direct grants from the NED with no intermediaries and numerous other organizations that were given funding through the four NED core grantees, IRI, NDI, CIPE and ACILS. Some of the entities directly funded by NED in 2001-2002 included the Asamblea de Educación (Education Assembly), Fundación Momento de la Gente (People's Moment Foundation), which received a whopping \$250,500, Asociación Civil Comprensión de Venezuela (Venezuelan Civil Association for Understanding) and the Asociación Civil Consorcio Justicia (Justice

Consortium). During that same period, the International Republican Institute received \$339,998 for its work with political parties such as Primero Justicia, AD, COPEI and Proyecto Venezuela, all opposition parties, as did the National Democratic Institute, which received a total of \$250,500 for its work with the same political parties as the IRI in addition to its collaborations with the Fundación Momento de la Gente. The ACILS was awarded more than \$150,000 for its work with the CTV in the months before the coup.

In the years 2000, 1999 and prior, the primary recipients of NED funds in Venezuela were the ACILS for its work with the CTV, CIPE for its work with counterpart Centro de Divulgación del Conocimiento Económico ("CEDICE" Center for the Dissemination of Economic Information) and the IRI for its ongoing training and shaping of political parties in the nation. Direct NED grantees in Venezuela during those years included groups such as Centro al Servicio de la Acción Popular ("CESAP" Center for the Service of Public Action), Programa para el Desarrollo Legislativo ("PRODEL" Program for Legislative Development), Fundación Momento de la Gente and Sinergia, an organization dedicated to strengthening other social organizations aligned with the opposition. All of these entities have leanings towards the opposition, some more than others. Even so, the NED role in Venezuela was relatively minor prior to 2001, when the Bush administration increased spending on organizations capable of forming a solid opposition movement to Chávez.

On December 10, 2001, the first "general strike" was called by the loose coalition of the CTV, Fedecámaras, private media, NED-funded social organizations and opposition political parties with the objective of opposing the Chávez government's proposal of a set of 49 laws that would implement many of the new rights represented in the 1999 Constitution. Prior to the strike, high-level

officials of the U.S. government, including Colin Powell, George Tenet and Roger Noriega, had made statements indicating a possible break in relations with the Chávez administration, basing such attitudes on Chávez's overt opposition to the bombing of Afghanistan in October 2001. In November 2001, the U.S. government called its ambassador to Venezuela, Donna Hrinak to consultation in Washington, generally an indicator of a change in relations. In December 2001, Charles Shapiro was sent to Caracas as the new U.S. Ambassador to Venezuela. Shapiro's history with the State Department clearly provided evidence as to the tone the U.S. government now chose to set with Venezuela. Shapiro had worked in the U.S. Embassy in Chile during the coup against Allende, had later served as Ambassador to El Salvador during the tumultuous 80s and from 1999 to 2001 held the capacity of Director of the Bureau of Cuban Affairs office.

The December 10<sup>th</sup> opposition-led strike paralyzed the nation for one day and set the stage for the months to come. The opposition organized multiple protests and acts of civil disobedience and a faction of senior military officers began to "defect" and publicly declare a state of rebellion. The private media upped its tone of aggression towards the government and overtly gave 100% coverage to the opposition, rarely presenting balanced news accounts. In March 2002, the International Republic Institute was given a \$300,000 grant from the NED to "strengthen political parties" in Venezuela. IRI had hand selected Primero Justicia as its prime counterpart in Venezuela and since 1999 had been crafting and forming this young political party into becoming one of the most vocally opposed to the Chávez government. In fact, Primero Justicia had originally formed as a non-profit social organization and was converted into a right-wing political party about the same time that IRI began receiving big NED grants to engage in party strengthening

in Venezuela. Taking advantage of the lack of leadership and popularity of the traditional parties in Venezuela, Primero Justicia had successfully landed itself key political positions, including National Assembly seats and several municipal mayor offices in the wealthier sectors of Caracas.

At the same time as the NED was pumping up its funds to key members of the opposition coalition, the U.S. Embassy in Caracas was sending signs up to Washington that a change in government was soon likely and the man to fill the president's shoes was Pedro Carmona, president of Fedecámaras, Venezuela's chamber of commerce. In a December 2001 cable from the Embassy in Caracas to the CIA, DIA, National Security Council, and other U.S. Embassies in Bogota, Quito, La Paz, Lima, Mexico, Buenos Aires, Brasilia and the U.S. Interests Section in Cuba, Ambassador Shapiro referred to Pedro Carmona as "statesman-like" and "the right man for the right time in Venezuela."<sup>(17)</sup> In the months that followed, Carmona and fellow CTV leader Carlos Ortega took several trips to Washington accompanied by other prominent opposition leaders and NED grantees.<sup>(18)</sup> By the end of February 2002, Fedecámaras and the CTV, along with opposition-aligned political parties and social organizations, were calling for massive marches in the streets of Caracas.

