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U.S. FEDERAL COURTS ARE OFTEN CALLED UPON TO SETTLE international disputes. For example, the international threat of terrorism recognizes no borders, and occasionally the methods and means to combat this threat find their way into a court of law. Consider the recent case of *José Guevara v. the Republic of Peru*.

In October 2000, as the authorities closed in on him, international fugitive and spymaster Vladimiro Montesinos, a one-time advisor to former Peruvian President Alberto Fujimori, fled Peru on a sailboat bound for the Galapagos Islands. Authorities later learned that Montesinos made his way to Venezuela, where he visited a plastic surgeon to change his appearance. He later vanished, and an international manhunt ensued. In order to generate new leads, Peru offered a \$5 million reward for information to locate and capture Montesinos.

From the United States, Guevara—who had previously sheltered and protected Montesinos in Venezuela—disclosed Montesinos' hiding place and assisted authorities in capturing him. Though Montesinos was arrested as a result of Guevara's efforts, Peru refused to pay the reward. Guevara sued, and the case was ultimately dismissed pursuant to the Foreign Sovereign Immunities Act (FSIA), which protects foreign governments from lawsuits in the United States.

On appeal, Guevara argued that by offering a reward, Peru's actions constituted a "commercial activity"—an exception to the FSIA. The appellate court agreed:

"Peru could have attempted to use its police and investigatory powers to search for Montesinos without offering money for information from anyone outside the government. After the trail ran cold, Peru ventured into the marketplace to buy the information for a price ... The underlying activity at issue—the exchange of money for information—is commercial in nature and of the type negotiable among private parties."

Noting the importance of such reward programs in the post-9/11 era, the court concluded that, "Anything that makes it easier for countries to wench on their promises ... decreases the value of any reward. ... [W]e think it worth noting that the result the law requires coincides with good policy."

Diaz Reus managing partner Michael Diaz Jr. says, "In an ever increasing and interconnected global economy, more and more U.S. courts will be called upon to level the playing field and settle international disputes."

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