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ORGANIZED CRIME IN CENTRAL AMERICA: The Northern Triangle

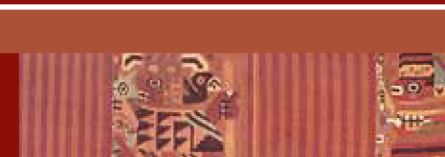


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THE NORTHERN TRIANGLE**

Edited by Cynthia J. Arnson and Eric L. Olson



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Soldiers inspect confiscated weaponry in Coban, Guatemala, on Dec. 21, 2010. Guatemalan military announced a month-long state of siege in Alta Verapaz Sunday, December 19, 2010, hoping to reclaim cities that have been taken over by the Mexican drug gang Los Zetas.

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INTRODUCTION

CYNTHIA J. ARNISON AND ERIC L. OLSON¹

In early May 2011, dozens of gunmen entered a farm in Guatemala's Petén region, murdering and decapitating 27 people. Guatemalan authorities as well as speculation in the press have blamed the Zetas, a violent Mexican drug trafficking cartel increasingly active in Guatemala and other parts of Central America². Whether a vengeance killing following the murder of a presumed drug lord, or a struggle amongst the Zetas and Mexico's Sinaloa cartel for the control of territory and smuggling routes, the massacre underscores the vulnerability of the civilian population in unsecured border areas between Mexico and Guatemala, where narcotics and human trafficking flourish. In response, the government of President Álvaro Colom declared a state of siege similar to the one declared from December 2010–February 2011 in the department of Alta Verapaz.

This incident and others like it underscore the serious threat to democratic governance, human rights, and the rule of law posed by organized crime in Central America. The international community has begun to address the burgeoning crisis and commit significant resources to the fight against crime and violence; indeed, not since the Central American wars of the 1980s–1980s has the region commanded so much attention in the international arena.

To better understand the nature, origins, and evolution of organized crime in Central America, and thereby contribute to the efforts of policy-makers and civil society to address it, the Latin American Program commissioned a series of case studies that looked at the countries of the so-called Northern Triangle—El Salvador, Guatemala, and Honduras—and at the broader regional context affecting national dynamics. Our interest was to understand more fully how organized crime has evolved in Central America, and to examine the links between organized crime and traffickers in Central America, Mexico and Colombia. What role does Central America play in the supply chain for illegal goods between

the Andes and the United States, and how have trafficking organizations from these areas related to one another over time?

The growing presence and activities of organized crime groups in Central America has worsened an already alarming crisis of citizen security. In mid- 2010, the Inter-American Commission on Human Rights reported that Latin America had the highest levels of youth violence in the world³. UN figures indicate that the rate of youth homicide in Latin America is more than double that of Africa, and 36 times the rate of developed countries⁴. An oft-referenced study by the United Nations Development Program (UNDP) noted in 2009 that the seven countries of Central America—Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama—register the highest levels of non-political violence in the world; this observation has been echoed in statements by the U.S. Department of Defense⁵. The situation is most acute in the countries of the Northern Triangle⁶. In El Salvador alone, sixty-eight percent of homicide victims are between the ages of fifteen and thirty-four, and nine out of ten victims are male⁷. Countries such as Costa Rica, Nicaragua, and Belize are also witnessing rising rates of insecurity associated with the increased presence of organized crime.

A 2011 study published by the World Bank helps to put the numbers in context: although the combined population of Central America is equivalent to that of Spain, in 2006, Spain registered a total of 336 murders, while the corresponding number in Central America was 14,257⁸. Grim as they are, murder rates in Central America capture only the most extreme form of violent crime, which also includes assault, robbery, and domestic violence. Indeed, with respect to youth violence, the United Nations estimated in 2010 that for every fatality, there were 20-40 victims of non-fatal violence⁹.

DRUG TRAFFICKING HAS EXACERBATED ALREADY HIGH LEVELS OF VIOLENCE

Crime and violence in Central America have multiple drivers, but none appears more responsible for the dramatic increase in violence than the illegal drug trade. The World Bank noted in 2011 that drug trafficking constitutes “the main single factor behind rising levels of violence in the

region,” indicating that crime rates are more than 100 percent higher in drug trafficking “hot spots” than in other areas. Crime and violence cause trauma and suffering for individuals as well as communities; they also have become a serious development issue, with “staggering economic costs” at the national level.¹⁰

The growing activity of organized crime groups in Central America, particularly drug traffickers, takes advantage of the region’s weak and fragile institutions as well as its geographical proximity to North American drug markets. While there is significant variation among the countries of the region, in most cases dysfunctional judicial systems have long fostered high levels of impunity and corruption. Processes of police reform and professionalization in the wake of peace settlements in Guatemala and El Salvador have been—to put it generously—incomplete. The region’s porous land borders and extensive coastlines are not adequately controlled, making them vulnerable to exploitation by criminal groups. Additional factors include high levels of youth unemployment,¹⁰ inadequate educational opportunities, particularly at the secondary level,¹² and an abundance of illegal light as well as heavy-caliber weapons (reflecting inadequate programs of post-war disarmament and reintegration as well as illegal weapons flows from the United States).

Criminal networks—including some originating during the era of internal armed conflict—have operated in Central America for decades (moving drugs, contraband, arms, and human beings). But Mexican organized crime groups have also increased their presence in Central America: as competition for control of territory has intensified in Mexico, these groups have expanded their illegal activities into contiguous territories, and are also now heavily involved in immigrant smuggling.¹³ An additional factor putting pressure on Central America is that U.S. and Mexican authorities have succeeded in limiting drug flights from South America into Mexican territory; as a result, more clandestine flights are now routed through the Northern Triangle.¹⁴

Figures from the State Department paint an especially stark portrait. The State Department’s Bureau of International Narcotics Control and Law Enforcement estimated that in 2008, 42 percent of the cocaine entering the United States transited Central America directly from South America. By 2010, the estimate of the amount of cocaine smuggled to

the United States through Central America had jumped to 60 percent of the total.¹⁵ This dramatic increase over a two-year period represents a major shift in trafficking patterns, and Guatemala and Honduras play pivotal roles in these networks. Admiral James Winnefeld, head of the U.S. Northern Command, recently told the United States Congress that nearly all the cocaine destined for the United States crosses the Mexico-Guatemala border.¹⁶ Outgoing U.S. Ambassador to Honduras Hugo Llorens similarly estimated that approximately 42 percent of cocaine flights leaving South America for other parts of the world go through Honduras.¹⁷

Central America is a classic representation of the unrelenting dynamic of the drug trade over the past several decades in which improvements in one country or sub-region translate into deterioration elsewhere. The “balloon effect” usually describes the phenomenon by which reductions in illegal drug activity in one country lead to increases in another. But the balloon effect is much more pernicious; all aspects of organized crime—from cultivation of drugs to production to all forms of illegal trafficking—constantly change shape as traffickers adapt to changing and persistent levels of demand and corresponding levels of profit increased competition from rival gangs, and increased enforcements. Central America is paying a heavy price because of this constantly shifting scenario.

In the report’s first chapter, “Drug Trafficking Organizations in Central America: *Transportistas*, Mexican Cartels, and Maras,” Stephen S. Dudley provides an overview of drug trafficking activities in Central America dating back to the 1970s. Dudley describes the ever changing dynamics within the international drug trafficking business during the 70s and 80s and examines how these changes have affected Central America. He argues that successful international efforts to disrupt Colombian trafficking routes through the Caribbean and Miami, along with the demise of the Cali and Medellín cartels in the 1980s, made Central America a strategically important area for the international drug trade because of its geography, the existing criminal networks with experience moving contraband and laundering money, and the abundance of weapons from the region’s many armed conflicts.

Dudley also examines the nature and role of local smuggling and contraband networks that cropped up in Central America during

the armed conflicts that ravaged the region in the 1970s and '80s and that continued into the post-war demobilization period when many combatants were suddenly idled. These criminal networks, known locally as *transportistas* (transporters), developed sophisticated transportation routes and took advantage of weakened state institutions that enabled them to move almost any product, including illegal drugs, and to engage in human trafficking from south to north and into the hands of larger Mexican organizations.

Dudley's chapter also explores the role played by Mexican criminal organizations as they became increasingly important players in the transnational drug trafficking business—displacing Colombian organizations as the primary traffickers through the region. Mexican organizations have historically maintained a foothold in Central America, but their presence has continued to expand as Central America becomes a more important transshipment point between the Andes and Mexico. According to the U.S. government, an estimated half of the illicit drugs entering the United States through Mexico stop first in Central America. Central America is within reach of drug-laden *go-fast* boats leaving the Andes.

Dudley also begins to dissect the complex relationship between youth gangs, known as *maras* in Central America, and drug trafficking organizations in Central America, Colombia and Mexico. Although these groups are sometimes lumped together, Dudley maintains that the *maras* are a separate phenomenon that, at times, overlap and cooperate with organized crime networks by providing security or helping to move product. The *maras* also become recruitment arenas for organized crime in some cases.

In his chapter, "Organized Crime in El Salvador: The Homegrown and Transnational Dimensions," *Douglas Farah* expands on some of the themes identified by Dudley. He notes that organized crime in Central America is best understood within a post-conflict context that makes these countries particularly vulnerable to criminal activity. In El Salvador, for example, some Cold War networks that were formed to transport weapons and people during the country's internal armed conflict survived the peace process and evolved into criminal entities after the armed conflict had ended. Leaders of El Salvador's current criminal groups tend to be former members of the security forces or ex-FMLN

combatants, even though approximately 95-98 percent of combatants demobilized in good faith at the end of the conflict. Nevertheless, a small number of individuals with combat training continued to operate with access to pre-existing transnational networks and possessing automatic weapons that exceeded those of the police. They have evolved into clandestine networks that remain deeply entrenched in El Salvadoran society and now form the basis for organized crime.

The transformation of ideological groups into criminal actors was facilitated, in part, by their access to “wartime structures and tactics,” including intelligence and smuggling routes. This has led Mexican and Colombian organizations to take advantage of El Salvador’s position and use it as a “pipeline” where trafficked items, such as cocaine, migrants and cash, can be inserted into the trafficking stream at different “nodes” and then reliably delivered on the other side of the border. As a result, most of the organizations that participate in drug-trafficking in El Salvador are tasked primarily with protection and transportation of Colombian or Mexican-owned products. One example of this relationship is the Sinaloa cartel’s (Mexico) reliance on *Los Perrones Orientales*, an organized crime group that transports product by land from the Pacific Coast to Guatemala. At least one police official believes that *Los Perrones Orientales* aspire to “become mini Mexican cartels.” Indeed, Farah noted that they frequently emulate the extravagant and risky lifestyles of the Mexican cartel members through activities like car and horse racing, and *narco-corridos*, or musical tributes to their work.

A third element of the organized crime structures in El Salvador are youth gangs. While the gangs are not generally believed to have been completely subsumed by organized crime, there is evidence that upper echelons of transnational youth gangs, such as the *Mara Salvatrucha* (MS-13), provide security, or “muscle,” for the Mexican cartels and frequently provide transport services for organizations like *Los Perrones Orientales*. These upper levels are often made up of former combatants and there is evidence that Mexico’s *Zetas* are attempting to recruit senior gang leaders because of their “contacts, markets and security arrangements” in the United States that the *Zetas* would otherwise not be able to access. Conversely, the lower level gang members control a small percentage of drugs received from the cartels and sold locally. Neighborhood cocaine

sales, known as *narcomenudeo*, drive local violence as gangs fight to control territory in order to convert cocaine into profit.

Organized crime also presents a challenge to nascent institutions and political structures in El Salvador vulnerable to corruption. Cartels are known to have infiltrated the political leadership in some areas and re-direct resources into local and municipal elections in order to ensure that specific trafficking routes are protected. Evidence of this corruption is seen in the presence of political parties that do not garner widespread public support (less than 5 percent of the vote), but continue to survive in certain geographic areas, particularly those that facilitate the entry of drugs and contraband into Guatemala. Further, the related flow of laundered money moving between the United States and South America through El Salvador distorts the economy. That the Salvadoran economy is dollarized facilitates this process.

The situation is comparable in Honduras, according to the chapter by James Bosworth, “Honduras: Organized Crime Gained During Political Crisis.” As in El Salvador and Guatemala, Honduras has experienced the effects of the increasingly violent organized crime in Mexico, especially with respect to illicit trafficking. In recent years, the country has recorded one of the highest homicide rates in the world, upwards of 60 murders per 100,000 inhabitants. Honduras has also become one of the world’s most dangerous countries for journalists. Nevertheless, what distinguishes Honduras from its Central American neighbors, according to Bosworth, is the 2009 coup against President Manuel Zelaya. The coup diverted the interim government’s attention to matters of state survival which meant there was less vigilance in combating organized crime and lead to the expansion of organized crime throughout the country.

Prior to the coup, organized crime groups in Honduras were primarily involved in the transport of cocaine northward from Peru or Colombia via air or sea. Once drugs arrived in country, the process was “Mexicanized” or turned over to either the Sinaloa cartel or the *Zetas*, which then moved the product out of the country by land or by sea, respectively. Generally, the planes bringing cocaine into Honduras have crash-landed in remote areas eliminating the need for landing stripes and facilitating the destruction of evidence. Additionally, the movement of drugs within Honduras is closely tied to human smuggling with the

Zetas in particular using kidnapped migrants to demand ransoms while using them to also traffic drugs into the United States.

Honduran officials cite violence at the local level—related to drug consumption and local drug-trafficking—as an additional key concern. According to Bosworth, Honduras has the largest absolute number of gang members in Central America. While not directly involved in the transnational enterprise itself, as in El Salvador, gangs provide muscle for the Mexican organizations. They have also achieved territorial control in certain neighborhoods of San Pedro Sula and Tegucigalpa, where extortion serves as their primary source of income. Further, gangs pose a major challenge to the effectiveness of the country’s prison system. Prisoners are often able to coordinate and execute illegal activities from inside of the prison, as well as smuggle weapons into the prison.

In 2006, newly elected Honduran President Manuel Zelaya pledged to address his country’s crime and especially the gang problem. Nevertheless, despite these promises crime continued to increase throughout his administration. Bosworth argues that he paid little attention to security, opting in the time leading up to the coup to instead focus promoting a constitutional reform process. After the coup, the state’s attention was further diverted from the challenges posed by organized crime and toward the crisis of governance. Control of the country’s airspace was lost and the security forces were placed on high alert to repress the public protests in support of the deposed President and to prevent Zelaya from reentering the country. At the same time, the international community protested the coup as a threat to Honduran democracy by severing diplomatic ties and cutting off other intelligence resources necessary for tracking transnational organized crime. According to Bosworth, the lack of intelligence-sharing diminished the Honduran attorney general’s ability to track the movements through Honduras of major traffickers like “El Chapo” Guzmán.