On April 10, 2002, a NED sponsored conference to "promote democracy" in Venezuela had been planned by grantee Consorcio Justicia. One of the headline speakers programmed for the conference was Pedro Carmona, president of Fedecámaras, and candidate select of the U.S. government. But the conference, which was financed by Consorcio Justicia's \$84,000 NED grant, never took place due to the strikes and protests occurring throughout Caracas that day.<sup>(19)</sup> Evidencing an increasingly tense situation, the private media channels aired a high-level General, Nestor Gonzalez Gonzalez, declaring rebel-

lion and publicly calling for President Chávez to “step down”. Later, it was revealed that General Gonzalez Gonzalez had pre-fabricated that media moment in order to prevent Chávez from attending an Organization of American States (“OAS”) Assembly Meeting in Costa Rica, so that the President would remain in the country and the coup plan could be activated. General Gonzalez Gonzalez succeeded in his efforts and on April 11, 2002, CTV, Fedecámaras and the NED-supported opposition parties held one of the largest rallies and marches Venezuela had ever seen.

About midday on April 11, the opposition march unlawfully altered its authorized route and millions began storming towards the presidential palace, Miraflores. A pro-Chávez rally occurring in front of Miraflores became alerted to the opposition’s movements and the Presidential Guard was called out to ensure the two sides, now riled up, would not clash. Before the opposition marchers even reached the side of Miraflores where the pro-Chávez supporters were gathered, shots began ringing out from atop buildings surrounding the palace and the first to fall were in the pro-Chávez crowd. Soon, innocent victims from both concentrations were hit and before it was clear as to what was happening on the ground, images were broadcast on the private television channels with a voiceover blaming the Chávez supporters for the violence and declaring the resulting deaths and injuries the fault of President Chávez. Utilizing the manipulated images as justification, the military officers who had already declared rebellion, together with opposition leaders, stormed Miraflores and attempted to force President Chávez’s resignation.

As a result of President Chávez’s defiance, he was kidnapped and imprisoned in a nearby military base. The palace was taken over by opposition leaders and the state-owned television channel, which had broadcast a substantially different account of events than the private media, was shut down by force. Soon

after, Pedro Carmona, the Fedecámaras chief, was sworn in as “interim president” and in a sweeping first act, he issued a decree dissolving all of Venezuela’s democratic institutions. The reading of the “Carmona Decree”, as it was later referred to, was broadcast by the private media and endorsed by more than 395 Venezuelans present in the palace. In the meantime, pro-Chávez legislators, such as Tarek William Saab, and other supporters, were brutally attacked and detained by the Caracas police force, under the control of opposition leader and mayor Alfredo Peña. The IRI had worked closely with Peña during 2001 to “shape his image” and the NED-funded Liderazgo y Visión organization had received a \$42,207 grant to work with the Caracas police force, several members of which were later charged with the homicides of pro-Chávez supporters killed during the events of April 11, 2002.<sup>(20)</sup>

Several accounts indicated that in the course of events on April 11<sup>th</sup>, multinational media mogul and close Bush family friend Gustavo Cisneros hosted Carmona, CTV head Carlos Ortega and other opposition leaders and media owners at his Venevisión television headquarters for briefings and meetings throughout the day. Also, several phone calls and visits were made between Otto Reich, Elliot Abrams, Ambassador Shapiro and Pedro Carmona, et al, throughout the day. All of these contacts were verified later, but excused as merely “normal communications” during a time of heightened risk.

One of Ambassador Shapiro’s first cables up to Washington after the intense events of the day began, “*Televised scenes of joy have marked the return of Petroleos de Venezuela (PDVSA) employees to their La Campiña headquarters building...PDVSA executives underline that the company should return to normal operations by early next week. Shipments are expected to resume today. PDVSA spokesperson stated publicly that no oil will be sent to Cuba...*”<sup>(21)</sup> Evidently, the

least of the U.S. government's concerns was the harsh disruption of constitutional order instigated by a coup d'état led by its benefactors. The primary preoccupation of the U.S. government appeared to be its guaranteed oil flow. Venezuela is the fourth largest exporter of oil in the world and the closest major oil supplier to the United States. Venezuela also owns eight oil refineries in the U.S. and the Citgo gas chain. Based on Ambassador Shapiro's reports of jubilation in the streets of Caracas and the "statesman-like" Carmona now in control of this strategically important country, President Bush's spokesman Ari Fleisher publicly announced the U.S. government's support for the "Carmona Administration" and its condemnation of "Ex-President" Chávez for inciting the violence that forced him to "resign." The U.S. was one of the only countries in the world to rush to judgment on the muddled events of April 11<sup>th</sup> and to openly laud and recognize Pedro Carmona as a legitimate president. Considering that officials of the U.S. Government had been prepping Mr. Carmona for this moment for months explained the immediate level of confidence they had in him.

The events of the following 48-hours drastically altered the old-school coup plan that had at first appeared successful. Millions of Chávez supporters filled the streets on April 13<sup>th</sup> demanding his return to office. At the same time, President Chávez was being held captive in another military base close to Maracay, Turiamo, where allegedly a plane was set to take him outside of the nation. The President Guard, along with other factions of the military that had remained loyal to Chávez, swiftly forced Carmona and his advisors into detention and returned the palace grounds to the Chávez cabinet members, who then initiated the rescue of the constitutional president, Hugo Chávez.

Chavez's return to power in the early morning hours of April 14<sup>th</sup> came too late to

stop the headlines and editorials in the New York Times, Chicago Tribune and other international press which all praised the Venezuelan president's undemocratic ouster in the same tone as the Bush Administration. The Venezuelan papers though, had become remarkably silent. After multiple outbursts of joy and elation for Carmona's takeover and Chávez's forceful removal, the media was silent on April 13<sup>th</sup> and 14<sup>th</sup>, imposing a blackout on information and news about developing events. Ambassador Shapiro's next cable up to Washington carried the title, "*Triumphant Return of Chávez*" and referred to the Carmona decree as an "*ill-fated declaration*."

