

All Prices	OPEC Blends	Canadian Blends	U.S. Blends			1M	1Y	ALL CHARTS	Discussion	Headlines	
WTI CRUDE	86.78	+0.19	+0.22%	LOUISIANA LIGHT	89.22	+3.27	+3.80%		9 minutes	e-car sales collapse	
BRENT CRUDE	91.02	+0.37	+0.41%	BONNY LIGHT	91.54	-0.73	-0.79%		81.00	6 minutes	America Is Exceptional in Its Political Divide
MURBAN CRUDE	91.20	+0.34	+0.37%	OPEC BASKET	89.58	+0.61	+0.69%		80.00	11 minutes	Perovskites, a 'dirt cheap' alternative to silicon, just got a lot more efficient
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## Ecopetrol, Guerillas and Death Squads: The War for Colombia's Oil

By Matthew Smith - Apr 04, 2024, 5:00 PM CDT

- ▶ **Ecopetrol, Colombia's state oil company, is accused of involvement in financing right-wing paramilitary militias.**
- ▶ **Allegations suggest Ecopetrol collaborated with militias to intimidate local communities, suppress dissent, and protect energy projects.**
- ▶ **The revelations cast a dark shadow over Ecopetrol's reputation and raise questions about its past actions and accountability.**



Colombia's national oil company Ecopetrol, regarded as one of the best-managed state-controlled energy companies in Latin America, is still dealing with allegations of murder, extortion, and intimidation. Since the early 2000s, rumors have swirled over Ecopetrol's financing of rightwing paramilitary militias, which suppressed leftist guerillas, quashed organized labor, and quelled community dissent against controversial energy as well as mining projects. Those events occurred at a crucial time for Colombia with the government desperate to reinvigorate an economically crucial hydrocarbon sector by restructuring Ecopetrol and attracting greater foreign energy investment. While violence has fallen since the 2000s, [the bloody struggle for Colombia's oil wealth](#) endures with the latest allegations casting a dark shadow over Ecopetrol.

In 2003, then-President Alvaro Uribe restructured state-owned Empresa Colombiana de Petróleos to form what is now known as Ecopetrol. This overhaul removed the unprofitable responsibilities associated with being Colombia's hydrocarbon regulator, transforming the company into a nimble profitable integrated energy major focused on petroleum exploration and production. By the end of 2007, Ecopetrol had completed a \$2.8 billion initial public offering (IPO) listing on Colombia's Stock Exchange, the Bolsa de Valores de Colombia (BVC). Roughly a year later the energy major listed on the New York Stock Exchange using American Depositary Shares (ADS), which are equivalent to 20 of the company's common shares. As of the end of December 2023, Ecopetrol remains controlled by Bogota, which owns 88.49% of the company.

Since the 2007 IPO, Ecopetrol's market value, after roaring to a record high during the 2013 oil boom, has crashed, with its market value down by a whopping 53%. Despite growing optimism surrounding the integrated oil company's operations, [there are signs Ecopetrol's market value](#) will never recover to earlier highs, with several headwinds weighing on the energy major's outlook. Among the most serious are Colombia's low proven reserves, lack of exploration success, and heightened geopolitical risk, especially after [leftist president Gustavo Petro took office](#) in August 2022, impacting the driller. The sensational allegations regarding Ecopetrol's ties to Colombia's paramilitary death squads and their decades-long campaign of violence, kidnapping, and murder is further weighing on the energy major's outlook.

Paramilitary units first emerged in Colombia during the late 1960s as citizen defense groups partnered with the security forces to protect local communities from the depredations of Marxist guerillas. By the 1980s, they had been coopted by large landowners, corporations, and the cocaine cartels, which used them to not only suppress leftist insurgents but also to intimidate the local populace while protecting their business interests. This saw those armed bands, in effect, transition into [rightwing death squads serving the interests of](#) Colombia's wealthy elite. By the end of 1997, the paramilitary militias were operating under the United Self-Defense Forces of Colombia (AUC – Spanish initials), an umbrella organization that unified their leadership and power into one representative body.

