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Flake joins congressional delegation to Cuba, agenda under wraps

By Michelle Peirano and Jessica Goldberg

WASHINGTON – Arizona Sen. Jeff Flake, long a proponent of less-restrictive relations with Cuba, is visiting the communist nation this week as part of a seven-member congressional delegation.

Few details were released on their agenda. But the State Department and delegation leader Sen. Patrick Leahy, D-Vt., said the group wanted to meet with jailed American Alan Gross, who was arrested more than three years ago for distributing communication technology to Cubans.

The State Department said Gross, who was working as a contractor for the Agency for International Development, was unjustly imprisoned and it hoped the delegation could make progress toward his release.

“We will look forward to the results of their diplomacy on his behalf and more broadly with regard to all of our concerns about Cuba human rights and other things,” State Department spokeswoman Victoria Nuland said in a press briefing Tuesday.

U.S.-Cuba policy watchers said talk of freer trade – which Flake has pushed in the past – will also likely be on the table.

Flake’s office did not return repeated requests for comment on the trip, and other congressional offices said they would not comment until the group returns later this week.

But it is not the first Cuba trip for Flake, who went four times as a House member and who introduced dozens of bills relating to Cuba during his 12 years in the House.

John Kavulich, former president and senior policy adviser of the U.S./Cuba Trade and Economic Council, said Flake has always been credible politically on Cuban relations because Arizona has little economic interest in Cuba. Flake is seen as “coming at the issue with clean hands,” Kavulich said.

Flake on Cuba: In 12 years in the House, Sen. Jeff Flake, R-Ariz., sponsored 24 bills and eight resolutions on Cuba and proposed eight Cuba-related amendments to other bills. They dealt with everything from decrying human-rights crackdowns on the island to loosening trade restrictions and included:

- 112th Congress (2011-2012): One bill, allowing travel for oil exploration; failed.
- 111th Congress (2009-2010): Four bills, dealing with travel, agricultural exports and energy; only one got out of committee.
- 110th Congress (2007-2008): Six bills, on travel, exports, humanitarian relief and family rights, among others; all failed.
- 109th Congress (2005-2006): Six bills, five resolutions and four amendments, on agricultural sales, travel and remittances, human rights and other topics; two resolutions passed.
- 108th Congress (2003-2004): Four bills, two resolutions and two amendments on trademarks, the embargo and human rights, among others; two resolutions passed.
- 107th Congress (2001-2002): Three bills, one resolution and two amendments; both amendments passed.

Source: The Library of Congress, www.thomas.loc.gov

Flake has advocated for fewer sanctions against Cuba since the beginning of his time in Congress, said Dennis DeConcini, a former Arizona senator who took Flake to Cuba in 2001 on a trip funded by the Alliance for Responsible Cuba Policy Foundation.

DeConcini said Flake – the only Republican on this week’s trip – intentionally skipped a meeting with Cuban President Fidel Castro on his first trip because he “thought it was against the policy under (President George W.) Bush at the time; he was kind of stepping out of bounds just to go there.”

During Bush’s term, sanctions against Cuba severely limited leisure travel, money transfers and shipments of U.S. goods and personal packages to the country. In 2009, President Barack Obama relaxed the restrictions to allow freer travel and a higher limit on money transfers and shipments of practical items.

For a short time after Obama loosened the restrictions, Flake was quieter about his opposition to sanctions, DeConcini said, but he has become more vocal now that he is in the Senate.

Despite hopes for the visit, Brian Alexander, a trustee of the Cuba Policy Foundation, said he does not think the delegation will get far with negotiations on trade or on Gross's release.

"I don't think they will get much traction with the Cuban government," said Alexander, whose foundation works to expand trade with Cuba.

"The Cuban government has no interest in making the open accommodations that would allow the relationship to flourish," he said.

Alexander said Gross's detention is just a way for the Cuban government to undermine U.S. power and keep relations contentious.

"The Cuban government needs to make the decision that they want to play ball," Alexander said. Calls to the Cuban Interest Section in Washington were not returned Tuesday.

Besides Flake and Leahy, the delegation includes Sens. Debbie Stabenow of Michigan, Sheldon Whitehouse of Rhode Island and Sherrod Brown of Ohio, and Reps. Chris Van Hollen of Maryland and Jim McGovern of Massachusetts.