As calm and normalcy were established in Venezuela in the following days, the U.S. government was forced to issue a statement recognizing the legitimacy of the Chávez government. But that did not stop the continued efforts to oust Chávez through other means. In April 2002, shortly after the failed coup, the U.S. Department of State issued a grant of \$1 million in "special Venezuela funds" to the NED. The NED proceeded to distribute these extra funds to the very same groups that had just played key roles in the coup against President Chávez. Asamblea de Educación, whose president Leonardo Carvajal had been named Education Minister by Carmona, was given a new grant of \$57,000. Fundación Momento de la Gente, whose director Mercedes de Freitas has tried her best to explain to the NED that a coup never took place, was awarded \$64,000. Asociación Civil Liderazgo y Visión, at the time directed by Oscar Garcia Mendoza, who not only published two congratulatory declarations to the Carmona government in the national newspapers on April 12<sup>th</sup>, but also signed a civil society decree recognizing the legitimacy of Carmona as president, received \$42,207. CEDICE, through NED core grantee CIPE, was awarded \$116,525, despite the fact that its Director, Rocio Guijarro, was one of the first

signers and endorsers of the “ill-fated” Carmona Decree. And the International Republican Institute, which had issued a laudatory statement in favor of the coup and Carmona’s takeover on April 12, was given \$116,000 to continue its work with Primero Justicia, despite the fact that several of the parties’ leaders had signed the Carmona Decree and one had even been named Minister of Finances under Carmona. The ACILS was given an additional \$116,525 to finance the CTV, despite the union’s visible participation in the coup.

The failure of the coup resonated uncomfortably with the U.S. government. The \$1 million special grant from the State Department for NED projects in Venezuela clearly was not going to cover future efforts at regime change in Venezuela. Therefore, just a few months after the coup, the State Department ordered the placement of a USAID Office of Transition Initiatives (“OTI”) in Venezuela.

The concept of the OTI was established by USAID in 1994 “*to respond to countries experiencing a significant and sometimes rapid political transition, which may or may not be accompanied by a social and/or economic crisis.*” The OTI “*assesses, designs and implements programs that have characteristics of being fast, flexible, innovative, tangible, targeted, catalytic and overtly political, focusing on the root causes of the crisis.*”<sup>(22)</sup> OTIs have been used previously in Kosovo, Haiti, Indonesia, Peru, Guatemala, the Philippines and Colombia, amongst other nations. USAID generally engages its OTI to establish on the ground relationships with political organizations, media and NGOs and to provide necessary funding and training to obtain desired results. OTIs often use contractors to provide additional support and administration of funds. The contractor sets up a parallel office, hires staff, establishes communications systems and selects and monitors grantees. According to USAID, contractors are “*critical*

*to the success of OTI programs because they are expected to overcome the significant challenges posed by “war torn” or otherwise unstable countries in which OTI operates.*”<sup>(23)</sup>

In Venezuela, the OTI set up shop in the U.S. Embassy in Caracas in June 2002. From the beginning, the OTI program has been closely coordinated with the U.S. Embassy and in fact, the OTI program director reports directly to the U.S. Ambassador. The OTI’s initial budget in 2002 was \$2,197,066 - more than double that of the NED’s for just half a year. Soon after its founding in Venezuela, the OTI awarded Development Alternatives, Inc., a private U.S. consulting company, with a \$10,061,062 contract to establish and monitor a grant fund and program in “*direct response to increasing political polarization in Venezuela.*”

## THE STRIKE

Development Alternatives, Inc. (“DAI”) quickly moved to establish its office in the swanky El Rosal sector of Caracas, right down the road from the International Republican Institute’s Venezuela headquarters. DAI also promptly complied with its contractual obligations and announced the creation of the Venezuela Construction of Confidence Initiative or Venezuela: Iniciativa para la Construcción de Confianza (“VICC”). DAI claimed its purpose, along with the OTI, was to step in “*to assist Venezuelans in fostering political conditions that would preclude violent conflict and systemic breakdown.*”<sup>(24)</sup>

Yet both DAI along with the NED chose to fund many of those very same groups that had openly participated in and even led the coup against President Chávez just a few months prior. One of the first few grants DAI distributed in Venezuela, under its VICC program, was for the purpose of “Promoting social dialogue and citizen formation” using mass media. The project involved the creation of

television and radio commercials to promote “democratic and modern values, rupturing with the patterns of paternalism and populism.” (25) The project also assured the collaboration of Fedecámaras President Carlos Fernandez. After the failed April coup, Carmona had escaped from his home arrest and fled the country, seeking and obtaining political asylum in neighboring Colombia. Fernandez was left holding the reigns of the nation’s most powerful business association, and he continued Carmona’s efforts to seek premature removal of President Chávez from office.