As a result of the sudden loss of resources and information-sharing capabilities, the Honduran government was seriously limited in its capacity to challenge the overwhelming resources at the disposal of organized crime groups. The cartels were able to take advantage of this weakness, as demonstrated by the estimated 500-1000 tons of cocaine that moved through the country during the government of interim President Roberto Micheletti.

The upward trend appears to have stabilized under current President Porfirio Lobo, with the reestablishment of information sharing and the priority his administration has given to the security issue. However, Lobo's methods for confronting crime have not led to a reduction in homicide rates and some government opponents are concerned about what they see as an increase in repression. For example, Lobo has called on the military to participate in public security operations, not only in high-crime urban areas but also in areas with social or political unrest. This has led to accusations that the Lobo government pays little attention to human rights and does not differentiate between criminal activity and legitimate social movements. In this context, Bosworth warned that political tensions in the aftermath of the coup could prove debilitating for the fight against organized crime in Honduras.

In her chapter on organized crime in Guatemala, *Julie López* describes the country as a state fighting two wars: one with organized crime and one with itself. Guatemala, she argues, is confronting a legacy of corruption and impunity rooted in the 36-year internal armed conflict. She emphasizes that organized crime incorporates not only foreign criminal networks and local criminal organizations, but also local authorities—military, police, and civilian. As in El Salvador, the roles these actors played during the country's civil conflict are an important—though not the only—part of the current dynamic of crime and violence in the country. According to López, organized crime in Guatemala was sheltered by the armed conflict and grew following the end of the war.

The Colombian cartel incursion into Guatemala was ultimately facilitated by military corruption, according to López. With the declining importance of Colombia's cartels in the mid-90s and the changing role of Guatemala's military after the 1996 peace accords moved them out of an active combat, Colombian influence in Guatemala, based primarily on its relationship with the Guatemalan military, declined significantly. In its place, Mexican cartels entered to fill the vacuum. Now, the *Zetas* have taken over the northern area of Guatemala's Huehuetenango state, and the Sinaloa cartel operates mostly in the southern and eastern parts of the country. Of the seven organized crime groups alleged to be operating in Guatemala, López identified two – the Lorenzano and Mendoza families – as “historical anchors” for organized crime in Guatemala. Together, these organizations control drug-trafficking

in Zacapa and Petén, respectively. Their family-oriented structures—composed of fathers, sons, and sons-in-laws—appear to coexist with the Mexican cartels and exercise control over territories and populations. The relationships these groups foster at the local level help guarantee their impunity. It has been suggested, for example, that the local police in Zacapa warn the Lorenzanos of any attempts to arrest them and they appear to be supported by their community.

Organized crime structures are complicated not only by the relationships they have with the authorities, but also by the diversity of their activities. Guatemalan organized crime groups are linked with local youth gangs (*maras*) through retail drug markets (*narcomenudeo*) and the trade in advanced weapons. The *maras* are reportedly responsible for approximately 48 percent of crime in Guatemala City and estimates indicate that between 1.2 and 1.8 million weapons are in use in Guatemala. Violence is exceptionally high compared to the period of the armed conflict. Although only about 10 percent of the cocaine trafficked in the country is for local distribution or consumption, there is increasing violence associated with payment in product for transportation and protection services.

Almost all institutions—civilian, military, and police—have shown some connection to organized crime and attempts to address this corruption have created unique challenges. Police reform and the transformation of the military's role with respect to public security are major areas of focus. The government's attempts to demilitarize and reform the police coincide with a strategy of militarizing certain parts of the country overtaken by drug-trafficking. In addition, a deeper and more comprehensive police reform is financially impeded by the government's inability to convince the Congress and society to raise taxes. The public sector in Guatemala is also historically weak. According to López, this is mainly the result of nepotism and an ineffectual public service law. Further, it is extremely difficult for the Guatemalan Congress to pass legislation regarding justice and security. At present, 14 different political parties are represented in Congress. While such a divided Congress prevents any single party to control the legislature, it also reflects the difficulty of sustaining policies over time. López emphasized the need for reforms that promote continuity of security policies “as opposed to

the current practice of quickly wiping away policies when a new official is appointed...”

THE U.S. RESPONSE

Initially, the U.S. government was slow to respond to the ways that increased counter-drug enforcement throughout the Andes would affect Mexico and other countries closest to the world’s largest drug market in North America. Central America was initially an afterthought as the United States and Mexico launched Plan Mérida in 2007-2008. However, faced with the deteriorating situation in Central America, the Obama administration has increased its support for the countries of Central America through CARSI, and for the Caribbean through the CBSI.¹⁸ The goals of CARSI—to reduce the levels of violence, foster economic and social opportunity, prevent the transit of contraband and criminals, expand law enforcement, judicial, social and educational opportunities, among others¹⁹—are broad and the Obama administration has embraced an agenda that seeks to combine social prevention policies with efforts to strengthen law enforcement institutions, and has worked to coordinate its strategy with other foreign donors and international development banks.

Between Fiscal Years 2008 and 2010, Central America was slated to receive \$260 million, with an additional \$100 million in each of the following two fiscal years (FY 2011 and FY 2012). Despite initial delays, the disbursement of funds appears to have accelerated. U.S. financial support to Central America is conditioned by the ongoing financial crisis in the United States and reductions in government spending across the board: while a substantial increase over previous years, U.S. assistance to Central America is still tiny when compared to the amounts provided during the years of the Central American wars: more than \$6 billion to El Salvador alone between 1980 and 1992. Similarly, U.S. assistance to Colombia has totaled \$8.699 billion from FY 2000 through FY 2012.²⁰

Maximizing the use of scarce U.S. resources in a time of shrinking budgets requires close coordination with other donors (including the Inter-American Development Bank, the World Bank, and the agencies of the U.N. system) as well as significant cooperation across the multiple

U.S. agencies—the State Department, Agency for International Development, DEA, FBI, ATFE, Homeland Security, and others—involved in the efforts to improve citizen security and combat organized crime in Central America. The United States has and should continue to make every effort to respond to—and actively foster—the development of both national and regional security plans that provide a comprehensive and operational roadmap for addressing questions of long-term institutional reform and capacity building (in both the security and rule of law arenas) while addressing the underlying social conditions and lack of opportunity that serve as incubators for social violence.

Getting from here to there is not easy. The countries of Central America have very different levels of institutional capacity as well as political will to confront organized crime and support the reforms—institutional as well as social—necessary to make a difference. Resources are essential, but financial support from the international community can only go so far if elites in the region refrain from paying taxes and politicians and societies are unwilling to increase the rate of taxation as a percentage of GDP. Throughout the region, there is a need for an increase in domestic resources to fight crime and its underlying social causes. This necessitates fiscal reform that increases tax revenue across the board, improves the equity of the tax burden, and improves the transparency and accountability of government spending.

Guatemala has a particularly poor record in this regard. Despite years of pressure by the international community to raise taxes in the wake of the 1996 peace accord, the tax rate remains one of the lowest in the entire hemisphere. In 2010, the government increased social spending—not in and of itself a bad thing—but did so at the expense of the budgets for law enforcement and the judicial sector.²¹ As Julie López illustrates in her chapter on Guatemala, this political impasse has stymied the efforts of a handful of those in the government—the Attorney General and the crusading human rights activist now at the helm of police reform—to implement changes.²²

The situation in El Salvador is more promising; the government of President Mauricio Funes has undertaken a purge of the police force, is targeting social investment to municipalities with high levels of violence and exclusion, and is attempting a broad-based national dialogue on socio-economic issues. The intense, ongoing polarization of Salvadoran

society is a key obstacle to the success of these efforts although there are hopeful signs of private sector involvement in prevention and employment programs to reduce youth violence. Nicaragua also has a promising record of social prevention policies and police reform that have kept youth violence in check and enhanced citizen security at the community level; in 2011 the State Department called the Nicaraguan Navy “one of Central America’s most effective agencies in narcotics interdictions.”²³

In focusing on the countries of the “Northern Tier,” the U.S. government should also remain mindful of countries such as Costa Rica, Belize, and Nicaragua, where drug trafficking is increasing but, for a variety of reasons, has not reached the crisis proportions that exist elsewhere in the region. Short-changing these nations now practically guarantees that a greater crisis will develop at some point in the near future. Areas of priority should include what is being done elsewhere in Central America: assisting security institutions to control “ungoverned spaces,” reinforcing judicial institutions, establishing or reinforcing independent Inspectors General to investigate and weed out corruption, and expanding social protection networks. Working preemptively in these areas is preferable to responding to a situation once it has gotten out of hand.

The Central American countries themselves have taken steps to better coordinate their efforts against organized crime and to jointly seek financial and technical support from the international community, with the Central American Integration System (SICA) providing the institutional framework for these coordination efforts. In May 2011, for instance, Central American foreign ministers, police chiefs, and other security officials met in San Salvador under SICA’s auspices to begin devising a regional security plan.²⁴ This initial meeting was followed by a conference convened by SICA in Antigua, Guatemala on June 22-23 where all seven of the region’s presidents, as well as the presidents of Mexico and Colombia, U.S. Secretary of State Hillary Clinton, several European countries, and representatives from the Inter-American Development Bank and the World Bank met to agree upon the outline of the “Central America Security Strategy.”

The June SICA conference produced strong political and diplomatic support for a four-part regional security strategy that includes 22 additional proposed projects intended to help implement the strategy. U.S. and other international donors have responded to the region's strategy with commitments of continued and renewed funding, as well as efforts to improve donor coordination and to strengthen regional mechanisms for policy planning and implementation. For example, the United States has promised a total of \$240 million in funding between fiscal year 2010 and 2011, and the World Bank has promised to make security-related loans to the region of approximately \$1 billion to help fund the strategy. At the same time, Central American countries must take concrete steps to demonstrate their commitment to the strategy by moving beyond the planning stages and taking steps to make operational the strategy that was adopted in Guatemala in June.

The Obama administration made significant efforts in 2009–2011 to emphasize domestic treatment and prevention programs as priority elements of its national drug control strategy. Redefining the drug abuse problem in the United States as a public health problem is beginning to translate into more resources for treatment and prevention, with additional increases of one percent and eight percent, respectively, proposed for Fiscal Year 2012. While drug consumption and demand is a growing problem within Latin America—particularly as narco-trafficking organizations pay in product rather than cash²⁵—it is nevertheless the case that Central America's problem with organized crime is a direct consequence of the demand for narcotics from the United States, still the largest market in the world for cocaine and other drugs.

Finally, as the United States adopts the framework of “shared responsibility” for the scourge of drug violence throughout Mesoamerica, it must be mindful of the need to do more: to combat the traffic in small arms and automatic weapons flowing from North to South (the Obama administration has not attempted to reinstate the assault weapons ban that expired in 2004); to increase the capacity to combat money laundering, particularly in dollarized economies such as El Salvador's; and to seize, rather than avoid, opportunities for broader debate on U.S. demand reduction and anti-drug strategies, as called for by many in Latin America as well as in the U.S. Congress.

It is no exaggeration to say that crime and violence abetted by organized crime constitute central threats to democratic governance in Central America and the survival of democratic institutions. The task is not only to increase law enforcement and judicial capacity, but also to address the poverty, exclusion, and lack of opportunity that provide a vast breeding ground for crime and violence throughout the region.

ENDNOTES

1 This introduction draws extensively from: statement of Cynthia J. Arnson, “A Shared Responsibility—Citizen Security and Counter-Narcotics Initiatives In The Americas,” Testimony before the senate Foreigns Relations Committee, Subcommittee on the Western Hemisphere, Peace Corps and Global Narcotics Affairs, March 31, 2011; and statement of Cynthia J. Arnson, “U.S.-Central America Securing Cooperation,” Testimony before the Senate Caucus on International Narcotics Control, May 25, 2011.

2 Jerson Ramos, “Matanza en Petén tras el asesinato del presunto heredero de Juancho León,” *El Periódico* (Guatemala), May 16, 2011; Ken Ellingwood and Alex Renderos, “Massacre leaves 27 dead in northern Guatemala,” *Los Angeles Times*, May, 15, 2011; “Guatemala lanza cacería de autores de matanza,” *Prensa Libre* (Guatemala), May 17, 2011; Elyssa Pachico, “With Guatemala Massacre, Mexico Drug Gang Rules by Terror,” *InSight Crime*, May 19, 2011, <http://www.insightcrime.org/insight-latest-news/item/952>.

3 Organization of American States, Inter-American Commission on Human Rights, *Report on Citizen Security and Human Rights*, May 10, 2010.

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6 United Nations Development Program, *Informe sobre desarrollo humano para América Central 2009-2010* (New York: UNDP, October 2009).

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9 United Nations Office on Drugs and Crime, *The Globalization of Crime: A Transnational Organized Threat Assessment* (Vienna: UNODC, 2010), 32.

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11 The countries of the Northern Triangle have human development indicators (compiled by the United Nations Development Program) that are among the lowest in Latin America. The three countries similarly rank low on the World Bank's Human Opportunity Index, with scores as much as twenty points below the average for Latin American and the Caribbean. UNDP, op. cit, and José R. Molinas, Ricardo Paes de Barros, et. al., *Do Our Children Have a Chance? The 2010 Human Opportunity Report for Latin America and the Caribbean* (Washington, D.C.: The World Bank, 2010), 55.

12 By 2008, the number of primary-school age children who were enrolled in school reached 94 percent in El Salvador, 95 percent in Guatemala, and 97 percent in Honduras. But progress in expanding access to basic education, was not matched in enrollment rates in secondary school, which were only 55 percent in El Salvador and 40 percent in Guatemala (figures for Honduras are not available) Figures are from the World Bank, World Development Indicators, and United Nations Educational, Scientific, and Cultural Organization (UNESCO) Institute for Statistics, cited in Aaron Terrazas, Demetrios G. Papademetriou, and Marc R. Rosenblum, "Demographic and Human Capital Trends in Mexico and Central America, Draft, Migration Policy Institute, February 2011, 10-13.

