

Is U.S. aid reaching Castro foes?

Democracy-building programs for Cuba are dogged by shipping costs and oversight problems, and hindered by a policy that forbids sending money directly to dissidents.

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Ten years ago, a Republican-led Congress pressed President Clinton to help bring democracy to communist Cuba in the wake of Cuban MiGs' shoot-down of two unarmed Brothers to the Rescue planes and mounting U.S. fears of yet another rafter crisis.

Today, the program -- funded by the U.S. Agency for International Development (USAID) -- has spent at least \$55.5 million, for studies on a future Cuba without dictator Fidel Castro, for exile groups to lobby foreign governments to sanction the island and to ship children's books, food, medical equipment, laptops and clothes to dissidents and their families.

None of that money has reached the dissidents in cash -- a policy designed to protect Cuba's opposition from being branded mercenaries and imprisoned.

Instead, most of the USAID money has remained in Miami or Washington -- creating an anti-Castro economy that finances a broad array of activities, ranging from university studies to spending millions to ship goods surreptitiously to the island's opposition. At least \$13 a pound -- and as much as \$20 per pound -- is paid to an intricate network of "mules" to smuggle medicines, laptops and books into Cuba. That's 13 to 20 times more than it costs to ship to many other Caribbean countries.

Several Cuba experts in the Bush and Clinton administrations blame arbitrary USAID rules that ban sending cash directly to dissident groups in Cuba for derailing the program's purpose.

Now that President Bush has promised \$80 million over the next two years to amp up pro-democracy programs for Cuba -- a strategy announced before an ailing Castro ceded power July 31 to his brother, Raúl -- the philosophical battle over whether to send cash directly to Cuban dissidents endures. And the question of USAID's effectiveness in Cuba has become all the more relevant.

LAX OVERSIGHT

Bush's plan, likely to be taken up by a majority Democratic Congress next year, comes as the General Accountability Office releases today its audit on how well USAID's Cuba program is working. That audit found lax oversight of USAID's programs.

Although no USAID funding is allowed to go to Cuba, at least one other taxpayer-funded program that promotes democracy in Cuba -- the National Endowment for Democracy -- allows its money to go to the island in cash. NED has sent about \$970,000.

Millions of USAID dollars get spent locally on companies and people that specialize in slipping goods into Cuba. Washington struggles to verify how much aid and information actually reaches the island -- or whether it has had any effect in promoting democracy.

What's more, the Cuba program's first USAID director, Peter Orr, and other Clinton era officials said it was designed to be weak as a divided administration bickered over the goals of pursuing regime change and some worried about exile groups' using the money for militancy.

"Shipping stuff into the island is an incredible waste. It's very expensive, it can get confiscated. All these arguments were raised by me and others at the time," Orr told The Miami Herald. "And my opinion -- I can prove it -- is that the decision was consciously made to distance the program from the ground in Cuba, and to make it less effective."

A Miami Herald review of USAID Cuba programs found that many of the same accountability problems raised by a 2000 outside examination remain unresolved. That study, conducted for USAID, found congressional disagreements over Cuba policy hindered the program; USAID had no one in Cuba to ensure supplies made it; the program was "severely constrained" by its policy prohibiting cash to be sent to opposition groups in Cuba.

The Miami Herald reviewed hundreds of USAID records -- some requested more than two years ago through the Freedom of Information Act -- and interviewed more than 100 people for this series. The Herald found:

- Paying mules and other shipment costs swallowed nearly half of the \$7.4 million spent by Grupo De Apoyo a la Democracia, the largest USAID recipient, and almost half the \$3.2 million spent by Cuba OnLine to send pro-democracy

mailings to Cuba from 2001 to 2004, according to tax records and interviews. As a result, Grupo De Apoyo only spent about 13 percent of its U.S. funds, or \$986,000, on food and medicine.

- USAID still has no employee at the U.S. Interests Section in Havana to monitor the program's effectiveness there. Successes are often based on media reports -- something as minor as someone taking the glasses from a John Lennon statue at a Havana park -- or statements from relatives of dissidents on the island.

- A 1996 confidential memo from USAID reveals there was broad bipartisan support -- from the Senate Foreign Relations Committee to the State Department -- to let USAID groups send as much as \$400 at a time to "victims of repression" in Cuba.

- Two top USAID managers who helped create the program said it was set up to preserve the status quo in Cuba. Clinton's senior Cuba advisor, Richard Nuccio, believed both the Clinton and Bush administrations used the programs to court Cuban-American voters.

"My impression is that during the second Clinton term and continuing into the Bush administration, the way the program was administered turned it more into a program to garner political support from the Cuban American community . . . than to actually produce things inside Cuba to benefit a democratic transition," Nuccio said.

Several Clinton officials also feared that directly funding dissidents could subject them to persecution in Cuba, which routinely accuses dissidents of being U.S. mercenaries.

BAD DECISION

Nuccio now thinks it was a bad decision. "We shouldn't be so arrogant as to decide for them [the dissidents] that they could be contaminated by this, and therefore we won't provide it."

Orr said he left USAID's Cuba post by 1997, frustrated that he was unable to convince higher-ups to have Cuba's program work the same way USAID operates in Haiti and most troubled countries -- with cash sent to reformers working inside the country.