The particular timing of this DAI project focused on radio and television commercials was key. On December 2, 2002, Fedecámaras, the CTV and the opposition parties, now known as the Coordinadora Democrática (Democratic Coordinator), launched a national “general strike” intended to destabilize Venezuela’s economy and force President Chávez to resign. In support of the opposition’s objectives, the private media symbolically joined the strike by suspending all regular programming and commercials and donating one hundred percent of air space to the opposition. The Coordinadora Democrática, with the help of Venezuela’s top public relations firms, produced some of the most highly crafted anti-Chávez commercials Venezuelans had ever seen. These commercials, broadcast often ten at a time in between coverage of opposition marches, speeches and interviews, contained varying messages on Chávez’s failures, alleged human rights abuses and on the overall political crisis and poor state of the nation. Some of the commercials exploited images of children singing and stamping red colored handprints, symbolizing blood, on walls, with messages about the “future of the nation”, the “safety of children” and the “need for a new Venezuela”. The DAI radio and television commercial project in collaboration with Carlos Fernandez began on December 9, 2002, just 7 days after the strike and the prop-

aganda war had begun.

After the failure of the coup in April and the installation of the OTI in June and later the initiation of the DAI Venezuela initiative in August, the Coordinadora Democrática (“CD”) emerged. Strange timing, familiar name. Born in the likes of the Coordinadora Democrática Nicaragüense, the Venezuelan CD was composed of Fedecámaras, the CTV, numerous civil society organizations and about ten different political parties, many of which were ongoing NED recipients. Instead of reflecting on the incidents of April 11-14 that had paralyzed the nation and altered Venezuela’s future, the CD immediately began working on the next phase. Although the Organization of America States had sent a delegation to help “negotiate” a solution, led by Secretary General Cesar Gaviria, the opposition was set on just one way out of the crisis: Chávez’s removal from the Presidency.

In October 2002, dissident military officers, many of whom had played key roles in the coup, declared a state of rebellion and claimed a plaza in the wealthy eastern section of Caracas, declaring it a “liberated zone.” The CD and the private media, which publicly supported the military rebellion, utilized the growing chaos as a platform to call for a “national strike” in early December. On the second day of the strike, Secretary of State Colin Powell met with interim coup president Pedro Carmona in Bogotá, Colombia, who according to Colombian papers, had met frequently with the U.S. Ambassador in that nation, Ann Patterson. (26) Considering that Carmona was still in contact with his Fedecámaras counterpart and that the business association was the principal instigator and promoter of the strike, the meeting between the U.S. Foreign Minister and an exiled coup leader playing an ongoing role in destabilizing a democratic nation seemed out of place. But, apparently, such behavior was the norm for the U.S. government. In fact, Pedro Carmona had made frequent, uninhibited trips to the

United States right after the coup in April and it wasn't until international pressure augmented that the State Department revoked his tourist visa.<sup>(27)</sup>

The CD-led strike lasted 64 days, into February 2003. The economic damage exceeded billions of dollars. The strike, which in many areas was more of a lockout, since business owners shut down companies therefore forcing employees to not work, had focused on the oil industry, Venezuela's life-line and principal source of income. A faction of workers in PDVSA, primarily high management employees led by Juan Fernandez, formed an entity denominated "Gente de Petroleo" that became a part of the CD. The high level managers and other workers in PDVSA who joined the strike, not only violated their own contracts, but also made it impossible for supplemental workers to access codes and authorized areas in order to run the refineries and other industry operations. A little known but strategically important venture between a U.S. company with CIA ties, Science Applications International Corporation ("SAIC"), and PDVSA, called INTESA, played a key role in crippling Venezuela's oil industry.

INTESA, the Information and Technology enterprise that was formed to run all electronic operations at PDVSA and to update many of the older, analog systems to high tech, not only promptly joined the strike, but also intentionally sabotaged essential equipment and networks necessary to run the industry. From remote locations, INTESA employees altered access codes and programming, making it impossible for remaining PDVSA workers to run computers, machines and refinery equipment. As a result, Venezuela's oil production was brought to a halt, and the losses were devastating. Not only were common Venezuelans denied gas and oil, but also Venezuela's contracts with international partners were severely threatened. Venezuela had to purchase petroleum from other nations in order to min-

imally cover its contractual obligations. Lines for gasoline in some parts of Venezuela were more than five miles long. As the strike continued through the end of December, many taxi drivers and car owners spent Christmas Eve staked out in their cars on line, waiting for a ration of gasoline. Millions of citizens with no electric appliances were forced to cook with wood fires, even in the middle of Caracas, throughout the 64-day strike.

INTESA's majority shareholder, SAIC, which owned 60% of the company to PDVSA's 40%, is a major contractor for the U.S. government. With former chiefs of staff, ex-CIA agents, and high-level government employees comprising its Board of Directors, SAIC is closely linked to the U.S. government, and not just through contracts. Furthermore, cables sent from the US Embassy during the negotiations between PDVSA and SAIC regarding the formation of INTESA stated that the joint venture was of "critical importance" to the United States.

PDVSA's President, Ali Rodriguez, tried to amicably resolve the situation with INTESA during the strike by informing the company of its contractual obligations requiring it to continue its provision of services, despite exterior occurrences. Once INTESA's management refused to comply with PDVSA, Rodriguez requested they turn over access codes to equipment so that PDVSA employees could operate the machinery and get the industry off the ground. This exchange went on for several weeks. INTESA continued to refuse cooperation with PDVSA and eventually, PDVSA employees had to enter INTESA headquarters and seize operating equipment in order to return Venezuela's oil industry to a functional state.