13 See Steven Dudley chapter in this volume; and "Drug Trafficking Organizations in Central America: Transportistas, Mexican Cartels and Maras," in Eric L. Olson, David A. Shirk, and Andrew Selee, eds., *Shared Responsibility: U.S.-Mexico Policy Options for Confronting Organized Crime*, Woodrow Wilson Center Mexico Institute and University of San Diego Trans-border Institute, 2010.

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18 The Congressional Research Service has recently published several excellent reports on drug trafficking and Central America. See Clare Ribando Seelke, "Mérida Initiative for Mexico and Central America: Funding and Policy Issues," January 21, 2010; Clare Ribando Seelke, "Gangs in Central America," January 3,

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19 See The White House, Office of the Press Secretary, “The Central America Citizen Security Partnership,” Fact Sheet, March 21, 2011, 1-2 (released during President Obama’s trip to El Salvador, Chile, and Brazil).

20 The figure includes \$400 million requested I Fiscal Year 2012. See June S. Beittel, “Colombia: Issues for Congress,” Congressional Research Service, March 18, 2011, 32.

21 U.S. Department of State, *INCSR*, 2011, op. cit.

22 See Fernando Carrera, “Quién ayuda al narco?” *El Periódico* (Guatemala), May 19, 2011; For a video of the presentation of Guatemala’s Presidential Commissioner for Police Reform, Helen Mack, see http://www.wilsoncenter.org/index.cfm?topic_id=1425&categoryid=34F61C49-AF18-8F3B-9CD0E09642AB4BF1&fuseaction=topics.events_item_topics&event_id=632402.

23 U.S. Department of State, *INCSR*, 2011, op. cit.

24 The Central American nations were joined by officials from the Dominican Republic, as well.

25 Doug Farah, op. cit.

DRUG TRAFFICKING ORGANIZATIONS IN CENTRAL AMERICA: *TRANSPORTISTAS*, MEXICAN CARTELS, AND MARAS'

STEVEN S. DUDLEY

INTRODUCTION

The U.S. Government estimates that 90 percent of the illicit drugs entering its borders passes through the Central American Isthmus and Mexico. Of this, close to half goes through Central America.² Functioning as a transshipment point has had devastating consequences for Central America, including spikes in violent crime, drug use, and the corroding of government institutions. Mexico receives most of the media attention and the bulk of U.S. aid, but the Northern Triangle – Guatemala, El Salvador, and Honduras – has murder rates five times as high.

While Mexico is having some limited success dealing with its spiraling conflict, vulnerable States in Central America are struggling to keep the organized criminal groups at bay, even while they face other challenges such as widespread gang activity. U.S. and Mexican efforts to combat the drug cartels in Mexico seem to have exacerbated the problems for Central America, evidenced by ever increasing homicide rates.³ “As Mexico and Colombia continue to apply pressure on drug traffickers, the countries of Central America are increasingly targeted for trafficking, which is creating serious challenges for the region,” the State Department says in its 2010 narcotics control strategy report.⁴

Problems are particularly acute in Guatemala, El Salvador, and Honduras, three States with vast coastlines, large ungoverned spaces, and the greatest proximity to Mexico. However, geography is only part of the problem. Armed conflicts in Guatemala, El Salvador, and parts of Honduras between 1960 and the mid-1990s laid the foundations for the weapons trafficking, money laundering, and contraband traffic that we are witnessing today. Peace accords in Guatemala and El Salvador, and police and military reform, only partially resolved deep-seeded socio-economic and security issues, and, in some cases, may have accelerated a

process by which drug traffickers could penetrate relatively new, untested government institutions.

Despite the gravity of the problem, Central America has, until recently, gotten little regional or international cooperation to combat it⁵. Examples of cross-border investigations are few. Communication between law enforcement is still mostly done on an ad-hoc basis. Promises to create a centralized crime database remain unfulfilled. Local officials are equally frustrated by the lack of international engagement and policies that often undermine their ability to control crime, especially as it relates to alleged gang members.

Regional governments also face mixed messages from both the international community and their local populace, further hampering their efforts to combat rising criminal activity. A push for free trade in the region, for example, means more infrastructure, less centralized government control, and unfettered borders, all important parts of any organized criminal operation. Long histories of the governments' abuse of authority, repression of political movements and outright murder of political opponents, make locals wary of giving authorities more power to monitor their private lives in an effort to root out crime.

This chapter is about drug trafficking organizations (DTOs) operating in Central America. It is broken down by theme rather than by country. It provides a brief history of DTO activity in the region; descriptions of who operates the DTOs, both locally and internationally, and their modus operandi; the use of street gangs in DTO activities; DTO penetration in government and security forces; local, regional, and international efforts and challenges as they try and combat DTOs. The chapter is centered on the three countries where the problem of DTOs appears to be the most acute: Guatemala, El Salvador, and Honduras.⁶

HISTORICAL BACKGROUND

DTOs in Central America can be broken down into two main categories: the managers and the transporters. Local and foreign agents interviewed in three different countries by the author indicate the managers are mainly Mexican groups who obtain the supplies from Colombian, Bolivian, and Peruvian groups in the source countries. These Mexican

groups play an increasingly active role in all parts of a supply chain that has gone through a massive transformation in recent years and warrants a brief overview.

In the 1970s, when coca was a little known leaf outside of Latin America, Peru, and Bolivia produced 90 percent of the crop and coca paste. Colombians obtained the paste in bulk, made the cocaine hydrochloride (HCl), and exported it to the United States via the Caribbean and Central America. By the late 1970s, the Colombians were trafficking large quantities of cocaine through Central America, principally through Honduras, and then Mexico, giving rise to the first Central American and Mexican DTOs.

The Honduran Juan Ramón Matta Ballesteros, for instance, split his time between Honduras, Colombia, and Mexico, providing a bridge between the Medellín Cartel and what would become the Guadalajara Cartel in Mexico. Other routes through Nicaragua and Panama would eventually compete with Honduras, especially after leaders in the Guadalajara and Matta Ballesteros organizations were implicated in the murder of Drug Enforcement Administration (DEA) agent Enrique Camarena in Mexico in 1985 and went on the run.

In the 1990s, the supply chain changed after Colombia's two main organizations, the Medellín and Cali Cartels, were dismantled. The end of the Medellín and Cali Cartels meant the end of direct purchase of coca paste in Peru and Bolivia, and the resulting boom in coca production in Colombia. Regions such as Putumayo, along the Ecuadorean border, Norte de Santander, along the Venezuelan border, north-central Antioquia near the Panamanian border and the northern coast, and the Sierra Nevada de Santa Marta on the Caribbean, became centers for coca production. In this scenario, territorial control became more important. While both the Medellín and Cali Cartels operated large, sophisticated armed networks, the new groups were quite literally armies that competed for control of this production.

Of these, the United Self-Defense Groups of Colombia (Autodefensas Unidas de Colombia - AUC) was the largest. A nationwide movement of paramilitary groups formed in the 1990s ostensibly to fight leftist guerrillas, at its height, the AUC had some 35,000 soldiers at its disposal. At the AUC's center was Diego Murillo, alias 'Don Berna,' an ex-guerrilla turned bodyguard and hitman of the Medellín cartel

who later converted several local Medellin street gangs into his own hit squads and enforcers. Meanwhile, portions of the police split off to form the core of Norte del Valle Cartel, a loose syndicate of traffickers based near Cali that also had huge armed groups at their disposal. Pieces of the Norte del Valle Cartel eventually merged with the AUC. Some guerrilla fronts from the Revolutionary Armed Forces of Colombia (Fuerzas Armadas Revolucionarias de Colombia - FARC) also became increasingly involved in the production and supply of cocaine, mostly through Venezuela, Brazil, and later Ecuador.

Each of these organizations used Central America and Mexico to transport their drugs. One AUC leader used the same coastal property that Juan Ramón Matta Ballesteros once did to dispatch drugs by land and air to different points in the Caribbean, Central America, and Mexico. The FARC focused mostly on developing their own routes through Venezuela but also sought contacts in Mexico.⁷ The Norte del Valle Cartel, fortified the routes that are still the most utilized today, specifically the use of go-fast and fishing boats dispatched along the Eastern Pacific.⁸

Major Mexican DTOs:

1) Sinaloa Cartel: Its operations stretch from Chicago to Buenos Aires, but its power base is in Mexico's so-called northern triangle where much of the marijuana and poppy is grown: Sinaloa, Durango, and Chihuahua. It is also fighting for more control of routes through Chihuahua, Nuevo Leon, Tamaulipas, and Baja California.

2) Gulf Cartel: This organization operates in the Eastern states of Nuevo Leon and Tamaulipas. However, its former armed wing, known as the Zetas, which was

formed by former Mexican Special Forces, has broken ranks and created its own cartel. The two are now disputing its traditional strongholds.

3) Zetas: Formerly the armed wing of the Gulf Cartel, this organization is considered the most disciplined and ruthless of Mexican DTOs. Drawing from their military background, this cartel has systematically obtained new territory throughout Mexico and Central America.

4) Juarez Cartel: Centered in this northern city, this organization is at the heart of the battle for control of

the border and continues to be a major purchaser of cocaine in source countries such as Colombia.

5) Tijuana Cartel: Fractured in recent years by arrests and infighting, this organization remains a force in this important border town.

6) Beltran-Leyva Organization: After numerous arrests, authorities killed its top leader, Arturo Beltran-Leyva in December 2009. The organization has subsequently split with its former armed wing fighting for control over

its territory in the central and western states of Morelos and Guerrero.

7) Familia Michoacana: Originally a paramilitary force designed by the Zetas to fight the Sinaloa Cartel in Michoacan, this disciplined and ruthless organization now operates numerous northern and southern states.

Sources: Author interviews with Colombian, Mexican, and U.S. counternarcotics officials.

In 2003, the supply chain went through another transformation. The *Norte del Valle* Cartel began a bloody internal war after one faction assassinated one of the other faction's key leaders. The war coincided with the beginning of a peace process in which the AUC leaders demobilized their armies and handed themselves in to authorities. Several AUC leaders were also assassinated during this process. The Colombian government also began a military offensive against the guerillas, dislodging them from many of their strongholds in coca-producing areas.

The disintegration of the Norte del Valle and AUC Cartels left numerous groups battling for control over their territory and routes, including Mexican organizations such as the Gulf, Tijuana, Juarez, and the Sinaloa Cartels, who have positioned themselves throughout the Andes to take advantage of the shakeup. In Colombia, these Mexican organizations are now negotiating directly with the HCl providers.⁹ The economics are simple: What is a 20 to 30 percent stake for transporting the cocaine from Mexico to the United States becomes a 70 to 80 percent stake by obtaining it at the source.¹⁰

In addition, in Colombia, operating on a large scale has become more difficult. The life-span of today's *capo* is often months, not years, in part due to skyrocketing number of extraditions from Colombia to the United States.¹¹ The vast number of informants and cooperators

Major DTOs in Colombia, their areas of operation and possible allies:

1) Rastrojos: Former Norte de Valle lieutenants of Wilber Varela. They have teamed with the Ejército Revolucionario Popular Antiterrorista Colombiano (ERPAC), which is headed by former AUC commanders who never demobilized, and Daniel Barrera, alias 'El Loco.' They operate from two key points of dispatch: the Pacific Coast and the Venezuelan border. Their Mexican partners are Sinaloa and Juarez Cartels. They use aerial routes leaving from Eastern Colombia and southwestern Venezuela, and seafaring routes from the Pacific Coast.

2) Urabeños: Remnants of what was the most powerful army within the AUC. Positioned along the Panamanian border in the northwestern corner of the country with access to both coasts and a sparsely populated border, this is the natural gateway into and out of Colombia. Their Mexican partners are the Gulf Cartel.

3) Revolutionary Armed Forces of Colombia (FARC): 48th Front, which operates along the Ecuadorean

border, the 30th Front with access to the Pacific Ocean, its 10th, 45th, 27th, 44th, and 16th Fronts, along the Venezuelan border, and possibly the 57th Front in Chocó, near the Panamanian border, are the most active suppliers of HCl. Their partner, in most of these cases, is thought to be remnants of the Tijuana Cartel, although recent arrests in Colombia also point to a working relationship with the Juarez Cartel.

4) Los Paisas: The third generation Medellín-based, DTO has taken the reigns of Diego Murillo's routes through that city, stretching north to the Caribbean coast. The Beltrán Leyva Organization seems to be their biggest buyer.

There are a number of smaller DTOs, including the Oficina de Envigado, Organización Nueva Generación, Los Machos, Renacer, and others, operating in mostly border and coastal areas.

Sources: Colombian police intelligence; Cambio; "Paramilitaries' Heirs," Human Rights

has accelerated the process by which U.S. and Colombian authorities can dismantle a DTO.¹² Colombia's increased capacity to act on this intelligence has made for smaller, more agile, and less consolidated chains of distribution. Still, it is clear that there are many big Colombian DTOs, not all of which have relinquished control of their supply and parts of the distribution chain. This was evident in the recent arrests of 30 Colombians, most of them pilots, who were flying loads of cocaine to Central America for two major Colombian traffickers.¹³

Today's HCl providers in Colombia are former paramilitaries or lieutenants of now defunct larger organizations. They are known in Colombia as Emerging Criminal Bands ('Bandas Criminales Emergentes' – BACRIM). The government has gone to great lengths to distance them from the AUC.¹⁴ But it's clear that they operate in many of the same zones as their predecessors and use many of the same routes with slightly updated methods. They are noticeably smaller in terms of numbers, but they maintain enough forces for territorial control of production, storage and dispatch.

Their relations with each other are as fluid as their relations with the Mexican DTOs and even their former rivals, the leftist rebels. Some former paramilitaries, for example, buy HCl directly from the FARC or, increasingly, the smaller guerilla faction known as the National Liberation Army (Ejercito de Liberacion Nacional – ELN). In one case, along the northeastern border with Venezuela, numerous guerrilla and former paramilitary groups seem to be operating in concert to make use of one of the most lucrative growth and dispatch points in the region. The Catatumbo region houses at least two rebel groups and perhaps three BACRIMs who are buying coca paste and processing it there or dispatching it to laboratories in Colombia to ready for export.¹⁵

For its part, the FARC is an important HCl source, especially along the Ecuadorean and Venezuelan borders, although there are also reports of a guerrilla group dispatching drugs from the Urabá region near Panama as well. Colombian authorities say they work closest with the Tijuana Cartel, an assertion that could be questioned given the greatly diminished stature of the cartel in their hometown.¹⁶ The ELN, meanwhile, has broadened its portfolio from simply protection and muscle of BACRIM to developing their own patches of coca production and possibly their own processing and distribution chain.