The delegation arrived in Cuba Monday and is scheduled to leave Wednesday for Haiti, before returning to the U.S.

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Cuban comrade now a house-flipping capitalist savant

By Juan O. Tamayo



JORGE REY / AP From left, Former Lt. Gov Brian Dubie, of Vermont, Pedro Alvarez, Chairman and CEO of Alimport, and Ramon Castro, brother of Cuban President Fidel Castro talk with members of the media in 2005.

Pedro Alvarez Borrego, a top Cuban government official who oversaw the nation's \$1.5 billion-a-year food-importing enterprise, is living the American Dream in Tampa a mere two years after he defected.

Alvarez has bought and sold at least eight homes worth a total value of nearly \$600,000 and opened a management company, official records show. He has also reportedly become a consultant on how U.S. businesses can enter the Cuba markets.

Yet mystery lingers over exactly how the 70-year-old could buy so much real estate so soon after his arrival from Cuba, where he was under criminal investigation in a kickback-for-imports scandal at Alimport, the state monopoly for food imports.

Before his hasty defection, his job at Alimport made him the powerful main negotiator of contracts with chomping-at-the-bit U.S. exporters that hit a record of \$711 million in 2008 and turned the United States into Cuba's fifth-largest trade partner.

Today, Alvarez, one of the top Cuban defectors in recent memory, is trying to keep out of the public eye and enjoy the good life — a neighbor said he drives a red H3 Humvee — even as some anti-Castro activists in Tampa complain that he may be living off corrupt money.

The man who answered an El Nuevo Herald call to the telephone number Alvarez has given in official U.S. documents said he was a different Pedro Alvarez. "I am just a simple carpenter. Do you have any jobs for me?" he said before he laughed and hung up.

An economist, Alvarez was named to head Alimport in 1998 and was perfectly positioned in 2000 when the U.S. Congress authorized the cash-only sale of agricultural products to Cuba under the Trade Sanctions Reform and Export Enhancement Act.

Cuba was suddenly awash in U.S. visitors looking for sales contracts — including several dozen Congress members, six governors and a who's who of the leading agriculture companies known as Big Ag.

"He single-handedly said yes and no to billions in sales," said John Parke Wright IV, a Naples, Fla., businessman who signed several cattle deals with Alimport. Cuba's global food imports hit \$1.6 billion in 2011, according to official Havana figures.

And in 2003, Alvarez masterminded the controversial scheme under which Alimport pressured U.S. politicians and exporters to sign written pledges that they would lobby the Congress to ease economic sanctions on the island. The pledge might have technically made them agents of the Cuban government, though no one was prosecuted.

With such a powerful job, Alvarez would have been routinely briefed by Cuban intelligence on his U.S. contacts, their weaknesses and any misbehavior that could be exploited in price negotiations, Intelligence Directorate defector Juan Antonio Rodríguez Menier wrote in an email to El Nuevo Herald.

The directorate also had "collaborators that had been recruited within Alimport to identify possible targets to do industrial and corporate espionage," said Juan Manuel Reyes Alfonso, who defected in 2000 from the DI's science and technology section.

Alvarez was moved out of Alimport in 2009 and reassigned to head the Cuban Chamber of Commerce after it became clear that his lobbying campaign had failed to significantly change U.S. sanctions.

But he was fired in late 2010 after police detained him half a dozen times for questioning about the kickback scandal. Two top Alimport officials who worked for Alvarez are serving long prison terms, and at least two others are under interrogation, according to sources who asked for anonymity to protect relatives still in Cuba.

His second wife, Olga de la Cruz Llera, was among the 68 people killed in the Nov. 4, 2010, crash in Cuba of a passenger plane. Alvarez escaped the island in the last week of 2010 and settled in Tampa, where his daughter Lisette had been living since 2004.

And that's when the many mysteries surrounding the former Alimport chief began to sprout.

Alvarez has claimed that the FBI "detained" him for several weeks while it pushed him to spill whatever valuable information he had about Cuba, but he "told them nothing," a friend in Tampa told El Nuevo Herald.

A knowledgeable U.S. government official said Alvarez in fact did cooperate with the FBI "reluctantly, but in the end OK." The official and the Tampa friend both asked for anonymity because they were not authorized to speak about Alvarez.

Tampa lawyer and anti-Castro activist Ralph E. Fernandez said that one day after he publicly complained on Feb. 12, 2011, about Alvarez's until-then secret presence in Tampa, a senior FBI official in the city urged him to lay off the case.