At the same time, the White House had called for "early elections" in Venezuela in order to end the political crisis. The U.S. government, which had tacitly supported the coup just nine months prior, now again supported an unconstitutional solution in Venezuela. The

Venezuelan Constitution has no provision for calling “early elections” when political crises arise. Nevertheless, on December 13, 2002, the White House issued a statement declaring, “*The United States is convinced that the only peaceful and politically viable path to moving out of the crisis is through the holding of early elections.*”(28) On that same day, Richard Boucher, spokesperson for the State Department made a revealing comment in a daily press briefing, stating, “...*an early election, we think, is the kind of solution that’s needed. And I guess you could say that’s our objective...*”(29) Clearly, the U.S. had an objective in mind: undermine the Venezuelan Constitution by calling for unconstitutional elections in order to push Chávez out of office under the guise of a democratic electoral process. After all, who could deny that elections are democratic.

During that same period, the Department of Defense was sending bogus intelligence reports to Washington in an attempt to paint a pariah image of President Chávez, therefore justifying any actions taken against him. One December 2002 cable falsely claimed that Chávez had “*ordered the destruction of television stations Globovisión, Televen, Canal Dos and possibly other media outlets. These attacks are scheduled to take place on the evening of 12 December.*” Such allegations were entirely false. President Chávez had never ordered such attacks, nor were these stations ever destroyed. In fact, those very same television outlets were broadcasting 24-hour a day, uncensored anti-Chávez messages that in many cases were violent and aggressive and the State had taken no action to inhibit freedom of expression. But those receiving the information up in Washington did not know that the report was false. The same report discussed “*Cuban troops and Revolutionary Armed Forces of Colombia guerrillas in Venezuela to support Chávez*”, clearly intending to link the Venezuelan leader to Colombian terrorists, opening the door to

international intervention.(30)

In a strange coincidence of time, place and facts, a new entity was born in Venezuela. As SAIC was pushed out of PDVSA, losing its grip on the most important oil industry in the Western hemisphere, Súmate, a technological-ly advanced, elections-focused non-profit run by opposition-aligned wealthy Venezuelans was established.(31) Súmate’s premiere came at the tail end of the strike, which had failed in its objective of ousting Chávez, but had succeeded in making Venezuelans’ lives miserable through economic devastation. The opposition was heeding the “early elections” calls of the U.S., but the government rightfully refused to permit such an unconstitutional gesture. Súmate offered an alternative to a desperate opposition movement and an eager U.S. government: a referendum.

Venezuela’s 1999 Constitution includes a provision in Article 72 to solicit a recall referendum on any public official’s mandate after the halfway point of the term has been met. The referendum must be solicited by 20% of the electorate and then a greater number of voters that elected the official must vote to recall, and those recall votes must have a majority over those voting to keep the official in office. It is a complex process. Unfortunately, Súmate, riding the high of its clever proposal, forgot to read the content of Article 72 and in early February 2003, began a signature drive to petition for a referendum.

Claiming they had collected millions of signatures in support of a recall referendum on President Chávez’s mandate, Súmate demanded the government immediately convene an election. Súmate’s demands fell short on the ears of the Venezuelan government, since the halfway point of President Chávez’s term had not yet been met, but another government heard them loud and clear. The U.S. government awarded Súmate for their brave and bold actions handsomely. Both the NED and USAID granted Súmate funds to continue their fight for the referendum.(32) Súmate, in

the likes of Vía Cívica in Nicaragua, was held out to be a neutral entity devoted to electoral education, but Súmate's own website clearly stated the organization's objective was to "promote a recall referendum against President Chávez."<sup>(33)</sup> Furthermore, Súmate's Vice-President and Treasurer, Maria Corina Machado, had signed the infamous "Carmona Decree" during the coup, evidencing a clear anti-Chávez bias and undemocratic tendencies. And Súmate's President, Alejandro Plaz, was the Director of the Andean Office of McKinsey & Company, a consulting firm notoriously linked to the CIA.

## THE REFERENDUM

For fiscal year 2003, USAID's OTI requested \$5,074,000 for its Venezuela operations. NED gave out more than \$1 million to its Venezuela grantees and counterparts, many of which were the very same organizations that had just spearhead the illegal 64-day strike that devastated Venezuela's economy. DAI also continued to dish out grants to projects falling within its VICC program. After the failure of the strike, it became clear that the opposition needed to consolidate and focus on a "real" solution, an electoral solution that would appear legitimate in the eyes of the world. The Constitution opened the doors to the possibility of the recall referendum and in May 2003, after more than nine months of brokering by the OAS, the opposition agreed to seek a "peaceful and constitutional" solution to the crisis. Since early elections were unconstitutional, the referendum would be the only possible way of prematurely removing President Chávez from office.

Súmate immediately spearheaded a campaign to force the government to accept the signatures it had gathered back in February 2003. The private media and international press, encouraged by the U.S. government, supported this demand. Yet Venezuela's National Electoral Council (CNE), an autonomous governmental body, pronounced

that it would not accept signatures gathered in clear violation of referendum requirements. The CNE then released a clear set of rules and guidelines that would regulate the referendum process. A date was set in late November for a petition drive to be held in support of a recall referendum. If the required 20% of voters' signatures, approximately 2.4 million, were obtained, then a recall referendum on President Chávez's mandate would be held.

