



Carlos Lopez Paredes Counterintelligence Case Study¹

Part A

(You are an intelligence officer and your government has a positive relationship with a somewhat dictatorial but friendly Latin American Nation (FLAN). There is a civil war developing in FLAN and it is in your government's best interest to have the opposition factions fail.)

Carlos Lopez Paredes was born into a family whose most prosperous days were behind them in FLAN. His father was an alcoholic who slowly squandered the family savings on booze and several failed business ventures. Lopez Paredes' mother came from money, but her inheritance was largely gone by the time he was a youth. After her death, the family's financial circumstances became so precarious that Lopez Paredes was forced to leave school before graduating in order to find fulltime work to support the family.

Like other young men in similar circumstances, Lopez Paredes joined the army to escape his misfortunes, to seek adventure, and to build his own life. He served honorably in the FLAN army for several years and then returned home. Shortly thereafter, his father died, leaving him as the head of the family. Now older and more mature, Lopez Paredes became a successful businessman and eventually set up his own company. He became active in civic and social activities, and remained active in the army reserve, reaching the rank of captain. While Lopez Paredes was establishing himself in business, a new political discontent was spreading through different segments of the FLAN population. This began to take the form of active opposition to the government. Some called for the overthrow of the current regime via armed insurrection because of what they considered to be unfair constraints on their political freedoms. Others did not share this sentiment and were loyal to the existing regime which had governed them for generations. While Lopez Paredes was fundamentally sympathetic to the opposition, he placed first priority on his family and business, and he stayed out of the political fray.

¹ This case study was prepared by Pherson Associates, LLC in 2007 to illustrate the types of decisions that must be made by counterintelligence officers. It is a slightly fictionalized version of a true case study developed by Thomas W. Shreeve & Associates for the Intelligence Community Case Method Program. The case is based on real events. This study is copyrighted and may not be duplicated without permission from Pherson Associates, LLC (library@pherson.org).

At the age of 26, Lopez Paredes married the daughter of a wealthy area family. By age 30, he was clearly a young man on the rise. His business travels gave him contacts and exposure to a wide range of people and interests; his military reserve duty and activities in the community and civic arena gave him access to leaders across a broad spectrum.

At the same time, Lopez Paredes was prone to sense insult, real or imagined, and respond with prickly behavior. This led to several lawsuits. He was involved with several businessmen of questionable backing. While he himself never actually violated any laws, he often pushed the boundaries to the legal limit.

The FLAN government made some apparent miscalculations and rather clumsy efforts to suppress the growing opposition and public discontent. This only led to increased political opposition and stepped by responses by the public. When armed insurrection finally broke out, Lopez Paredes took a stand with the opposition and volunteered for a military leadership role with them. He quickly established a reputation as an outstanding combat officer. Brave and resourceful, he gained the confidence of the younger officers and others who served with him. Opposition leaders began to select Lopez Paredes for assignments and tasks that required an extra measure of daring, and he succeeded brilliantly.

While his abilities as a combat officer were widely acknowledged and admired, Lopez Paredes often argued with peers and was viewed by many to be a difficult personality. His handling of finance and supply issues was sloppy, leaving him open to allegations of malfeasance.

After several months with the opposition, Lopez Paredes was given an important combat role that involved ranging far beyond friendly lines in a daring roadside raid and attack. His raid was unsuccessful and his volunteers were badly depleted and exhausted in the failed effort. Lopez Paredes was wounded in the process, but still managed to get himself and his opposition volunteers back to safe territory, in spite of heavy government attack. Following this effort, Lopez Paredes learned that he had been passed over for a new, more senior role by opposition leadership. He attributed this to the previous financial mismanagement allegations. While away on raids, Lopez Paredes learned that his wife had died suddenly during his absence. He was despondent and reacted bitterly to news of his being passed over for the promotion, feeling under-appreciated for his talents and sacrifices.

Despite these personal setbacks and difficulties, Lopez Paredes sought out more chances for combat and active involvement in the armed insurrection. His wound had healed to the point where he could function again. He was given another command and again proved himself as an outstanding officer, successfully completing several raids and skirmishes. He was finally promoted.

His patterns of behavior, however, had not changed. While successful in combat, he made many enemies along the way. The allegations of fiscal misconduct continued to hound him. Now additional rumors surfaced in the ranks of his being involved with black marketeering

and possibly even looting. Lopez Paredes suffered a second, more serious wound and was sent away to recuperate. During his convalescence, he met a wealthy woman 20 years his junior, from a socially prominent family and very beautiful. After a whirlwind courtship, they married.