CENTRAL AMERICA'S *TRANSPORTISTAS*

Not since Juan Ramón Matta Ballesteros have Central American organizations played central roles in drug trafficking. They serve one central purpose: to transport drugs between South America and Mexico. For that reason, they are known in the region as *transportistas*. Increasingly, however, these organizations have also taken on the role of local distributors and, in some cases, the suppliers of marijuana and poppy, for the production of heroin, as well as importers and suppliers for the raw ingredients of synthetic drugs that are manufactured in Mexico, Nicaragua, and possibly Honduras.

Recent indicators tell part of the story. Guatemala eradicated a record 1,300 hectares of poppy in 2009, while Colombia eradicated 546 hectares.¹⁷ While estimates of its poppy production are still far lower than Mexico's, Guatemala has presumably supplanted Colombia as the second highest producer in the region. Guatemala also seized twelve metric tons of pseudoephedrine.¹⁸ Honduran authorities seized three million pseudoephedrine pills. Drug consumption, in particular powder and crack cocaine, is also up substantially and has governments in places like Costa Rica and Panama concerned. Consumption often correlates to DTO activity since the managers often pay the local *transportistas* in product who distribute it themselves or parcel it out to the street gangs to distribute.

Nonetheless, the *transportista* organizations' main function on a regional level remains that of receiving, storing, and transporting the drugs safely, mostly to Mexico but sometimes directly to the United States.¹⁹ The transporters tend to come from similar backgrounds and operate in similar spaces. They are, by and large, thieves or experts in contraband. Before working with DTOs, they had prior knowledge of the routes and contacts in the right government circles to move or sell their illicit products. Increasingly in Honduras, some are reportedly emerging from the landed classes—sons of large cattle owners and other agribusiness.

They have, over time, expanded their businesses to include illegal drugs, as well as other operations that also facilitate the movement of drugs such as human smuggling. They operate in border regions and coastal areas. Some even have dual citizenship, which facilitates their

movements and, at times, their ability to avoid law enforcement. They are beholden to larger organizations, at one time Colombian now mostly Mexican, but their relations with these organizations are fluid. They tend to work with whomever pays and, up until recently, did not appear to be swallowed by the often bloody conflicts that envelop their employers in Colombia and Mexico.

In Guatemala, three traditional families have reportedly long dominated the transport business: the Mendozas, Lorenzanas, and Leones. The Mendozas concentrate on the Petén province, the Lorenzanas in the central highlands and along the eastern border near Honduras, and the Leones in Zacapa province, along the Honduran border.²⁰ On the western edge of the country, a trafficker identified as Juan Alberto Ortiz Lopez is believed to control the critically important San Marcos province, along the Mexican border and the Pacific coast. A smattering of smaller groups operate along the Pacific Coast and central highlands, including several that are operated by Otoniel Turcios and Hearst Walter Overdick, both of whom appear on the DEA's shortlist of the country's top traffickers.²¹

In Honduras, the *transportistas* are, by and large, locals who have some experience trafficking contraband, stealing automobiles, or rustling cattle.²² Although several intelligence sources mentioned that large landowners are increasingly entering the business, these landowners appear to be more important as infrastructure than personnel. Nonetheless, as in Guatemala, it is usually a family trade. Two of the more infamous transporters are Nelson and Javier Rivera, former car thieves and cattle rustlers. They run the so-called Cachiros gang, which stretches from Colón along the northern coast to the Gracias a Dios province in the East and the Olancho province to the south. Other, lesser known groups appear to operate in Yoro, Olancho and Cortés.²³

There's a substantial crossover of transport groups in the region, especially in the south of Honduras where the country reaches the Fonseca Gulf.²⁴ There, longtime transporters such as Reynerio Flores Lazo and Jose Natividad Luna, alias 'Chapo,' trafficked in dairy contraband before entering the drug trade. Flores eventually ran his own fleet of trucks that moved contraband and later drugs from Panama to El Salvador. Luna figured out creative ways to conceal the origin of his cheese along the

border area before branching into concealing drugs through the region. Both are dual citizens. Flores was arrested last year in Honduras.²⁵

Other smaller operations exist in Nicaragua, Costa Rica, and Panama. These groups operate in abandoned regions along the coastlines and border areas. Like their counterparts in the Northern Triangle, they reportedly take orders from more powerful organizations. Of these three countries, evidence of the most DTO activity is in Panama. Panamanian authorities seized a record 54 tons of cocaine in 2009, the largest amount for any country in the region.²⁶ It has also seen its murder rate double from 10 per 100,000 inhabitants to nearly 20 per 100,000, since 2006.

Reynerio Flores Lazo

A native of Bolivar, El Salvador, just 10 miles from the Honduran border, Flores got his start fetching water for townspeople using mules. He eventually branched into contraband in Honduras, then slowly spread his network's tentacles to Panama where he gathered and sold everything from rice to counterfeit jeans. He also used his transportation network to send illegal immigrants through the well-traveled migrant routes of Central America. The leap into drugs was not far. Authorities believe he and what has since become known as Los Perrones, which included his friend Juan Natividad Luna, made contact with Colombians in the mid-1990s and began facilitating shipments for their Mexican partners.

Source: Author interview, prosecutor in the Public Ministry, San Salvador, El Salvador, February 16, 2010.

This troubling trend can, in part, be explained by geography. Panama sits at the “mouth of the funnel,” where much of the processed cocaine makes its first pass north of South America via air, land, and sea. This proximity has made Panama a natural way station, meeting place, and business hub for traffickers throughout the region who are seeking to exchange large loads of product for cash, weapons or other goods; or broker deals amongst one another and even politicians. To be sure, the country's status as a “neutral” meeting ground dates at least back to the 1980s when Colombian politicians sought to broker deals with the Medellin Cartel to end that criminal organization's war with the Colombian State. (It helps that Panama's national currency is the U.S. dollar.) More recently, however, there are indications that this neutrality has been broken. Panamanian groups may have stolen large amounts

of merchandise from the Colombians in order to then sell it at a lower price to their Mexican counterparts. The various groups appear to be increasingly stealing large amounts of merchandise from each other in order to then sell it at a “discount” price to counterparts. Authorities are saying these thefts are at the heart of a spate of killings in Panama City and elsewhere.²⁷

But the spread of this type of violence may only partially explain the national uptick in homicides. Another explanation includes an increase in gang membership, local drug distribution points, and subsequent “battle for the corners.”²⁸ The FARC guerrillas have also increased their presence and possibly their distribution of cocaine through Panama and their battles with the Panamanian security forces have become more common.²⁹ In either case, the surge in violence and increase in seizures are cause for concern going forward.

Costa Rica and Nicaragua appear to be more way stations than transit points. These groups’ activities include providing intelligence, temporary storage and transportation assistance, including trucks or human mules to move the drugs via commercial aircraft out of the countries’ international airports. Panama and Costa Rica also offer attractive local drug markets as well as numerous possibilities to launder money.³⁰

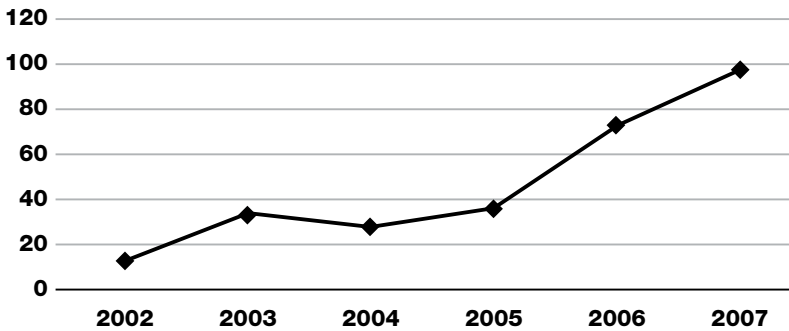
DTOS IN CENTRAL AMERICA

Large DTOs have long operated in Central America. As outlined earlier, the Honduran Juan Ramón Matta Ballesteros worked closely with both Colombian and Mexican traffickers in the region since at least the early 1980s. Nicaragua was a critical transit point for the Medellín Cartel during that same period. General Manuel Noriega also let Medellín Cartel traffickers use Panama as a safe-haven, bank and launching pad for drug shipments through the 1980s. In the 1990s, there is some evidence that Mexican traffickers began a more concerted effort to control the flow of drugs through the region. Sinaloa Cartel head Joaquín Guzmán, alias ‘El Chapo,’ was captured in Guatemala in 1993.³¹ Still, evidence of large-scale operations by Mexican DTOs has been scant until recently.

There are several clues that bolster local and international agents’ assessment that Mexican groups have shifted some of their operations to

Central America. To begin with, cocaine seizures in Central America have climbed steadily. The increases suggest that larger organizations have begun to use the region to receive, store and move larger quantities of drugs. This requires more administration and logistics, which lead to more of a physical presence in the countries where most of the trafficking is occurring.

Cocaine Seizures in Central America 2002-2007 (in metric tons)



*Source: United Nations World Drug Report 2009 “Seizures”

The biggest seizures occur near the “mouth” of what remains the world’s biggest cocaine depot: Colombia. In 2007, Panamanian authorities captured 21 metric tons of cocaine off the coast, the largest seizure ever recorded.³² But other sizeable seizures have occurred farther north. In February 2010, Costa Rican authorities captured three metric tons of cocaine in a cargo truck, one of the biggest seizures ever for that country.³³ In 2009, Guatemalan and U.S. authorities captured a semi-submersible submarine off the coast carrying 4.9 metric tons.³⁴

Homicide rates in the region are climbing and changing in nature, another key indicator of stronger DTO presence. To cite just one example, through late February 2010, *El Diario de Hoy* newspaper in El Salvador had counted 35 bodies found in plastic bags since September in that country.³⁵ In addition, in a presentation at the end of 2009, forensic doctors said they had found an increasing number of bodies with signs of torture, others that died with coup de grace, and still others in mass graves. Longtime crime watchers said these were all signs of mafia-

style hits, which are normally well-planned, coordinated attacks on specific targets using high-caliber weapons to subdue or disable their victims, and often include evidence of torture and excessive force to send messages to rivals.³⁶

The locations of the high incidence of homicides also coincide with areas of heavy drug trafficking activity. These include the northern coast of Honduras, the eastern border of El Salvador, and the northern jungles of Guatemala. A United Nations Office on Drugs and Crime report from this year that included a section on the Northern Triangle and Mexico said that the threat of organized crime was “increasing” in the Mesoamerica region.³⁷ “Contrary to what would be expected, in none of these countries is the highest murder rate found in the largest cities: rather it is found in provinces that have strategic value to drug traffickers,” the report said.³⁸

A Sinaloa Mayor in Honduras

Honduran police intelligence say El Paraiso, Copan Mayor Alexander Ardon works with the Sinaloa Cartel. Ardon has built a town hall that resembles the White House, complete with a heliport on the roof, and travels with 40 heavily armed bodyguards. Cameras monitor the roads leading in and out of the town, intelligence services say. And there are reports that the mayor often closes the city to outsiders for big parties that include norteña music groups flown in from Mexico.

Source: Author interviews, Honduran police intelligence and officials, Tegucigalpa, Honduras, February 21-25, 2010.

Local and foreign narcotics agents in the Northern Triangle said that the two countries facing the greatest threats due to the presence of Mexican DTOs are Honduras and Guatemala. These two countries also see the most trafficking: In 2009, an estimated 200 metric tons passed through Honduras, and an estimated 250 tons went through Guatemala.³⁹ The two main Mexican DTOs operating in these countries are the Sinaloa Cartel and the Zetas.

In Honduras, these agents say that Sinaloa factions work closely with *transportistas* in Olancho and near the Gulf of Fonseca. Sinaloa Cartel members are also

reportedly buying land, building houses and co-opting local officials in the Copan, Santa Barbara and Cortés provinces along the Guatemalan border, areas they are also using for storage and trafficking activities.⁴⁰

According to local intelligence sources in Honduras, the Zetas mostly operate in Olancho and Cortés. Local press reported the capture of five *Zeta* members in January 2010, just north of San Pedro Sula.⁴¹ The Zetas are also hiring members of the *Barrio 18* gang as hitmen in Honduras, intelligence officials said. Evidence, they say, emerged in February 2010, when authorities intercepted a package on a bus. In the package was a note authorizing the assassination of Security Minister Oscar Alvarez. “Let’s try and do this job as soon as possible,” the encoded note from the *18* allegedly said, “Since our ‘friends’ the Zetas gave us a \$20,000 advance and said they would give us another \$150,000 if we do this job well.”⁴²

More troubling still was the assassination of the country’s drug czar, Col. Julian Aristides González, in December 2009, shortly after he had dropped his daughter at school. Aristides had made his battle public, including just days before his death, when he detailed in a press conference recent discoveries of clandestine airstrips in the province of Olancho, among other news. Reports following his death blamed the Sinaloa Cartel, which may have hired local assassins to perform the hit.⁴³ These local assassins were allegedly part of a network created by Hector Amador Portillo, alias ‘El Gato Negro,’ who controlled a large part of Tegucigalpa’s retail drug distribution market.⁴⁴ Portillo was assassinated, along with several of his bodyguards, in April 2010.⁴⁵

In Guatemala, the situation may be worse. There, these same two Mexican factions have been slowly taking control of the country’s drug trade. The Sinaloa Cartel has reportedly focused on the Guatemalan-Mexican border and along the Pacific coast. Anti-narcotics agents believe that most of the cocaine transiting Guatemala comes via the Pacific Ocean through Sinaloa operators’ hands. It is one of the oldest and still the surest route, they say.⁴⁶ The Sinaloa Cartel also appears to be working with powerful local *transportistas* in the mountainous parts of the San Marcos province where most of the country’s poppy is grown. And the cartel reportedly has a strong working relationship with a host of smaller families in the Huehuetenango region along the Mexican border to control passage through that vital region.⁴⁷

While Sinaloa factions have operated in Guatemala for years, it’s the Zetas that garner the most attention and press coverage. This may be due, in part, to their brash tactics. In March 2008, the group attacked

one of the principal Guatemalan drug gangs leaving eleven people dead, including Juan Leon, alias 'Juancho,' the head of the one of Guatemala's primary trafficking clans, the Leones. Since then the Zetas have reportedly moved to take control of several important junctures: the Zacapa province, a critical entry point for drugs coming from Honduras in the east; Petén province, Guatemala's largest state, where they control hundreds of unsanctioned border crossings into Mexico; and the Alta Verapaz province in the central highlands, which gives them access to Guatemala City to the south, Petén to the north and Zacapa to the east.⁴⁸ Alta Verapaz is also the crossing point for the *Transversal Norte*, a trucking route across the north that leads to Mexico through Huehuetenango in the west.⁴⁹