Súmate promptly launched a massive media and propaganda campaign in support of the petition drive, referred to as the "Reafirmazo". Utilizing NED and USAID funding, Súmate mass-produced anti-Chávez and pro-referendum materials which were distributed nationwide. The organization also produced little blue cards that affirmed a voter had signed the petition for a recall referendum. The cards were distributed at petition drive tables and voters were told to turn them in to employers, or else face termination. In fall 2003, the OTI requested an additional \$6,345,000 for use in Venezuela during 2004. USAID also gave the International Republican Institute and the National Democratic Institute more than \$2 million for "strengthening political parties" and "promoting electoral processes" in Venezuela during 2003-4. NDI's grant specifically mentioned collaborations with Súmate.

Right around the time of the "Reafirmazo", the U.S. launched another attack against the Chávez government, this time claiming Venezuela was harboring terrorist training camps and was collaborating with the Colombian FARC and ELN, both groups on the U.S. list of international terrorist organizations. An October article in *U.S. News and World Reports* by Linda Robinson, entitled "Terror Close to Home", claimed that Al Qaeda, FARC and ELN terrorists had training camps scattered throughout Venezuela. These allegations were based on comments by an "anonymous U.S. official" and were never substantiated. Around the same time, the

Department of Defense circulated an “Intelligence Assessment” alleging Chávez had supplied \$1 million to the FARC and ELN in Colombia and was building armed guerrilla groups to defend his “revolution”. The report cited as its intelligence sources, El Universal, El Nacional and Globovisión television station in Venezuela, all staunchly anti-Chávez media. No other sources were provided in the report to substantiate the claim.<sup>(34)</sup>

Despite these international pressures, the signature collection period went smoothly, but the CNE later determined only 1.9 million signatures valid, while another nearly 1 million were set aside and questioned for fraud. The opposition reacted to the news with violence. In February 2004, newly formed extremist factions in the Coordinadora Democrática launched the “Guarimba”, a plan allegedly formed by Cuban-Venezuelan Robert Alonso. The “Guarimba” called for right-wing forces to engage in widespread civil disobedience and violence in the streets of Caracas and other metropolitan areas, provoking repressive reactions from State forces that would then justify cries of human rights violations and lack of constitutional order. The “Guarimba” lasted from February 27 to March 1, 2004, and during that period, numerous Venezuelan citizens were injured and arrested for violations of law. The opposition-controlled media in Venezuela quickly broadcast to the world a prepared version of events that cited the government as the “repressor” and portrayed claims of those arrested during that period for breaking the law as “victims of torture and unlawful arrest.” The “Guarimba” starkly resembled the “Chileanization” strategy applied in Chile and Nicaragua, using similar tactics and provoking identical results.

As a result of the violence and instability again caused by the opposition, the Venezuelan government, agreed to allow those signatures that had appeared fraudulent to be “reaffirmed” by the signors over a four-day period regulated by the CNE. As such, the

opposition was provided with a second opportunity to legitimately obtain the necessary 2.4 million signatures needed to hold the recall referendum. The signature repair period, “reparo”, as it was known, was held at the end of May 2004. The Carter Center and the OAS provided international observation.

By about 100,000 signatures, the opposition obtained the necessary 2.4 million and the referendum date was set for August 15, 2004. About five days after the announcement confirming the referendum, the opposition released an alternative plan for a transitional post-Chávez government. Entitled “Plan Consensus”, the project appeared as the first attempt by the opposition to offer Venezuelans anything beyond a strict “get Chávez out of office” position. The opposition had been highly criticized internationally for having no concrete plans, no viable candidates to oppose Chávez and no platform on which to campaign. The “Plan Consensus” appeared as the magic solution. But Plan Consensus’ polished offerings were not born independently from the opposition. They were in fact the result of a NED grant to CIPE-CEDICE in 2003, combined with USAID funding that had gone through DAI to several opposition groups, including Liderazgo y Visión and Queremos Eligir.

Additionally both IRI and NDI had played roles and had financed the crafting of this “alternative agenda”. It was the goal of the U.S. to win the referendum and install a transitional government that would work best in its interests. As such, the referendum campaign, via Súmate and the CD, and the alternative agenda, via NED and USAID grantees, were financed and overseen by U.S. government agents.<sup>(35)</sup> The NED chose CEDICE as the principal drafter of an agenda for a “transitional government” despite the fact that CEDICE’s president, Rocio Guijarro, was one of the initial signors of the Carmona Decree and was chosen by Carmona to represent NGOs at his “swearing in ceremony.”

CEDICE also happened to be one of the most fervently outspoken anti-Chávez groups in Venezuela, whose leaders attempted several times to convince NED program director Christopher Sabatini that a coup d'état did not take place on April 11, 2002, but rather it was a popular uprising against a "dictator".<sup>(36)</sup>

Despite the millions of dollars invested in the opposition to Chávez<sup>(37)</sup>, on August 15, 2004, more than 59% of Venezuelans voted to ratify his mandate and keep him in office. Even though both the Carter Center and the OAS certified the official CNE referendum results, the opposition, led by Súmate, cried fraud. Súmate claimed it had conducted an exit poll, together with the U.S. polling firm Penn, Schoen & Berland, previously used in electoral interventions in Nicaragua, Panamá and Yugoslavia, which showed the exact opposite results indicating that the vote to recall Chávez had exceed 59%.<sup>(38)</sup> An exit poll by the extreme right-wing anti-Chávez party and IRI counterpart, Primero Justicia, also showed the same result. All other exit polls conducted by international firms and independent observers were in line with the official CNE results. However, Súmate and the CD claimed the vote had been fraudulently calculated and they refused to recognize the results.

