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## Federal Panel Blocks Reward in Peru Spy Capture

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ATLANTA -- A federal appeals court has blocked a reward of more than \$10 million for a Venezuelan man who helped Peru capture a notorious spymaster in a tantalizing case that the panel said "read like the latest spy thriller."

The 11th Circuit Court of Appeals issued a 2-1 ruling Friday reversing a judge's decision that Jose Guevara should get the \$5 million reward plus at least \$5 million interest. The ruling concluded that Peru was shielded by U.S. laws that protect sovereign governments from lawsuits.

The panel's decision came more than nine years after Guevara cooperated with U.S. authorities and double-crossed Vladimiro Montesinos in a series of twists and turns that led to his capture.

Montesinos had power over the military and security forces in Peru from 1990 to 2000, allegedly using influence, bribery and blackmail to achieve his goals. After the autocratic 10-year reign of ex-President Alberto Fujimori ended in 2000, Montesinos fled to Venezuela and "then, it seemed, into thin air," the court said.

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Phone: (305) 375-9220 Fax: (305) 375-8050 Email: info@diazreus.com Website: http://www.chinalat.com It turned out that Montesinos had undergone facial reconstructive surgery to conceal his identity and, with his face masked with bandages, he was dropped off at Guevara's house in Caracas, according to court documents. Guevara agreed to protect him, the court said, and agreed to make runs to the U.S. to deposit funds into Montesinos' accounts.

Peruvian authorities, meanwhile, launched a manhunt and in April 2001 offered a \$5 million reward for his capture. But they had little luck until the FBI was tipped off in June 2001 that Guevara was coming to Miami to collect money from a bank.

FBI agents intercepted him and told him he could avoid prosecution and collect Peru's reward if he helped find Montesinos. Guevara dished out the details, revealing Montesinos' location and Caracas and arranging for Venezuelan forces to arrest him.

Montesinos was eventually sentenced to 20 years in prison in Peru for bribing lawmakers and businessmen and selling weapons to Colombian rebels.

But Peru refused to pay the reward to Guevara, who had since moved to Florida, and claimed that American law made it immune from any lawsuit. Guevara countered by filing a lawsuit contending that Peru had breached its contract and was fraudulently induced into helping authorities.

A federal judge sided with Guevara in September 2008, ruling that he had fulfilled his end of the bargain when he helped authorities apprehend Montesinos. But Peru's attorneys appealed the ruling and warned that allowing it to stand could complicate U.S. relations with the South American nation.

"The judgment represents a serious affront to Peruvian sovereignty and is precisely the type of ruling that a United States court should not make because it hamstrings the Executive Branch's ability to carry out its foreign-relations responsibilities," Nicholas Bagley, an attorney for Peru, argued in court papers.



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Guevara's attorneys, meanwhile, sought to depict the case as a "simple, garden variety breach of contract action."

The 11th Circuit disagreed, concluding that the case didn't meet the complicated threshold that allows foreign governments to face legal action in the U.S. "We agree with Peru that the district court lacked subject matter jurisdiction and therefore reverse its judgment," the ruling said.

Guevara's attorneys, meanwhile, sought to depict the case as a "simple, garden variety breach of contract action." His attorney **Michael Diaz Jr.** said he was surprised by the 11th Circuit's ruling and worried that it could set a "dangerous precedent" that makes it harder for law enforcement to convince informants to cooperate.

"Welching by your neighbor to pay a reward for helping find his lost dog Fido is one thing," he said. "Welching by the government of Peru working with our FBI in an international manhunt with a reward posted on a borderless website is quite another."

Read more: <a href="http://www.ledger-enquirer.com/2010/06/19/1165319/fed-panel-blocks-reward-in-peru.html?story\_link=email\_msg#ixzz0rZTvKnKx">http://www.ledger-enquirer.com/2010/06/19/1165319/fed-panel-blocks-reward-in-peru.html?story\_link=email\_msg#ixzz0rZTvKnKx</a>

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