As soon as Lopez Paredes was deemed medically fit, he returned to the opposition's armed insurrection. Because of his slightly debilitated condition, he was designated as the senior military authority over one of the liberated areas of FLAN. He was, in effect, the military governor of that area. He commandeered a mansion to serve as his headquarters and furnished it lavishly. These actions sparked resentment among others who believed he lived in luxury as the de facto head of government in that area. Some of the volunteers who were ordered to perform duties as servants complained about his lifestyle. The rumors continued to circulate about his acquisition of fine goods under dubious circumstances. Added to this, his wife's expenses were a heavy financial burden and her expectations could not be met on his meager income.

At this point, rumors and allegations led to formal charges against Lopez Paredes. He learned that the opposition government would require him to face a court-martial. He would be charged with falsifying accounts and using his position to enrich himself.

As Lopez Paredes faced his court-martial, he felt confident of acquittal, believing he could answer every allegation and attributing the charges to the envy and animosity he had incurred as a result of his many feuds with the military hierarchy. He also believed the valor and dedication to duty that he had shown in combat should invalidate any other considerations.

To his shock and outrage, Lopez Paredes was found guilty on a charge that he had used army transport for personal benefit. He was acquitted of numerous other charges and was allowed to remain on active duty, and was given a letter of reprimand. He was not reduced in rank or fined. He was told that he would not be reimbursed for a significant amount of money he claimed the opposition faction owed him. Also during his involvement with the opposition insurrection, Lopez Paredes had delegated the running of his business to his sister and then to his new wife. As a result of wartime rationing and other factors, his business had suffered significant losses.

Key Questions:

- 1. Would Carlos Lopes Paredes be a good target for recruitment by the FLAN government?*
- 2. Should the opposition be concerned that Carlos Lopes Paredes might decide to spy for the FLAN?*

Carlos Lopez Paredes

Counterintelligence Case Study²

Part B

Before the court-martial convened, Lopez Paredes had sent a message to the FLAN intelligence service. He selected a civilian whom he suspected was in the pay of the FLAN services as his go-between. In his message, Lopez Paredes offered to assist the FLAN government by providing information or sabotaging the opposition forces efforts. He proved his bona fides by providing information on some of the opposition's weapon storage facility locations. He also provided the plans for one of the next attacks by the opposition forces.

In return, Lopez Paredes made a number of demands regarding payment for future cooperation. He also sought assurances that he would be able to relocate to another, safer, area. His demands were extensive, both in terms of the amount of money he wanted, and in other considerations. He insisted, for example, that he be given a senior military rank with the FLAN government.

His offer quickly reached the head of the FLAN intelligence service, following which a system of clandestine communications was devised and a midlevel intelligence officer was assigned to handle all contact with him. They negotiated the terms of the Lopez Paredes' cooperation for several months. After which, he was asked to identify penetration agents that the opposition was running against the FLAN government. Lopez Paredes attempted to do this but was unsuccessful. Instead, he provided detailed information on the movements of several high -ranking opposition leaders, evidently hoping that the FLAN forces would capture or kill them.

After his court-martial conviction, Lopez Paredes worked even more actively to subvert the opposition forces. He maneuvered himself into a position to command a strategic opposition facility of operations. Knowing that the FLAN planned a major offensive to capture the position, he provided the FLAN with a detailed map of its defenses.

Prior to the FLAN attack on the opposition facility, Lopez Paredes' case officer arranged a meeting. Unfortunately for Lopez Paredes, his case officer was captured by opposition forces en route to the meeting, and the documents in his possession directly implicated Lopez Paredes. By stroke of luck, he learned of the case officer's capture before he could be apprehended. He escaped and defected to the FLAN forces in the area.

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Lopez Paredes then attempted to justify his actions by claiming in propaganda broadcasts that he only wanted to end useless bloodshed. He urged others to follow his example, but few did. He proceeded to aid the FLAN government as much as he could but his information soon became stale and useless. At the end of the conflict, the FLAN government permanently lost a region of its territory to the opposition forces, which then established a democratic style republic. Lopez Paredes was given a home and extremely modest income for his services by the FLAN government. When he died, his widow beseeched the FLAN government for a pension, which was eventually allowed.