However, it's Huehuetenango where the battle for Guatemala between the Sinaloa Cartel and the Zetas may be decided. The two Mexican cartels have clashed in that province, a critical juncture that provides easy access to the Gulf, the Pacific Ocean and land routes through the center of Mexico. The battle for Huehuetenango began in November 2008, when Zetas ambushed a pro-Sinaloa Guatemalan group who was hosting a horse festival. The attack left as many as 60 dead, according to locals who spoke to the firemen who recovered the bodies, most of them factions tied to the Zetas. Much of the fighting is in La Democracia, a small city along the country's northwestern highway, where regular gun battles occur. Local sources indicated that the Sinaloa factions maintain the upper hand.⁵⁰

The Sinaloa Cartel's ability to keep the Zetas out of Huehuetenango may be explained by examining their different modus operandi. Sinaloa seems more willing to negotiate with local traffickers. In Huehuetenango, this means Sinaloa has integrated itself into the local community as well as included it in some of the benefits: They give jobs, provide health care, and fund local festivals, several people who live in the region said. Sinaloa members have also replaced the state in terms of security by killing or disposing of smaller criminal enterprises. The Zetas, meanwhile, have a more vertical structure and impose their will by force.⁵¹ They rarely negotiate with the locals, and they tend to bring in their own people rather than recruit people who live in the area. This is in line with their military backgrounds, analysts and counternarcotics agents said.⁵²

In some respects, the Zetas may have advantages over the Sinaloa Cartel. The Zetas reportedly have a sophisticated and generous work package for those who join, which includes such perks as dry cleaning clothes for their members. A number of ex-military have also joined their ranks, local and international intelligence officials said. For instance, numerous Guatemalan special forces, known as *Kaibiles*, many of them out of work following peace talks with the leftist guerrillas and the reduction of the size of the military forces, have allegedly become operatives for the Zetas.⁵³ This accelerates their training and gives them a tactical advantage during battles, officials said.⁵⁴

However, Guatemalan intelligence officials also said the focus on the ex-*Kaibiles* is misdirected. The real issue, they and analysts say, is the little oversight of the proliferating private security industry in Guatemala. There are as many as 150,000 private security guards in the country.⁵⁵ Most of them began after the peace talks. Much of the industry is run by ex-army intelligence and high-ranking officers, including many with long-time ties to organized crime, as is explained later in this chapter. These private armies carry legally registered guns, including automatic weapons they can obtain in Guatemala. They also use their experience gathering intelligence to intercept phone calls, emails, and gather other intelligence for both legitimate and illegitimate purposes.⁵⁶

The battles in Guatemala are not limited to fights between the Mexican Cartels. In Cobán, the Zetas are fighting with local groups who are reluctant to give up their territory. The city has regular mafia-style hits and gun fights in public places. One recent shootout at the city's main mall left several members of a local faction dead. Firemen said they pick up between three and six bodies per month with signs of torture and victims with their hands and feet tied, symbols of a tit-for-tat between the groups.⁵⁷ Drive-by shootings are also common, police said.⁵⁸ The Zetas appear to be using a divide-and-conquer strategy. At least one local faction has reportedly split; one of its major leaders now works for the Zetas.⁵⁹

PENETRATION OF THE GOVERNMENT FORCES AND INSTITUTIONS

To varying degrees, international DTOs and local *transportistas* have penetrated portions of the police, treasury, customs, military, attorney general's offices, jails, and court systems in Central America. They regularly finance public works and bankroll political campaigns. Their ability to outspend the governments frustrates the local authorities and

thwarts efforts to slow the DTOs' growth. This is particularly true in Guatemala and Honduras, two governments that have seemingly lost control over large swaths of their territory. "It's not Somalia. You can look outside and still see that things work here," one foreign diplomat in Guatemala City said before naming seven provinces – San Marcos, Huehuetenango, Petén, Alta Verapaz, Izabal, Jutiapa and Zacapa – that he believed are not under government control.⁶⁰

In Guatemala, both the DTOs and the *transportistas* work with "hidden forces" or so-called *Cuerpos Ilegales y Aparatos Clandestinos de Seguridad* (CIACS), which loosely translates as Illegal Clandestine Security Apparatuses.⁶¹ The CIACS include active and ex-military officers, special forces operatives, and high-level government officials. Many of them met while operating in intelligence branches of the government.⁶² They have their own operations or offer their services to other criminal organizations, which includes

The *Cofradía*

The most famous of the CIACS was known as the *Cofradía* or "The Brotherhood," a reference to name Mayan elders take in rural Guatemala. The *Cofradía* began as kind of an informal club where current and former intelligence officers fraternized. Eventually, however, it became an organized criminal enterprise where many of these same military officials could undermine the authority of civilian governments using the intelligence services and take advantage of their vast knowledge of the gaps in public security to make money legitimately and illegitimately. The *Cofradía* has since split into multiple factions. Some of its former associates are in private security. Others operate in the public sphere, working closely with political parties that serve their interests. Several have been arrested, accused of crimes ranging from murder to embezzlement.

Sources: Author interviews of former and current security officials, Guatemala City, Guatemala, January 19 – February 4, 2010.

access to intelligence, weapons, and planning expertise. Their criminal activities range from drug trafficking to contraband and the sale of Guatemalan passports. Over the years, they have obtained high positions in the central government, which has led to embezzlement schemes, the sale of government-issued weapons on the black market, and the engineering of lucrative government public works contracts for a fee.⁶³

The DTOs in Guatemala also appear to have penetrated the interior ministry, customs, and the attorney general's office. For years, the *transportistas* have influenced courts by sponsoring lawyers in their studies and their law practices. This helps them engineer the selection of judges in the high and appellate courts as well as influence the selection of the attorney general. Last year, the United Nations' backed International Commission Against Impunity (CICIG), an international investigative unit working with Guatemala's government on high profile cases, blocked the selection of five questionable judges.⁶⁴ Inside the police, these official connections help the DTOs obtain safe passage for their drugs. Police often clear roadblocks, provide weaponry, and, at times, give armed escorts for the drugs to enter, be stored and move with relative ease. When DTO members are arrested, these government officials can also often ensure favorable jail conditions or a quick release because the prosecutors sabotage the case.⁶⁵

The startling reality of the DTOs reach has become public in the last several months. In February 2010, Guatemalan authorities arrested Guatemala's police chief Baltazar Gómez and the top anti-narcotics intelligence officer, Nelly Bonilla. The two were connected to the deaths of five police officers that were ambushed by the Zetas in April 2009, as those police were trying to steal 900 kilos of cocaine from a Zetas' stash house. The weapons used to kill the policemen were stolen from an army cache. Gomez was the second chief arrested in less than a year. Last August, authorities captured Porfirio Pérez for stealing a cocaine cargo in Guatemala City.

Outside the capital, Mexican DTOs have allegedly penetrated local governments, police, and traditional political structures, local and national government intelligence officials say. In Huehuetenango, for instance, the Sinaloa Cartel is reportedly bankrolling several political parties and has a stake in important economic sectors like the construction industry. The cartel has also apparently used its influence in the interior

ministry to steer investigations and law enforcement toward its rival, the Zetas, a common tactic that the Sinaloa Cartel has employed effectively in Mexico as well. For example, one Huehuetenango official said the police had found several drug and weapons stash houses in the area, all of them pertaining to the Zetas.⁶⁶

Guatemalan authorities seem to have little interest or ability to fight against this wave of firepower and relative sophistication of these new arrivals. In Cobán, for instance, heavily armed men dressed in civilian clothes ride around in truck beds, often crossing paths with the police. With only 30 officers on any given day, the police in Cobán say they are undermanned.⁶⁷ However, residents say police collusion is well known. In January 2010, Zetas overran a private recreational swimming area near Cobán. Fearful of the traffickers' antics and weaponry, the owners called the police. Up to five police vehicles and personnel surrounded the area, but when they were about to move on the Zetas, their commander received a phone call from his regional boss calling him off and sending him and his patrolmen back to base.⁶⁸

In recent months, the government's fight has centered on Alta Verapaz, a place that some investigators say has become the headquarters of one of the top two Zeta leaders.⁶⁹ The United States government has also noticed. In a 2009 diplomatic cable, released by the whistleblower site WikiLeaks, a United States political officer details the extent of the Zeta stranglehold on the region.⁷⁰ The cable said the Zetas may have had as many as 100 operatives in Cobán, the province's capital city, that had set up residence in two neighborhoods with the help of Guatemalan authorities who had, among other activities, facilitated Guatemalan documentation to help the traffickers legalize their status in the country. The cable goes on to say that the Mexican traffickers may have set up a "training camp" in the area, intimidated and kidnapped local landowners, and regularly tried to recruit police into their cadre.

In December, the Guatemalan government declared a 30-day "state of siege" in Alta Verapaz, which was subsequently extended by another 30 days in January. This emergency measure allowed the 400 army troops and the fresh set of police sent to the province by the government to detain suspects with little cause and perform widespread search and seizures. The results, however, were mixed. Alta Verapaz residents told the author that the leaders of the drug trafficking gangs knew that the

authorities were coming and simply vacated the area.⁷¹ Authorities made 22 arrests, none of them known leaders.⁷² Still, Alta Verapaz residents, according to local polls, approved of the measure and violence dropped during “state of siege.”⁷³

In Honduras, in addition to the Copan, Santa Barbara, and Cortés provinces alluded to earlier, authorities say the *Cachiros*’ control the local police in Colón, Gracias a Dios, and parts of Olancho. Penetration into the police was evident July 2009, when 10 members of the elite anti-narcotics Operation Group were arrested transporting 142 kilos of cocaine. The *Cachiros* have also attempted to control policy at a national level. When their liaison failed to secure their pick for vice-minister of security, they killed him. The would-be vice-minister is now a representative for congress.⁷⁴

Politics and drug trafficking may have crossed paths recently in the province of Olancho as well. In November 2009, two truckloads of armed men attacked longtime Liberal Party leader, Ulises Sarmiento, while he was visiting with his son. The attackers, some 12 to 15 of them, according to witnesses, fired on the house with semi-automatic weapons and grenade launchers, leaving two of Sarmiento’s bodyguards dead and 400 bullet holes in the walls. Sarmiento’s son said the attack bore signs of an organized criminal operation and blamed the local police for assisting.⁷⁵

The *Perrones* case in El Salvador also revealed the level of penetration the *transportistas* have in that government.⁷⁶ Authorities connected some of these individuals with police officials, prosecutors, and politicians in El Salvador. The list included the director of the police and a high-ranking officer, a high-ranking prosecutor, and a senator. The prosecutor was never investigated, but the politician committed suicide under mysterious circumstances. Neither police official has been charged. But three policemen were indicted in 2010, for assisting one of the *Perrones*’ operations along the coast. There are over 40 police being investigated in cases connected to the *Perrones*.⁷⁷

MODUS OPERANDI

DTOs are businesses. Their objective is to limit costs and maximize profits. They do this by trying to minimize the number of participants, borders crossed, authorities they have to bribe. This helps explain why they insist on established forms of transport through Central America. While officials and counterdrug agents say the use of land routes has increased significantly in recent years, the most reliable, quickest, and presumably cheapest routes remain via sea in go-fasts, fishing trawlers or increasingly semi-submersibles; or by air in single or twin-engine aircraft. U.S. officials in Guatemala say that 70 percent of the drugs passing through the country arrive via its Pacific Coast.⁷⁸ Honduran intelligence officials say the majority of the drugs going through Honduras arrive via boat as well.⁷⁹

The seafaring traffic leaves Ecuador's Pacific Coast and Colombia's Pacific and Caribbean coasts in mostly go-fasts and semi-submersibles. A go-fast can make it to Honduras' Gracias a Dios province in six hours, officials said. To maximize efficiency, traffickers hollow out the boats, loading them with drugs and the gasoline/oil mix they use as fuel. Along the way, they reportedly use the Corn, Blue, and San Andres Islands off Nicaragua, or the Roatán Islands off the coast of Honduras, to rendezvous with other boats, aircraft, or to leave the load at a temporary storage point. They offload along both Nicaraguan and Honduran coasts, although U.S. authorities believe that most of the traffic moves straight through Honduras. There, smaller vehicles take the cargo to depots or waiting trucks where they continue their journey north through Guatemala and Mexico.⁸⁰

The northern-most Nicaraguan-Honduran border has the added advantage of being an important shrimp, clam, and lobster fishing area, making enforcement difficult under any circumstances. Mosquito Indians live on both sides of the border. The impoverished Indians have little economic opportunities aside from working in the fishing industry, which regularly exploits them. They have also long distrusted the governments that have virtually ignored them. The region is nearly bereft of state services and roads, save for the few dirt tracks that the Central Intelligence Agency and Contras made to help them establish training camps in the 1980s to battle the Sandinista regime. The locals'

disdain for authorities was evident after a boat full of drugs was beached in the Gracias a Dios province last year. Authorities arrived to find hundreds of men, women and children emptying the boat of its cocaine. The load, an estimated 500–800 kilos, disappeared into the homes and businesses of the Mosquito Indians in a matter of minutes. Efforts to recover it were only partially successful. House by house searches turned up just over 200 kilos.⁸¹

El Salvador also gets shipments via sea, in particular via the Fonseca Gulf and the Sonsonate province. One of the famous *Perrones*, Daniel Quezada, allegedly used his beachfront hotel to receive drug shipments that he and his men, with the help of police, then moved through San Miguel by road and eventually into Guatemala. The coastal province of Sonsonate offers a more direct route into Guatemala. Sonsonate is also home to several powerful gangs, which can provide protection for these loads.⁸² (There is more on the gang question below.)