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Paramilitary militias were responsible for the largest portion of deaths in Colombia's nearly seven-decade-long civil war, which despite claims to the contrary, continues to this day. The Special Jurisdiction for Peace (JEP – Spanish initials), a non-punitive truth and reconciliation commission founded by the 2016 peace accord with the Revolutionary Armed Forces of Colombia (FARC – Spanish initials), [estimates approximately 450,000 people](#) died during the conflict. The tribunal found around 80% of those victims were civilians, with the special judicial body concluding that paramilitaries were responsible for nearly half of all civilians killed, while leftist guerrillas murdered 27% and the state security forces 12%. There is considerable evidence indicating right-wing death squads operated with impunity, not only because of collusion with elements of Colombia's security forces but also due to ties to the state.

For over a decade, serious allegations circulated that Colombia's army, police, and internal intelligence service, called the Administrative Department of Security (DAS - Spanish initials), aided and abetted paramilitary operations. Over time significant evidence, notably witness testimony, emerged indicating that paramilitary militias received arms, training, logistical support, and intelligence from security forces. There are even assertions that Colombia's political and business elite, including corporate executives, lawmakers, government ministers, and presidential staff, colluded with the leadership of the AUC and senior paramilitary commanders. The para-politics scandal, which began in 2006 after the demobilization of the AUC, [revealed the close, almost symbiotic, relationship](#) between Colombia's paramilitary militias and political as well as business elites. This highlighted the tremendous economic as well as political clout wielded by the AUC and paramilitary commanders in Colombia which led to the evolution of what [came to be known as the para-economy](#). As such, the AUC transformed into an integral economic intermediary and powerbroker, which came to be a natural ally of corporations, notably energy, mining, and agricultural enterprises, operating in Colombia.

For decades, leftist guerrillas considered Colombia's petroleum infrastructure a legitimate target in their struggle against the state and U.S. imperialism. By the 1980s, with Colombia's army seemingly incapable of stemming attacks, the payment of protection money from oil companies to the ELN and FARC was a lucrative source of income for the Marxist guerrillas. As raids on hydrocarbon infrastructure and demands for protection payments grew, energy companies turned to private security to protect their operations. This led to frequent instances of oil companies contracting paramilitary militias to safeguard assets which eventually evolved into the provision of other services, including the intimidation of organized labor officials, environmental defenders, journalists, and human rights campaigners. It is the city of Barrancabermeja, at the center of Colombia's oil heartland, where Ecopetrol's main 250,000 barrel per day refinery is situated, which emerged as a major flashpoint.

Barrancabermeja, a city of nearly 200,000 located in the Middle Magdalena Valley toward the western part of the Santander department, was a focal point for leftist guerrilla activity since the multiparty low-intensity asymmetric conflict erupted in the 1960s. By the 1980s, the ELN, which was founded in Santander in 1964, and FARC dominated the rural areas around Barrancabermeja and nearby municipalities. After the surrounding [countryside had been pacified by Colombia's security forces](#) and militias linked to cocaine cartels in the early 1990s, Bogota directed that Barrancabermeja be cleansed. The forthcoming restructure of Ecopetrol, along with an urgent need to reinvigorate Colombia's waning yet economically crucial oil industry, including bolstering reserves, exploration, and production, made subduing guerrilla activity in the city a vital geopolitical objective. It is alleged that at the behest of senior Ecopetrol representatives and government officials, rightwing death squads orchestrated a campaign of terror, including massacres, kidnapping, and disappearances, in and around Barrancabermeja.

In early 2023, former senior paramilitary commander Salvatore Mancuso, once the AUC's second in command, [implicated state-controlled Ecopetrol in the financing](#) of paramilitary militias. The warlord, who admitted to involvement in over 300 murders, [testified before the JEP](#) (Spanish) that Ecopetrol bankrolled paramilitary units and their operations. Mancuso went on to claim Colombia's national oil company maintained close ties with rightwing death squads, which in return for payments, protected the company's infrastructure, especially pipelines and well-heads, from attacks by leftist guerrillas. The former AUC commander also claimed senior Ecopetrol representatives provided lists of trade union officials, human rights campaigners, and community leaders opposed to controversial energy projects who were to be intimidated, kidnapped, and even murdered. According to Mancuso, those services were paid for, in part, by [allowing paramilitary militias to tap gasoline pipelines](#) (Spanish) and siphon fuel for later resale with the full knowledge of Ecopetrol officials.