## THE FUTURE

Recently, Miami has become a haven for self-exiled Venezuelans seeking new ways of ousting President Chávez from his democratically elected office. In early October 2004, "Guarimba" author Robert Alonso surfaced in Miami, after a warrant had been issued for his arrest in Venezuela in connection with the approximately 80 Colombian paramilitaries found on his farm outside of Caracas in May 2004. Also, former Venezuelan president Carlos Andrés Pérez has taken root in Miami and has played a key role in the coup, strike and destabilization efforts intending to remove Chávez from office. From his home in

Miami in July 2004, CAP declared to El Nacional newspaper that Chávez deserved to "*die like a dog*" and that "*violence is the only way to remove him.*"<sup>(39)</sup>

Several other ex-military officers known to have participated in the coup have appeared in Miami, alongside Carlos Fernandez, the former Fedecámaras president and Carlos Ortega, former CTV president, who had obtained political asylum in Costa Rica, but later lost it once he clandestinely returned to Venezuela and appeared on television in a pre-referendum rally. The Venezuelan government issued arrest warrants for both Fernandez and Ortega in 2003 for their leadership of the illegal 64-day strike that caused billions of dollars in losses to Venezuela's economy. The Venezuelan government also has pending extradition requests with the U.S. government for two military officers, German Rodolfo Varela and Jose Antonio Colina, alleged to be the masterminds behind the bombings of the Colombian and Spanish Embassies in Caracas in fall 2003. The officers have requested political asylum and have pending cases before immigration judges in Miami.

There have also been reports of anti-Chávez terrorist training camps in Miami, run by self-exiled Venezuelan extremists and former military officers, who have joined forces with Miami's notorious anti-Castro community. Despite requests from the Venezuelan government for the U.S. government to investigate these camps, no action has been taken.

The Office of Transition Initiatives in Venezuela, initially a two-year project according to USAID, has decided to remain in Venezuela and has requested an additional \$5 million for 2005. The NED continues to fund opposition groups in Venezuela to the tune of \$1 million annually. The next presidential elections are set for 2006 and as such, it looks like that \$6 million will be put to use quickly.