An uptick by authorities in interdictions of fishing trawlers and cargo ships – “stateless vessels” – has pushed DTOs to rely more on go-fasts and the so-called semi-submersibles. The use of what are essentially mini-submarines is a relatively new phenomenon dating to the late 1990s when a clandestine factory for the first subs was discovered in rural Colombia. Today’s semi-submersibles are 45 to 82 feet in length and are made of fiberglass or steel. They have a range of 2,000 miles and can carry up to seven metric tons of cocaine. U.S. officials estimate that over 60 submarines move over 300 metric tons of cocaine per year. Most of the subs leave Colombia’s and Ecuador’s Pacific Coastlines.⁸³

Air traffic into Honduras has long been a problem, but it rose significantly following the military ousting of President Manuel Zelaya last June. The increase was attributed to a shift in resources to the capital city to keep control of the protests following the coup and the decrease in U.S. radar and naval support. Police and government intelligence officials said the flights they were able to track in the last six months of 2009, took off from the Apure and Zulia provinces in southwestern Venezuela. They headed straight north towards the Dominican Republic in an apparent attempt to avoid Colombian-based radars, then turned sharply to the west and landed in the Gracias a Dios, Colón, Olancho, Atlántida and Yoro provinces.⁸⁴

Infrastructure abounds in Honduras to facilitate these landings, in particular in the Yoro and Olancho provinces. There are hundreds of clandestine landing strips and numerous old air fields in Yoro courtesy of the banana exporting companies that once dominated the economy. Yoro's relatively flat terrain also permits airplanes to land on highways and sparsely trafficked roads. Olancho, meanwhile, seems to be a relative newcomer to the drug business. While the infamous Juan Ramón Matta Ballesteros bought large quantities of land in the department, it appears as if enough local agri-business kept drug running activities to a minimum until relatively recently when a so-called "new generation" began "lending" their large *haciendas* for drug airplanes. Farm owners are reported to receive \$50,000 per flight.⁸⁵

The infrastructure needed to operate these landing strips is minimal. In just a few hours, teams of 25 to 30 men can cut the grass and trees, open up the fences and set up the lights to receive the airplanes. The airplanes are hollowed out and the drugs are packed in what are called *fardos*, which can weigh as much as a heavy suitcase (about 50 pounds) but are still easily manageable. The amount of drugs the planes carry vary, but one Honduran official said that traffickers found the shorter distance to Honduras gave the DTOs an opportunity to pack more drugs into each airplane. Once a plane lands, it takes between 20 and 30 minutes to offload the cargo into the waiting vehicles. As extra insurance, police are sometimes hired to provide protection and escorts for these drug shipments, for which the commander can receive between \$2,500 to \$5,000.⁸⁶

Moving the drugs by land immediately becomes more complicated for the DTOs. The rule appears to be to hide in plain sight. Most of the drugs that move by land go on large trucks in hidden compartments or camouflaged within legitimate cargo. They move via main highways, in particular the Pan American highway. They also cross the borders at the major checkpoints, which have to deal with the largest amount of traffic. They understand that Central American and Mexican authorities have not prioritized their border controls. The Mexican-Guatemalan border, for example, is 600 miles long and has but eight checkpoints. A Mexican official in Guatemala said that his government does not really begin to mount significant checks of cargo and people passing into Mexico until Coatzacoalcos, more than 200 miles from the Guatemalan border. The

Mexican government has also facilitated labor mobility, allowing and encouraging Guatemalans to seek work in Mexican tourist areas. “We don’t want to militarize our border,” he said.⁸⁷

GANG INVOLVEMENT IN DTOS

Gangs, or maras as they are known, have a long history in the region but began operating en masse in Central America in the early 1990s. The reasons for their growth are many: poverty; marginalization; lack of access to basic services and educational opportunities; dysfunctional families; rapid and unplanned urbanization in the region; repatriation of experienced gang members from the United States; and the culture of violence that preceded their emergence, including one in which guns were prevalent and ex-combatants from the long-standing civil wars were active in criminal networks.

U.S. Deportations and Percentage of Criminal Deportees: Northern Triangle

Country	FY2007	% Criminal Deportees	FY2008	% Criminal Deportees	FY2009	% Criminal Deportees
Honduras	30,227	17.6%	29,758	18.8%	27,566	25.1%
Guatemala	26,429	15.3%	28,866	18.5%	30,229	21.5%
El Salvador	21,029	24.2%	20,949	27.4%	21,049	30.0%

Source: “Gangs in Central America,” Congressional Research Service, December 4, 2009.

There are dozens of gangs, but the *Mara Salvatrucha*, or *MS-13*, and the *Barrio 18*, or *18*, are the largest. Both began in Los Angeles. The 18 has Mexican roots; the *MS-13* has Salvadoran roots. They emerged as a response of these immigrant groups to protect themselves. They have evolved into sophisticated and lethal international operations that have spread throughout the United States, Mexico, and Central America, in part, as a result of U.S. policy of repatriating members to their home countries after they serve out their prison sentences in the United States. El Salvador, for example, still receives an average of five airplanes of

close to 100 repatriates a week, one U.S. official said; one airplane per week is full of convicted criminals, he added.⁸⁸

The United Nations and U.S. Southern Command estimate there are approximately 70,000 gang members, most of them concentrated in the Northern Triangle: 36,000 in Honduras, 10,500 in El Salvador, and 14,000 in Guatemala.⁸⁹ The gangs have a grave impact on the security situation in the region. *Maras* extort, kidnap, and murder local rivals, neighbors and security personnel. Their grip on many communities has crippled them and forced governments to reassess their security strategies. Their rise has also corresponded to higher murder rates. The Northern Triangle currently ranks as the most dangerous place in the world, according to the United Nations.⁹⁰ However, assumptions that these gangs are at the heart of this violence is somewhat flawed, and the belief that they play a significant role in drug trafficking is exaggerated.

Gang size and dynamics in each of these countries are different, hence their connections to DTOs are also different. Aside from being one of many local distributors of illegal drugs, there is no evidence the Guatemala-based *maras* have any organic connection with the DTOs in that country. In Guatemala, the large DTOs have their strongest presence in precisely the areas where there is little *mara* activity. This pattern generally repeats itself in Nicaragua, Costa Rica and Panama. In Honduras, there appears to be a stronger connection between the *maras* and the DTOs, particularly as it relates to the use of the gangs as hired assassins. However, the evidence is almost purely anecdotal and largely unsubstantiated.⁹¹ In Southern Mexico and throughout Central America, gangs have also worked closely with larger criminal organizations in human smuggling. While these ties still exist in Central America, it seems that the Zetas have largely displaced the gangs in southern Mexico.⁹²

El Salvador appears to be the country where the relationship between the major DTOs and the gangs has advanced the most. Because of the growing evidence supporting this perception, this section focuses on El Salvador. The contacts between the *maras* and DTOs are potentially game-changing in that country. El Salvador is also the spiritual heart of the *mara* world in the region and where much of the leadership is based. For reasons that will become clear, these gang leaders have the space

and ability to shift from small neighborhood operations to international narcotics traffickers, although that process is neither finished nor a foregone conclusion.

Throughout the region, in particular in the Northern Triangle, the governments have responded to the real and perceived threat of gangs with a so-called “*Mano Dura*,” or “iron fist,” approach. In El Salvador, this included rounding up thousands of youth based on their appearance, associations, or address. Most of these arrests did not hold up in Salvadoran courts but served to further stigmatize already marginal communities and may have accelerated recruitment for the gangs themselves.⁹³ Far more troubling, from a criminology standpoint was the effect *Mano Dura* had on the prison system, the mara leadership, and its operational structures.

Mano Dura operations were successful in jailing many mara “soldiers” and leaders for everything from petty crimes to murder and extortion. By some estimates, between 2004 and 2008, the number of gang members in El Salvador’s jails doubled from 4,000 to 8,000, representing about a third of the total jail population. The already clogged and inadequate prison systems were overwhelmed.⁹⁴ The jump in mara jail population strained the system even further and immediately changed the dynamic of the prisons. The fighting on the street between the *MS-13* and the *18* spilled into the overcrowded jails. Hundreds died in several riots. The authorities, seemingly desperate for a short-term solution, split the groups up. Now, *MS-13* and *18* members are sent to different prisons, a de facto nod to their increasing power and a de facto admission that the state was relatively powerless to stop them.

Grouping the leaders and large portions of the hard-core soldiers together in Salvadoran jails had an additional effect, especially once the two gangs were separated. The leaders of these gangs had more time to organize, strategize, and plan their activities. They were safer in jail, from both their enemies and, ironically, from criminal prosecution. They could communicate easier: Their near total control of the facilities gave them ready access to cellular phones, which they used to hold meetings with leaders in other jails via conference calls, as well as messengers to pass more sensitive information. The facilities themselves were also well-suited to their communications since they have electrical outlets throughout to recharge their cellular phones. The leadership of

both gangs took advantage. They formed more hierarchical command structures, reinforced old codes of conduct, and instituted new ones. These included forbidding tattoos and instructing new initiates and cell leaders to dress less “gang-like,” i.e., blend in, which they have.

They also began entering new criminal territory, specifically extortions and kidnappings. These criminal activities are almost exclusively run from the prisons. The Salvadoran prosecutor in charge of the anti-extortion unit estimates that 84 percent of all extortion operations are run from jail.⁹⁵ Some are very sophisticated rackets that target entire public transportation routes or transportation companies that deliver food and beverages to poor neighborhoods. Others are quick hits of individuals that the gang members see on television, read about in the paper or hear about through the network of outside informants that include other gang members, family, girlfriends, friends and other associates. The more sophisticated extortions involve multiple players, each with a specific role such as driver, lookout, pickup, and negotiator. Most of the money collected from these operations goes to the gang leader in jail and his immediate circle of family, friends and close associates. What’s left goes to logistics and further operations.

These further operations include controlling drug distribution networks in mostly poor neighborhoods where the *maras* peddle crack, powder cocaine, marijuana and methamphetamines. The crack market is particularly lucrative and requires little infrastructure. The powdered cocaine is literally “cooked” in a frying pan with a mix of flour, baking soda and various other ingredients so that it solidifies into what distributors call a “tortilla” (the frying pan creates the circular shape that resembles the regional mainstay giving rise to its name). That “tortilla” is cut into a little more than a hundred pieces and sold at \$3-\$5 a unit.

While academic observers and police intelligence officials all said that *maras* have long had a hand in this aspect of the drug trade, they also acknowledged that the gangs are increasingly seeking to wrest total control of this market from traditional distributors and that at least part, if not most, of the recent increase in El Salvador’s homicide rate can be attributed to these battles.⁹⁶

There are indications that some mara leaders may be reaching further afield, trying to control bulk distribution. In September, authorities arrested Moris Alexander Bercian Manchon, alias ‘El Barny,’ a leader

of an *MS-13* cell along the coast, carrying seven kilos of cocaine near La Libertad, directly south of the capital.⁹⁷ Seven kilos is very small, but police intelligence said it was much higher than what *maras* are used to managing. In addition, police intelligence sources said Bercian does not normally operate in the area where he was arrested. He is part of a Sonsonate cell known as La Normandy, one that has been gaining power with its own increased control over the local drug market in both Sonsonate and La Libertad, two areas that may interest bigger players such as the Zetas because of their direct access to the Pacific Ocean and proximity to Guatemala.⁹⁸

Police intelligence documents obtained by the author illustrate this trend. In one document titled “*Los Zetas en El Salvador*,” mara sources tell the police that Bercian “had moved up to the level of narco, that he was not just a gangbanger and that he was directing the gang’s activities in Santa Tecla, the port in La Libertad, Ateos (sic), Sonsonate, Ahuachapan, Santa Ana, Quezaltepeque and Lourdes.”⁹⁹ The source says the mara cell controls the corridor from the Pacific to the border with Guatemala, including receiving product by boat.¹⁰⁰

The same document says that another cell, the *Fulton Locos Salvatruchas* (FLS), had sent 40 members to a farm in the Petén, Guatemala, near the Mexican border, to receive training from the Zetas. FLS are known as some of the most violent of the *MS-13* cells. The document quotes an *MS-13* leader warning authorities that in January 2010, an offensive would begin.¹⁰¹ The leader did not specify what he meant but authorities are linking this threat, made in 2009, with a February 6 massacre in Tonacatepeque, just north of San Salvador in which masked men armed with M-16 semi-automatics and 9 mm pistols shot and killed six people in a restaurant. The massacre came a day after seven people were killed in a similar manner in Suchitoto, just northeast of Tonacatepeque. Another police intelligence report obtained by the author said one of the victims in the Tonacatepeque massacre was linked to a drug trafficking organization along the border with Guatemala, along the same corridor police suspect the Zetas may be aiming to control.¹⁰²

There was also a press report that the *MS-13* has had meetings with the Zetas in El Salvador. The story, based on a leaked police intelligence report, said gang leaders from four cells met with Gulf Cartel members at a bar in November 2008, where they discussed killing a *transportista*

who owed the Zetas money.¹⁰³ It's not known if this meeting led to the massacres in Toncatepeque or Suchitoto. Police intelligence said that there may have been other meetings, including one in Guatemala with the Zetas involving an *MS-13* intermediary working with the gang in Ahuachapan and Sonsonate. This intermediary was presumably trying to make direct contact with traffickers for the purpose of trafficking, police intelligence says, not contract killings for hire.¹⁰⁴

Police intelligence sources also say that the *MS-13* are increasingly maneuvering to gain territory in San Miguel and La Union, two eastern border provinces that are still thought to be under the control of the loose federation of *transportistas*, *Los Perrones*. One theory of the *MS-13*s expansion in that area is that it is related to their attempts to gain control of the bulk distribution market along that border as well.¹⁰⁵ Salvadorans from the *MS-13* may also be reaching abroad. In August 2009, Costa Rican authorities arrested *MS-13* gang leader, Ivan Paz Jiménez, with six kilos of cocaine. They charged him with drug possession and attempted kidnapping. Police intelligence sources say that Salvadoran gang leaders have been located in Juarez and arrested in Nicaragua in drug cases but did not reveal their identities as they form part of ongoing investigations in the United States.

Still, many police and foreign agents cautioned that the gangs are still very far from having the sophistication, discipline, and wherewithal to make good partners in the drug business. And they question the widespread reports indicating that these gangs are being integrated into the large criminal structures or are capable of creating and running their own structures. Case in point, they say, is the Bercian case. Bercian, who was released in 2010 because a judge determined the means by which he was detained were illegal, did not look to his fellow gang members to create a criminal gang but rather took advantage of his father's transportation business to try and enter the drug business.¹⁰⁶ He has since switched allegiances and works for the Sonsonate clique.¹⁰⁷

Skeptics of the theories that tightly link gangs to organized crime also suggest that gangs are not disciplined enough. To bolster their argument, they point to the gangs' modus operandi in kidnapping cases. In January 2009, *MS-13* members in Sonsonate bought several kilos of cocaine in bulk, and then kidnapped the middle-man, according to one foreign investigator. After the middle-man's cohorts paid the ransom, the gang

killed the captive. To be sure, the *MS-13*'s kidnapping practice illustrates very little infrastructure and discipline. Police and foreign agents say that the gang kills between 80 and 90 percent of their victims because they take little precaution in concealing their identities and have nowhere to keep victims once they have them in their possession. In addition, gangs also tend to attract the most law enforcement attention, making alliances with them risky.