A former Ecopetrol deputy security chief, Jose Eduardo Gonzalez Sanchez, [asserted that company executives financed and collaborated](#) (Spanish) with paramilitary militias in Barrancabermeja. Sanchez, who was once an army captain and eventually joined the Central Bolivar Bloc paramilitary militia, [claims he coordinated meetings between senior military police, DAS commanders](#) (Spanish), high-ranking company officials, and paramilitary leaders. The ex-Ecopetrol employee [testified at the JEP that the use of paramilitaries](#) (Spanish) to quash leftist guerrillas as well as their supporters in Barrancabermeja was frequently discussed at those meetings. He [further claimed that meetings](#) (Spanish) were held with Ecopetrol's corporate director of security, Marco Tulio Restrepo, and the Secretary of Security of the Presidency of the Republic, retired General Antonio Sanchez Vargas, to encourage the use of paramilitaries.

According to Sanchez, those events set the scene for the Central Bolivar Bloc, Colombia's largest paramilitary militia, to enter Barrancabermeja and initiate a campaign of terror against the civilian populace. The former Ecopetrol security chief even claims the company hired a Bell UH-1 military-style helicopter to transport weapons and other logistics for the rightwing death squads operating in and around Barrancabermeja. Like other corporations operating in Colombia, it is alleged Ecopetrol representatives provided rightwing death squads with lists of employees, including trade union members and those regarded as troublemakers, which saw them intimidated, kidnapped, and murdered. The paramilitary offensive began during the late 1990s and ended in the early 2000s with thousands of civilians displaced, kidnapped, murdered, and forcibly disappeared. Most victims were not Marxist insurgents or their supporters but noncombatants, mainly trade union officials, community leaders, and environmental activists.

Rodrigo Pérez Alzate, the commander of the Central Bolivar Bloc militia known by the alias Julian Bolivar, [testified before a 2009 Justice and Peace hearing](#) about the paramilitary militia's involvement in the extortion of trade union officials and their murders. This included the circulation of a "blacklist" of trade union members who were to be killed and admitting the responsibility for the murder of 15 unionists in Barrancabermeja. It is believed those activities led to the murder of several members of Colombia's oil workers union (USO – Spanish initials). The USO had been at loggerheads with Ecopetrol regarding pay and conditions, the looming restructure of the state-controlled energy company, the dismissal of trade union members and employment of non-union contract labor. Indeed, [U.S. Embassy officials recorded in a 2001 report](#) that members of non-government organizations (NGOs) working in Barrancabermeja complained that security forces were cooperating with the paramilitaries.

Representatives of the USO alleged in the same U.S. Embassy report that Ecopetrol contributes to the financing of the rightwing death squads by hiring paramilitary contractors and off-duty militia members for security and manual labor. There were also claims that paramilitaries controlled Barrancabermeja's gasoline cartel which was siphoning 4,000 barrels of gasoline daily from Ecopetrol pipelines, generating around \$30 million annually for rightwing death squads. In fact, the AUC's former second in command, Mancuso testified that Ecopetrol

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officials turned a blind eye to paramilitary units tapping company pipelines to extract fuel for services rendered. That fuel was then sold at service stations, with Ecopetrol officials providing the required dyes to allow its sale, in territories under paramilitary control generating hundreds of millions of dollars in income for paramilitary militias.

There is a dark legacy hanging over Colombia's national oil company Ecopetrol which, despite [promising to investigate, refuses to disclose](#) (Spanish) the nature of its relationship with Colombia's paramilitary militias. There is considerable evidence that from the late 1990s until the demobilization of the AUC in 2006 Ecopetrol financed the paramilitary militias which were responsible for most of the civilian deaths in Colombia's multi-decade low-intensity asymmetric conflict. The rightwing death squads [were used by corporations to intimidate](#) (Spanish) local communities, unionized labor, and human rights activists to secure controversial energy projects while protecting profits. In 2021, [there were also allegations that Colombia's largest paramilitary band](#), the Gaitanist Self-Defense Forces of Colombia (AGC – Spanish initials), which refused to demobilize in 2006, assisted Ecopetrol to repel Marxist guerilla attacks on its facilities and intimidate trade union officials.

By Matthew Smith for Oilprice.com

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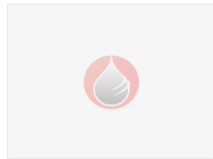
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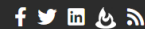
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