Instead, Clinton's inner circle opted for a go-slow, indirect approach, Orr said, because the Democratic president worried that political instability in Cuba could result in mass migration to the United States. Clinton lost reelection as Arkansas governor in 1980 after Mariel refugees rioted at a prison there.

"The shocking conclusion was that nobody in the administration wanted to rock the boat in Cuba," Orr said.

Larry Byrne, an assistant USAID administrator from 1993 to 1997, never wanted to send money directly to dissidents. He called the program he helped devise -- under pressure from Republicans in Congress -- "a waste of U.S taxpayer dollars."

"It's just ridiculous that someone would think this program would destabilize Cuba. I thought it was a good idea to open up a dialogue with Cuba. I didn't think the program was ever going to work. It was ill conceived, ill thought out, underfinanced."

Clinton did not respond to repeated requests for comment. A spokesman at the William J. Clinton Foundation referred questions to Mark Schneider, the assistant administrator of Latin America and the Caribbean at USAID from 1993 to 1999.

Schneider said the program was designed to get "noncontroversial" support into Cuba.

"These programs by themselves cannot bring about change. The people carrying it out tried hard to make it work, but it's very hard."

Even supporters of the no-cash policy concede the bulk of the money is getting siphoned off by exorbitant shipping costs.

"There is a strong philosophical debate here, and it's a tough one," said Roger Noriega, who was undersecretary of state for the Western Hemisphere during President Bush's first term. He said the policy "created a ridiculous situation where we were spending 10 times the cost of shipping to send in materials that could be bought on the market [in Cuba] if we just gave cash and got a receipt."

NO GUARANTEES

Getting items into Cuba is an art for USAID groups: Documentaries about dissidents' struggles and human right abuses are packed in DVDs with covers of Cuban musical bands.

Still, there are no guarantees that supplies make it to the island -- or that when they do that they're not sold on the black market.

University of Miami professor Jaime Suchlicki, who runs Cuba OnLine and the UM's Institute for Cuban and Cuban American Studies, both USAID-funded programs, said he relies on phone calls and letters as proof that his mailings reach Cuba. He estimates that "50 to 60 percent" of Cuba OnLine's mailings get through. Mailings are sent because few Cubans have access to the Internet, and Cuba blocks many of the e-mails CubaOnLine sends.

"We assume a great percentage get in," Suchlicki said. "This has to be based on partial evidence."

David Mutchler, the USAID Cuba program's director, would not elaborate on how the agency verifies whether shipments arrive: "We do have ways to check."

Mutchler points to a study, published by USAID-funded Directorio Democrático Cubano, that chronicles instances of civil disobedience in Cuba.

Based in Miami, Directorio has received more than \$3 million in federal money. It has documented an increase in peaceful anti-government activities, such as dissident meetings, in Cuba from 44 in 1997 to 1,805 in 2004.

Adolfo Franco, USAID's Latin America and Caribbean program director, said sending money to dissidents would result in a Cuban government crackdown, as happened in 2003 when 75 dissidents, independent journalists and librarians were jailed.

The Cuban government considers the USAID program subversive and imprisons or harasses Cubans who dissent.

Franco said the program is effective: "If it's such a waste of time and money and patronage, I think they'd be laughing about it in Havana as money down the rathole. But I think that's a measurement -- [the Cuban government], they've put a lot of effort into trying to derail this program."

COLORING BOOKS

During a recent tour of the Washington office of the Center for a Free Cuba, director Frank Calzón pointed to a toy water gun the size of his palm, not far from a *Hello Kitty: Use Your Imagination* coloring book.

"This is one of the counter-revolutionary things we send to Cuba," Calzón joked of the water pistol. "We send arms."

Calzón's human rights group received more than \$5 million from USAID from 1998 through 2004, according to the group's March 2004 report. The group sent more than 209,244 books, pamphlets, magazines and videos to Cuba, the report states.

Calzón also lobbies foreign governments to condemn Cuba's human rights abuses. In 2004, a Cuban diplomat knocked Calzón unconscious in Geneva after a United Nations vote that condemned Cuba's human rights record.

"Our basic mission is to encourage and help build a democratic, civil society in Cuba," Calzón said. "That cannot be done if Cubans have no access to books, tapes and other material explaining democratic ideas."

Among other items shipped by USAID-financed groups to Cuba: books by former Czech President and Soviet-era dissident Vaclav Havel, veterinary manuals, powdered milk and children's videos -- along with the Harry Potter series and wheelchairs,

"It's a complicated program to quantify," said Xavier Utset, who directs the Cuba Democracy Project at Freedom House, which received \$2.7 million in USAID funds from 1996 to 2005. "Internal repression makes it difficult to evaluate a program that supports people inside the island."

Federacion Sindical de Plantas Electricas, Gas y Agua, a Miami-based group of exiles who once worked at Cuban electric, gas or water plants, got almost \$600,000 from USAID since 2003 and tens of thousands more from the National Endowment for Democracy, NED.

The group sent \$9,000 from NED directly to two women in Cuba -- only to learn they were Cuban agents, said Joel Brito, former director of Federacion. "It's very difficult to tell from Miami who the people are that we help in Cuba," he said.

Vladimiro Roca, a pro-democracy activist in Cuba, said in a telephone interview from Havana that fax machines, computers and more can be bought on Cuba's black market. "What we need most is money," he said.