- (1) The Carmona "swearing in" ceremony was broadcast live on all private television channels in Venezuela. The document signed by those present was later left behind in the Presidential Palace after the coupsters were forced out. On September 19, 2004, government prosecutor Danilo Anderson announced he would begin to issue subpoenas to all 395 signers of the document.
- (2) On the morning of April 12, 2002, White House spokesperson Ari Fleischer stated, "We know that the action encouraged by the Chavez government provoked this crisis. According to the best information available, the Chavez government suppressed peaceful demonstrations. Government supporters, on orders from the Chavez government, fired on unarmed, peaceful protestors, resulting in 10 killed and 100 wounded. The Venezuelan military and the police refused to fire on the peaceful demonstrators and refused to support the government's role in such human rights violations. The government also tried to prevent independent news media from reporting on these events. The results of these events are now that President Chavez has resigned the presidency. Before resigning, he dismissed the vice president and the cabinet, and a transitional civilian government has been installed." <http://www.whitehouse.gov/news/releases/2002/04/20020412-1.html>
- (3) Cable sent from the U.S. Embassy in Caracas by Ambassador Charles Shapiro, obtained under the Freedom of Information Act by Eva Golinger and Jeremy Bigwood. Available on [www.venezuelafoia.info](http://www.venezuelafoia.info).
- (4) On Sunday, April 14, 2004, on NBC News' "Meet the Press", Condoleezza Rice stated, "Well, I hope that Hugo Chavez takes the message that his people sent him that his own policies are not working for the Venezuelan people, that he's dealt with them in a high-handed fashion. And I hope what he said in his speech this morning, that he understands that this is a time for national reflection, that he recognizes it's time for him to reflect on how Venezuela got to where it is. He needs to respect constitutional processes. This is no time for a witch-hunt. This is time for national reconciliation in Venezuela. And we are working with our partners in the OAS and in the region to try and help Venezuela through this very difficult time. But we do hope that Chavez recognizes that the whole world is watching, and that he takes advantage of this opportunity to right his own ship, which has been moving frankly in the wrong direction for quite a long time."
- (5) George Miller, (D- CA), stated that figure was \$1billion: "We are going into this election process [spending] \$1 billion dollars. We funded the Contras, we have destroyed [Nicaragua's] economy, we have taken Mrs. Chamorro and we pay for her newspaper to run, we funded her entire operation, and now we are going to provide her the very best election that America can buy." Congressional Record (House), October 4, 1989, p. H6642.
- (6) See The Church Report, US Congress
- (7) See "National Endowment for Democracy: A Foreign Policy Branch Gone Awry", A Policy Report by the Council on Hemispheric Affairs and the Inter-Hemispheric Education Resource Center, 1990. Today, Republican Senator John McCain and Democrat Madeline Albright oversee the International Republican Institute and National Democratic Institute, respectively.
- (8) See William Robinson, "A Faustian Bargain: U.S. Intervention in the Nicaraguan Elections and American Foreign Policy in the Post-Cold War Era", pp.93. On a side note, Beatriz Rángel currently works with the Cisneros Group of Companies in New York and Miami, which is the multinational corporation owned by media mogul Gustavo Cisneros, a Cuban-Venezuelan slated to have been involved in the April 2002 coup attempt against President Chávez. Up until mid-2004, Rángel was also a Board Member of the Inter-American Dialogue, a Washington, DC think-tank that has been highly critical of the Chávez administration.
- (9) The CTV continues to be one of the NED's major recipients in Venezuela, as well as a clear instrument of U.S. policy, evident through the union's key role in the 2002 coup d'état against President Chávez and the subsequent illegal oil industry strike in winter 2002-3.
- (10) The US Government did not just use *La Prensa* as its only conduit of information. It also provided funding through the NED, USAID and the USIA, the U.S. Information Agency, to finance radio stations and local television outlets in Nicaragua.
- (11) The US Government accomplished this by promising not to covertly finance the opposition through the CIA. However, this promise was promptly broken.
- (12) See William Blum, "Killing Hope: U.S. Military and C.I.A. Interventions Since World War II", Common Courage Press, 2004, pp. 163-172.
- (13) See Eva Golinger, "Media War Against the People" [www.venezuelalanalysis.com](http://www.venezuelalanalysis.com).
- (14) Ibid, above.
- (15) There are hundreds of complaints filed with the Inter-American Commission on Human Rights that in large part appear to be without merit. There have also been complaints filed against the Chávez government in the International Criminal Court in The Hague and in the Southern District Court in Miami, USA, alleging human rights abuses. There has been no decision made in either of these courts on whether or not the cases should be allowed to proceed. The charges all appear to be without merit.
- (16) See Linda Robinson's article in U.S. News and World Report, "Terror Close To Home", October 2003. Robinson attempts to link Al Qaeda, FARC and ELN terrorists to the Chávez government.
- (17) Cable declassified by our FOIA requests. Available on [www.venezuelafoia.info](http://www.venezuelafoia.info).
- (18) On February 13, 2002, Carlos Ortega met with Otto Reich in Washington, D.C. See <http://www.state.gov/r/pa/prs/dpb/2002/8034.htm>.
- (19) See David Corn, "Our Gang in Venezuela?", *The Nation*, August 5, 2002.
- (20) See <http://www.venezuelafoia.info/NED/IRI/2001-047QR-Oct-Dec/pages/2001-047QR-Oct-Dec-04.htm> and <http://www.venezuelafoia.info/NED/ACLV/2003-545/pages/ACLV-metroRepre-01.htm>.
- (21) Cable from the US Embassy to Washington, April 11-12, 2002. Available on [www.venezuelafoia.info](http://www.venezuelafoia.info).
- (22) Taken from USAID's own background description of its OTI in a contract between USAID and Development Alternatives Inc for \$10 million for projects in Venezuela during August 2002-August 2004.
- (23) Ibid.
- (24) See "Building Confidence out of Discord in Venezuela" By Joel M. Jutkowitz, DAI News, [www.dai.com/dai\\_news/text\\_only/fall\\_confidence\\_in\\_venezuela\\_text\\_only.htm](http://www.dai.com/dai_news/text_only/fall_confidence_in_venezuela_text_only.htm)
- (25) DAI grant, G-3822-101-008, available on [www.venezuelafoia.info](http://www.venezuelafoia.info). Please note that USAID and DAI deleted the names of all recipients of the Venezuela project funds. Their stated reason was "fear of persecution" from the Venezuelan government of the groups they were financing.
- (26) See <http://colombia.indymedia.org/news/2004/05/12839.php>
- (27) Cable from the US Embassy in Caracas, August 14, 2002. Available on [www.venezuelafoia.info](http://www.venezuelafoia.info).
- (28) <http://www.whitehouse.gov/news/releases/2002/12/20021213.html>
- (29) <http://www.state.gov/r/pa/prs/dpb/2002/15976.htm>
- (30) Department of Defense cable available on [www.venezuelafoia.info](http://www.venezuelafoia.info)
- (31) On an interesting note, SAIC had recently taken over the development of security systems and databases for electronic voting machines in the US market.
- (32) See <http://www.venezuelafoia.info/USAID/USAID-index.htm> and <http://www.venezuelafoia.info/NED/SUMATE/SUMATE%20index.htm>.
- (33) [www.sumate.org](http://www.sumate.org)
- (34) Department of Defense report available on [www.venezuelafoia.info](http://www.venezuelafoia.info).
- (35) See <http://www.venezuelafoia.info/NED/CIPE-CEDICE/CEDI-CE-index.htm>
- (36) See <http://www.venezuelafoia.info/NED/Memorandum/pages/Memorandum-D40.htm>
- (37) On Friday, August 20, 2004, Roger Noriega, Assistant Secretary for Western Hemisphere Affairs of the State Department, stated, "We have invested a lot of money in the democratic process because we have faith in civil society, which is a pillar of representative democracy. We have given money to similar types of NGOs in Venezuela by means of the State Department and USAID. Civic groups with the mission to defend their democratic institutions and demand basic rights for Venezuelans also represent a good investment."
- (38) See <http://www.sfgate.com/cgi-bin/article.cgi?file=/news/archive/2004/08/19/international2018EDT0734.DTL&type=printable>, "U.S. firm embroiled in Venezuela referendum controversy defends its exit poll", Associated Press, August 19, 2004.
- (39) "Violence will allow us to remove him. That's the only way we have... [Chavez] must die like a dog, because he deserves it



Bolivarian  
Government

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