FBI Tampa spokesman Dave Couvertier would not comment on whether the bureau detained, debriefed or paid money to Alvarez in exchange for information. The U.S. official said the defector was paid "not much at all, just pocket change."

But in October of 2011, Alvarez began an involvement in a string of at least eight purchases and sales of modest Tampa homes, often obtained from banks, whose value totals \$598,000, Hillsborough County property records show.

He flipped at least three for an apparent profit of \$154,000, though it is not clear how much he might have spent on renovations. One home he bought for \$40,000 went to his sister, Rosario Alvarez Borrego, for \$100 and he still owns four, according to the records.

Fernandez said he is certain Alvarez launched his real estate deals with money he somehow stashed away during his time with Alimport. Cuban government salaries average \$20 a month, and the two types of Cuban pesos are not legal tender outside the island.

"Without question he did not arrive here like my parents, with \$5 in their pockets. He did not come like the rafters, with their skins burned and nothing else," Fernandez said. "He came with access to a large source of money. It could be legal or illegal. I am not going to speculate. But he did not come with \$5."

Alvarez's real estate deals appear in Hillsborough County records under several names: Pedro Alvarez; Pedro Borrego; Rosario Alvarez; Wise Management Group Corp.; and Arenas Blancas Investment owned by daughter Lisette.

Rosario Alvarez, who left Cuba around 2005, told El Nuevo Herald her brother does not often visit her West Laurel Street home but agreed to let him know the newspaper wanted to interview him. She declined further comment, and he did not acknowledge the message.

Her son, who declined to give his name, said Alvarez “is quiet, is working, is studying” and asked the journalists to leave the property without giving further details on his uncle’s activities.

Alvarez founded Wise Management, which accounted for at least two of the real estate deals, in March of last year with him as president and Tampa resident Roxana Bello as vice president. She did not return messages left at a telephone number listed for her.

His daughter, Lisette Alvarez, who apparently arrived in the United States in 2004, told El Nuevo that she was not close to her father because she was “outside” the system of government in Cuba while he “was totally inside it.”

Asked if her father had been buying and selling properties, she replied, “you’re well informed” but declined further comment. She later threatened to call the police and accused the El Nuevo journalists in her Arenas Blancas office of “stalking.”

Pedro Alvarez gave her home address when he arrived in the United States. Arenas Blancas Investment and Paradise Arenas Blancas were registered in January and February of 2011. They handle properties as well as trips, packages and phone calls to Cuba and general immigration services.

His last known address is a 1/1 condo on Pinnacle Heights Circle he bought for \$27,000 in February of last year. Neighbor Richard Jones recognized a photo of Alvarez and said he last saw him there around Jan. 14-15. The unit is now listed for sale for \$57,000.

Parke Wright said Alvarez “came across as having not one corrupt bone in his body” and that the only gifts he could remember giving the Alimport chief was a Stetson cowboy hat “and maybe a bottle of bourbon.”

John Kavulich, a New York businessman who helped found the U.S.-Cuba Trade and Economic Council to explore business opportunities with the island, said there were “constant rumors of corruption” at Alimport but not for the U.S. “Big Ag” companies.

“The rumors were substantial but for the smaller players” and third-country businessmen because U.S. embargo and anti-bribery laws and regulations would have brought on severe punishments, he added.

Havana blogger Yoani Sánchez wondered in a post last month whether corruption was responsible for the fact that the butter for sale in the Cuban capital had been imported all the way from New Zealand.

As for Alvarez, Kavulich added, U.S. agricultural exporters “wanted to wine and dine him. They were all over him, treating him with far greater deference than they might treat another purchasing agent in another country.”

He first met Alvarez in 1997, Kavulich added, and his clothing “certainly saw a hasty transition” from the drab of Cuban bureaucrats to the suits and ties of international business “because he wanted to be perceived as being a powerful person.”

Fernandez meanwhile noted that he recently received confirmed reports that Alvarez has been working as a consultant with a Cuban-American businessman from Miami who is trying to enter the Cuba market.

Hiring Alvarez as a consultant is “a magnificent opportunity for someone who is considering doing business with Cuba, or is in fact doing it. The perception of having someone like him aboard gives a phenomenal impression ... And the perception may be of more value than the reality.”