Investigators, police intelligence and academics also emphasized the often great variance from gang to gang in operations and sophistication, and the multiple subsets that exist in each of the two major *mara* groups. Some cells are more organized and disciplined. Some are more violent and disorganized. Some are more wealthy and entrepreneurial. The differences are causing divisions within the gangs. Many are starting to question the status quo, leading to violent and bloody battles both inside and outside of the prisons. A few gang leaders in the street appear to be freelancing, searching for business opportunities, rather than following direct orders from the jails. The press report on the *MS-13* and Zetas meeting said the gang leaders spoke openly about differences with the leadership. These differences may also be what are fueling part of the increase in homicides.¹⁰⁸

Regardless of the questions surrounding the gangs' involvement in the upper echelons of organized crime or their ability to take over bulk distribution of illegal narcotics, there is much evidence pointing to their increasing financial and firepower. Police intelligence says that *mara* leaders have purchased apartments, car washes, used car dealerships, discos, bars, and restaurants in an attempt to launder proceeds and conceal their drug, kidnap, car theft and extortion businesses. They have also made vehicles and properties available for common use, illustrating their tendency toward subsuming personal gain for the creation of a larger, more sophisticated criminal network.¹⁰⁹

On the weapons side, police have seen an uptick in the use of M-16 assault rifles and military issue grenades in recent attacks. In the first two weeks of last year, police confiscated four M-67 grenades and four grenade launchers, among other armaments. *Maras* are also suspected to have tossed grenades at several businesses in the last few months, a warning to shopkeepers who do not pay their quotas on time. Some police theorize that the gangs may be getting this armament from

more sophisticated groups, such as the Zetas, as suggested in the aforementioned intelligence report.¹¹⁰ But the black market arms market in El Salvador is so big; it is hard to pinpoint the origin of the weapons.¹¹¹

The *maras* have also become more politically savvy. While in most communities their power is still based on fear and retribution, one journalist noted an increasing tendency to reach out to the community. In one neighborhood in San Salvador, he said the *mara* leader was also a member of the community organization.¹¹² In recent years, *maras* have also opened themselves up to academic and non-governmental studies, increasing their ties to these organizations in the process.

The NGO community, in particular one known as the *Fundación de Estudios para la Aplicación de Derecho* (FESPAD), has begun an ongoing dialogue with the *mara* leaders, becoming organizers and advocates of their rights inside and outside of jail. Salvadoran President Mauricio Funes tapped several FESPAD leaders to work with his government on security issues, thereby formalizing this push towards what has been called a “dialogue.” In February 2010, leaders from the *MS-13* and the *18* issued a joint press release calling for negotiations, and several sources inside the government confirmed that it had been meeting with the *mara* leaders inside the prisons.¹¹³

However, Funes’ administration has remained firm. After congress passed new, tough anti-gang legislation, the president signed it into law in September 2010. The gangs responded by blocking buses and paralyzing transportation throughout the country.¹¹⁴ They then apologized, but Salvadorans’ patience may be wearing thin.

MONEY, EFFORTS, AND CHALLENGES

As part of the Mérida Initiative, the U.S. Government allocated \$248 million for Central America in FY2008 and FY2010. That money is now shifted to the Central American Regional Security Initiative (CARSI), which is separate from the Mérida Initiative. But little has changed aside from the name. Most of the money still goes to Guatemala, Honduras, and El Salvador. It is split between institution-building, rule of law and development programs on the one hand, and anti-gang and anti-narcotics enforcement on the other.

The list of goals, as described the State Department, are as follows:

1. Create safe streets for the citizens in the region
2. Disrupt the movement of criminals and contraband within and between the nations of Central America
3. Support the development of strong, capable, and accountable Central American governments
4. Re-establish effective state presence and security in communities at risk
5. Foster enhanced levels of security and rule of law coordination and cooperation between the nations of the region¹¹⁵

Specifically, the United States is concentrating on fortifying the justice systems as well as pushing through changes in the legal codes to facilitate modern crime fighting techniques, prosecutions, and, it hopes, extraditions. On the policing side, the United States is aiming at improving port, airport, and border security, and helping the local governments mount more effective interdiction efforts with fixed and mobile inspection equipment. With an eye on gangs, the United States is also trying to increase the use of databases and community policing and to improve prison management. It is also focused on information sharing, which includes increasing access to the United States' own files on repatriated gang members, and developing a regional fingerprint analysis system.

The funds represent a substantial increase over previous years. In FY2007, for example, the only Central American countries to receive

counternarcotics funds were Guatemala (\$1.9 million) and Panama (\$3.3 million). Now, each of the seven countries – Belize, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama – get roughly \$12 million each. The new funds, however, will hardly change the game, especially given that some of these countries are starting with few resources.

Consider Honduras. Only in 2010, did some Honduran naval and air force get the equipment to operate at night and even then for a limited time.¹¹⁶ Wiretapping laws are in place, but the organized crime unit at the attorney general's office said it does not have the equipment and complains that the private telephone companies will not supply it. What's more, the law requires all tapping to have a judge's permission, something local and foreign investigators say they would avoid because of the possible information leaks. The Honduran Public Security Ministry says the strategy is to send a message by capturing top-level guys. It is a long road, however. In Honduras, there is not even a case against Juan Natividad "Chepe" Luna, one of El Salvador's most wanted *transportistas* who authorities say operates in both El Salvador and Honduras.

There's also a notable shift away from reforming the police through massive training programs. In Guatemala, the United States seems to have embraced a different model. Working in tandem with the Commission Against Impunity in Guatemala (CICIG), a UN-sanctioned judicial international body that works side by side with Guatemalan investigators and police, the two are trying to develop and fortify cells of highly trained, vetted prosecutors and police. The hope is that these cells of "untouchables" will eventually head the institutions, and that they can lead reform from within. For its part, the CICIG is working with 12 prosecutors and 20 policemen. So far, however, its efforts have borne more fruit with the prosecutors than the police. Ten police were dismissed from the CICIG program without explanation, and CICIG officials said that no major cases have come from their relationship with the police.¹¹⁷

The United States Government has had good success working with local governments to change legal codes so they allow for more modern crime fighting techniques such as wiretapping, undercover operations and controlled buys of narcotics. The U.S. Department of Justice (DOJ) has helped design legislation that would permit judges to grant leniency

to cooperating witnesses and has started to create effective witness protection programs, which, in the case of Guatemala, include specially trained police to act as marshals. The DOJ is also assisting in the creation of Financial Intelligence Units in the various government prosecutors' offices throughout the region, to head up local and cross-border money laundering investigations.

Guatemala, Honduras, and El Salvador have each updated laws to close legal loopholes that permitted the importation of ephedrine products. There's still a need for updated search and seizure laws in many of these countries so authorities can better squeeze traffickers via their assets and bank accounts. Extraditions are also difficult to negotiate and, in the case of Honduras, not allowed in the constitution. Part of this is due to the United States' historical record of taking unilateral actions against traffickers in other countries when the United States feels the local judicial systems have failed.

Institutional success stories, however, are hard to find in the region. Many point to Nicaragua as a model. In a series of raids in 2006 and

Extradition

Following the murder of DEA agent Enrique Camarena in 1985, the United States Government took several unilateral actions that still color relations between the United States and Central America. The United States indicted 22 individuals for Camarena's murder, including Juan Matta Ballesteros, but investigations into the case stalled in Mexico, and while some arrests were made and prosecutions followed, no one was extradited. Frustrated, the DEA paid Mexican bounty hunters to kidnap one of the suspects, Humberto Alvarez Machaín, in clear violation of the country's extradition treaty with the U.S., and bring him to the United States to face charges. Alvarez Machaín was a doctor by profession. His role in the drug ring and the kidnapping and death of Camarena was far from clear, and, in Mexico, he'd avoided prosecution. In 1988, DEA agents also illegally apprehended Juan Ramón Matta Ballesteros in Honduras, put him on an airplane and flew him to the United States to face murder charges. In both Mexico and Honduras, the DEA's extrajudicial actions led to massive diplomatic and, in the case of Honduras, civilian protests. Honduran protestors burned a portion of the United States embassy to the ground, and Honduras remains one of the few countries in the region that does not allow extraditions. Mexico has only recently initiated extraditions to the U.S., but the Machaín case still resonates: the DEA, for instance, is not authorized to participate in law enforcement operations in Mexico.

2007, authorities arrested dozens of local and foreign traffickers and decommissioned boats, weapons, and ammunition in the process. The raids at least temporarily disabled the Sinaloa Cartel's operations in that country.¹¹⁸ In 2009, a similar series of raids occurred dismantling what was said to be a Zetas' operation.¹¹⁹

In El Salvador, the one major success that officials and observers point to is anti-kidnapping unit. The unit, with help from the private sector – which provided extra vehicles, radios, and other equipment – steadily unhinged the then organized criminal gangs that were kidnapping mostly wealthy Salvadorans for ransom. Kidnapping, which hit a high of 101 known cases in 2000, dropped to 6 in 2004, according to police officials. The unit eventually morphed into the anti-narcotics unit, where it has had less success. In FY2008, authorities captured a mere 26 kilos of cocaine. In FY2009, authorities captured less than two metric tons.

The public prosecutor's office in Guatemala has also seen some improvement. With the help of the CICIG, the office has arrested two police chiefs for their involvement in drug trafficking activities, as well as a former president and a former defense minister who are accused of embezzlement. However, the CICIG project, is dependent on securing more resources, security and insulating the Guatemalan prosecutors from political shifts, three variables that may put continued success in breaking the wall of impunity in that country in jeopardy.

Overall, despite tough talk from its presidents, the region seems ill prepared to face what is arguably a bigger threat to regional security than the civil wars of the 1980s. In many ways, Central American countries are fighting against simple economics. An estimated \$38 billion in cocaine flows from South to North America. The U.S. Government estimates that 42 percent of these drugs, representing \$16 billion, pass through Central America, more than national government expenditures of Guatemala, Honduras, and El Salvador combined in 2009.¹²⁰ Fifty-nine percent of Hondurans live below the poverty line; 56 percent live below the poverty line in Guatemala; and 31 percent live below the poverty line in El Salvador.¹²¹ The poverty, mixed with the lawless environment that presides over the region, makes it an ideal place for the DTOs to operate. Murder rates in the Northern Triangle are some of the highest in the world. Impunity reigns. Few crimes are investigated.

Fewer are resolved. In Guatemala, for instance, of the 6,451 murders in 2009, investigators resolved just 256.

There is also widespread discontent and distrust of the security forces throughout the region. Just to cite one example, a recent poll in El Salvador by Vanderbilt's Latin American Public Opinion Project (LAPOP) found that over 41 percent of respondents did not report a crime because they thought it would do no good; nearly 25 percent did not report crimes because they feared reprisals.¹²² Multiple attempts to reform police have also done little to slow the pace of crime or corruption inside the forces. Many corrupt officers in Guatemala were purged, only to be recycled back into the police later.¹²³

Police have also become highly politicized and unstable in much of the region. In Guatemala, the Portillo administration (2000–2004) had eight national police chiefs, the Berger administration (2004–2008) had three police chiefs, and Alvaro Colom has already had five since entering office. In El Salvador, the new police that formed after peace talks mixed different factions, including 20 percent from the demobilized guerrillas. By the early 2000s, the conservative ARENA party had removed most of the former guerrillas and politicized the top police posts, analysts say. The party denies this, but during the 2009 elections it selected a former police chief as its presidential candidate.

The private sector also appears unwilling to help the governments. Guatemala's government has been unable to pass a tax reform bill to help it beef up its security forces and put money into social services, education, and youth programs. Instead private money is going into a multi-billion dollar private security industry that is growing exponentially. For his part, Salvadoran President Funes, one of the region's most popular leaders, has little support from the business elite. After he was elected, the private sector pulled its support from the special anti-crime unit it once generously funded, particularly when that unit was the target of kidnapping rings.

The massive crime wave seems to have overwhelmed an undermanned, under-resourced security system throughout the region. Honduras and Guatemala have the two lowest ratios of police per population. Honduras has the second lowest ratio of police per square kilometer. This translates into some difficult challenges. For example, Olancho, a Honduran

province bigger than El Salvador, has 250 police. Other places are simply undermanned given the task they are facing. Alta Verapaz, for example, has 415 policemen, but only 60–65 percent are on duty at any one time.¹²⁴ The province is one of the headquarters of the Zetas in Guatemala.

Table: Police Ratios in Central America and Mexico

Country	Population	Police per 1000 inhabitants	Police per km2
Guatemala	13,276,000	1.5	0.47
El Salvador	7,185,000	2.5	2.2
Honduras	7,834,000	1.2	0.21
Nicaragua	5,891,000	1.7	0.19
Panama	3,360,000	5.1	0.59
Costa Rica	4,254,000	2.6	0.22
Mexico	111,212,000	3.3	0.52

Sources: author interviews; Observatoriopara la violencia, Honduras; CIA World Factbook.

Being undermanned only partially explains the police’s difficulties. High and low level police have been tied to several criminal groups, including *Los Perrones* in El Salvador and the Zetas in Guatemala. It is a vicious circle. Those who are trying to implement reform face a culture of corruption, fear and low morale, all of which feed the circle. “As long as we keep kicking them like stray dogs, they’ll keep biting us,” one member of a commission to reform police in Guatemala said.¹²⁵

Fear, however, may be harder to overcome. In Guatemala, 29 national police officers and 9 prison guards were murdered in the line of duty in the first 10 months of 2009.¹²⁶ In December, Honduras’ drug czar, retired General Julian Aristides Gonzalez, was assassinated shortly after he had dropped off his daughter at her Tegucigalpa school. Gonzalez had denounced police involvement in trafficking activities for months prior to his assassination. Current Honduran Security Minister Oscar Alvarez says he has received threats from the Zetas. In El Salvador, when police officials and prosecutors recommended recently that the government rewire the prisons to ensure that inmates cannot recharge their cellular

phones – a measure they believe will greatly decrease the ability of the gangs to communicate and extort from the inside – prison officials balked saying they worried about riots.¹²⁷

In the end, the DTOs are one of many organized criminal groups and arguably not even the biggest threat. In contrast to the street gangs that regularly extort small shopkeepers, food delivery trucks, and bus drivers, the traffickers run a relatively harmless operation and are sometimes viewed as local heroes. When traffickers do make public appearances, it is often to spend money. In Cobán, Guatemala, traffickers such as Hearst Walter Overdick regularly appear in bars and discotheques, sometimes with a police escort. In some cases, the popular support is not so subtle. When the DEA mounted an operation to capture Waldemar Lorenzana in Zacapa in January, it was met by a dozen protestors. An hour later, there were 200 people blocking the DEA's access. Lorenzana got away, even though he was just 50 yards from where the DEA had to stop.¹²⁸

ENDNOTES

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3 To date, the Mérida Initiative has provided \$165 million in aid to Central America, representing 20 percent of total funding provided.

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6 This report is based mainly on four weeks the author spent visiting Guatemala, El Salvador, and Honduras in January – February 2010, as part of work for both the Woodrow Wilson Center and the International Crisis Group. The author returned to El Salvador in November 2010 for further research. The author also interviewed officials and counternarcotics agents in the United States, Colombia, and Mexico throughout this time period.

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9 “*La conexión mexicana*,” op cit.

10 These are broad estimates based on prices in source countries and sale prices in the United States. One former Tijuana Cartel operative, for instance, told the author that he would buy cocaine at \$2,000 in Colombia and sell it at the U.S. border for \$20,000, avoiding the middlemen en route and subsequent markups.

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- 90 See “Informe sobre desarrollo humano para América Central 2009-2010,” United Nations Development Programme, October 2009. See also “Gangs in Central America,” Congressional Research Service, December 4, 2009.
- 91 Author interviews, Guatemala, El Salvador, and Honduras, January – February 2010.
- 92 Author interviews, Guatemala, El Salvador, and Honduras, January – February 2010.
- 93 “Gangs in Central America,” *op cit.*, p. 10.
- 94 El Salvador has 26 adult and juvenile facilities, 25 of which are not jails but rather old schools, military barracks, or other facilities that have revamped.
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- 99 “*Los Zetas en El Salvador*,” police intelligence report, obtained by the author.
- 100 Ibid.
- 101 Ibid.
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- 103 “*Detectan reunión entre cartel del Golfo y pandilla en El Salvador*,” *La Prensa Gráfica*, December 7, 2008.
- 104 Author interviews, San Salvador, El Salvador, February 15 – 20, 2010.
- 105 Although no data is available, police intelligence says the murder rate has jumped in San Miguel and La Union, which they attribute to turf wars following the apprehension of various members of *Los Perrones*.
- 106 Author interviews, San Salvador, El Salvador, November 8 – 9, 2010.
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- 108 “*Detectan reunión entre cartel del Golfo y pandilla en El Salvador*,” *op cit.*
- 109 Author interviews with police officials, San Salvador, El Salvador, February 15-20.
- 110 Ibid.

Drug Trafficking Organizations in Central America:
Transportistas, Mexican Cartels, and Maras

111 There are an estimated 500,000 guns in El Salvador, only half of which are registered. Since 2007, the police said it has confiscated a little more than 8,000 weapons.

112 Author interview, El Salvador, February 17, 2010.

113 Author interviews with analysts, police officials and counterdrug agents, San Salvador, El Salvador, February 15 -20, 2010. See also, “*El diálogo, la mejor propuesta para la solución de conflictos,*” *MS-13 and 18* statement, February 15, 2010.

114 “*Maras paralizan El Salvador,*” *La Crónica*, September 9, 2010.

115 See State Department description of initiative at: <http://www.state.gov/r/pa/scp/fs/2010/145747.htm>

116 One anti-drug agent told the author they have six hours of infrared night vision when they go on night-time raids.

117 Authors interviews with CICIG officials, Guatemala City, Guatemala, January 25, 2010.

118 “*La ruta nicaragüense de ‘El Chapo’,*” *Proceso*, October 18, 2009.

119 “*Crece población narco en cárceles nicaragüenses,*” *La Prensa*, February 17, 2010.

120 For 2009, the CIA Factbook puts their expenditures at \$5.563 billion, \$3.4 billion, and \$4.803 billion respectively.

121 CIA World Factbook: <https://www.cia.gov/library/publications/the-world-factbook/>

122 The AmericasBarometer by the Latin American Public Opinion Project (LAPOP), www.LapopSurveys.org

123 “To Serve and Protect,” Washington Office on Latin America, December 2009, p.4.

124 Author interview with police official, Cobán, Guatemala, January 24, 2010.

125 Author interview, Guatemala City, Guatemala, February 3, 2010.

126 “International Narcotics Control Strategy Report,” op cit., p.307.

127 Author interview with police intelligence official, San Salvador, El Salvador, February 17, 2010.

128 In April, 2011 Lorenzana’s luck finally ran out when he was captured by Guatemalan police on a dirt road in the eastern state of El Progreso.

HONDURAS: ORGANIZED CRIME GAINED AMID POLITICAL CRISIS

JAMES BOSWORTH

INTRODUCTION

Honduras' geographic features and location make it an ideal midway point between the drug producers in South America and drug consumers in North America. Nobody has a precise number, but the best estimates predict that several hundred tons of cocaine will transit Honduras in 2010, of which less than 10 percent will be seized by authorities.¹ In its wake, well-funded transnational criminal organizations combined with local gangs are destabilizing the country's democratic institutions and making it one of the most dangerous countries in the world in terms of violent crime.

Since the 1970s, Honduran criminal organizations focused on getting drugs—particularly cocaine—in, around, and through Honduras, taking a cut of the profit along the way. Honduran Juan Ramón Matta Ballesteros ran a key organization trafficking cocaine in the early 1980s between Colombia and Mexico.² At times in the late 1980s and 1990s, Colombian groups such as Pablo Escobar's Medellín Cartel or the *Fuerzas Armadas Revolucionarias de Colombia* (Revolutionary Armed Forces of Colombia, or FARC) exercised management, influence, and oversight in the trafficking in Honduras, but the power generally remained with the Honduran *transportistas*.³

In the past decade, a crackdown on drug trafficking organizations in Colombia combined with the rise of increasingly powerful Mexican cartels stretching their influence into Central America has impacted the trafficking situation in Honduras.⁴ Illicit flights from South America and boats with cocaine moving up both coasts have increased. Youth gangs in Honduras provide the traffickers with organizations that can intimidate and murder for cheap. The Sinaloa Cartel bought or forced its management influence over a number of previously Honduran controlled trafficking routes. The Zetas

followed suit. While most traffickers in Honduras are Honduran, a large portion of the management is now believed to be Mexican.

The public security situation in Honduras is among the worst in the world, ranking among the top five nations with the highest number of violent crimes and murders per capita. The government estimates that one person is killed every 88 minutes.⁵ The 2010 UNODC reported that the province of Atlántida, which includes the port city of La Ceiba, was among the most violent in the Western Hemisphere, with 1 person out of every 1,000 killed in violence crimes.⁶ Honduras, followed by Mexico, were the two most dangerous countries in Latin America for journalists in 2010, superseded only by Pakistan and Iraq.⁷ In 2010, the country's counter-drug czar was killed by a Mexican Drug Trafficking Organization (DTO) and a plot was broken up to assassinate the country's Minister of Security.

To complicate matters, the turmoil in Honduras' political system over the past two years has opened space for increased organized crime activity. An institutional battle, a military coup, and ongoing complications about the international recognition of Honduras's government have dissuaded the aid and cooperation believed necessary to fight organized crime.

WHY HONDURAS?

The importance of Honduras in the trafficking of illicit drugs is that it serves as a key location for exchange between traffickers and for management of cocaine transfers between the Andes and North America. Cocaine coming from South America to Honduras is trafficked by many groups, from large well-known Colombian organizations to micro-cartels to a small number of individuals trying to make a quick buck.

Honduras is often the location where the handoff is made, but a large Mexican criminal organization controls the cocaine trafficking from Honduras to Mexico, across the border into the United States, and increasingly the distribution inside the United States. The Mexican control of shipments as they come in by sea and air on the Caribbean Coast of Honduras has been described as a "command and control" location for the Mexican cartels.⁸

Similarly, shipments of pseudoephedrine (a precursor chemical for the production of methamphetamine) entering Honduras receive greater oversight or are directly controlled by the larger cartels in Mexico.⁹ Despite the Honduran government's efforts to halt the pseudoephedrine trade, the DTOs have pushed meth production into Central America in response to relatively effective enforcement efforts by U.S. and Mexican authorities further north to control the precursor chemicals. Likewise, pseudoephedrine shipments from Europe or directly from Asia are being routed to Honduras. Additionally, certain shipments that go to the Southern Cone of South America are controlled by the Sinaloa Cartel through the entire hemisphere, and regions of Honduras, particularly the Olancho department, have been used by Sinaloa to manufacture ecstasy and meth before shipping it to the United States or Europe.

From Honduras to the north, most shipments head through Guatemala by land or to Guatemala or Mexico by sea, departing from areas near La Ceiba. In general, according to experts who track the shipments, the Sinaloa and Gulf Cartels move more cocaine by land across the Honduras-Guatemala border, while the Zetas move more by sea.¹⁰

While the following sections of this paper describe the specific influence of the Mexican DTOs and other international organizations, there remains a thriving "independent" industry of *transportistas* in which people unassociated with specific DTOs move cocaine up the coast and sell it at a higher price to DTOs further north. Groups as small as 2 and as large as 25, usually composed of Nicaraguans or Hondurans, purchase cocaine in southern parts of Central America (Panama, Costa Rica, or Nicaragua) from organizations managed by Colombian and Venezuelan DTOs. They then move the cocaine up the coast to Honduras or Guatemala, where they sell it at a profit on the black market that is run by the Sinaloa, Gulf, and Zetas organizations.

One such micro-DTO, the Reñazcos, is a Honduran family that operates mostly on the Nicaraguan side of the border, transporting cocaine by land and sea through Nicaraguan territory and into Honduras. Once they move the cocaine into Honduras, they transfer control of the drugs to the Mexican DTOs. Although small in size, the Reñazcos organization has been operating for almost a decade. In 2004 it killed several police officers in the Nicaraguan Caribbean city of Bluefields.

The Nicaraguan government claimed in late 2010 that the group tried to break several drug traffickers out of prison in that region.¹¹

THE SINALOA CARTEL

The Sinaloa Cartel exercises most of its management authority in the Northern triangle of Central America, with Honduras playing a key role. The cartel also has some significant influence at the base of the trafficking chain in Peru and, to a lesser extent, in Colombia.¹²

Police intelligence reports suggest the Sinaloa Cartel has installed operations in the states of Copán, Santa Bárbara, Colón, Olancho, and Gracias a Dios. In late 2009, the U.S. Department of Treasury froze the assets of Agustín Reyes Garza, “Don Pilo,” a member of the Sinaloa Cartel operating in Honduras.

In 2007 and 2008, it is believed that the cartel began buying off or killing potential local rivals. A top cartel leader was sent down to Honduras with a group of Mexican *sicarios*, or hitmen, over a 15 day period to kill off Honduran rivals. That leader then set up a “sicario school” in Honduras that recruited local operatives to continue providing security and protection for Sinaloa operations.¹³

In 2008, a massacre by the Zetas on the Guatemala-El Salvador border led to rumors that Joaquín “El Chapo” Guzmán, a leader of the Sinaloa cartel, was among those killed. The Guatemalan government investigated and denied that he was among the dead, but said he was in Honduras.¹⁴ While rumors of El Chapo’s trips to Honduras had quietly circulated previously, the open acknowledgement of his presence by a Central American government raised the stakes for the Honduran government.¹⁵

In early 2010, the Honduran government confirmed the rumors and revealed that the Sinaloa Cartel’s top leader had been known to travel to Honduras and reside in the country at various times. Beginning in February 2006, Guzmán had used locations in Honduras, particularly Santa Barbara, to avoid authorities in Mexico and Guatemala. The news that one of the world’s top cartel leaders apparently had relative freedom of movement, at least in areas of Mexico and Central America, was deeply troubling.

There are those who doubt the information and believe the Honduran and Guatemalan governments are using the potential presence of “El Chapo” as a way to gain attention and leverage resources from the United States.

Nevertheless, Guzmán apparently established a location in El Espíritu, Copán near the Guatemalan border. When he visited, he maintained personal security guards with inside knowledge of government operations that warned him well in advance if authorities were in the area. The location allowed him to avoid Guatemalan authorities, which originally arrested him in the early 1990s and have continued to search for him passing through their territory.¹⁶

The Honduran government promised that if it were to capture Guzmán or any other top cartel leaders it would extradite him immediately to Mexico.¹⁷ Authorities acknowledged that their prison system could not likely hold those criminal leaders.

The Sinaloa Cartel has used Honduras as a base for meth and ecstasy production.¹⁸ Authorities in late 2009 found a lab in Naco Santa Barbara with a very well-constructed runway nearby that had been in operation for three years. Planes were reportedly taking off and landing to bring in pseudoephedrine and leave with ecstasy and other drugs. The location was owned by 15 Mexicans, and some property transfers at that location had taken place through the bodyguard of a member of Congress. Police indicated that there were military units aware of the location that had been corrupted through bribes by the traffickers and did not report the location to their superiors.

In December 2009, Honduras’s drug czar, Julián Arístides González, was assassinated. Evidence revealed that the Sinaloa Cartel had likely taken out the hit on him.¹⁹ Investigators believe they used local organizations, not Mexican *sicarios*, to actually commit the crime.

In the weeks prior to his assassination, the drug czar had been cracking down on operations that were directly managed by the Sinaloa Cartel. Clandestine runways operated by the organization were destroyed in public events with the media. Hondurans trafficking cocaine between the runways and the Guatemalan border were targeted and arrested and the cocaine seized.

Honduran prosecutors have also surmised that what motivated the Sinaloa Cartel to assassinate the counter-narcotics director was the

seizure of a shipment of illicit pseudophedrine that was coming in to Honduras from France for use in producing meth or ecstasy. The cartel supposedly lost US\$7 million on that seizure, which was headed for the facility in Naco described above.²⁰

Minister of Security Óscar Álvarez has warned that the Sinaloa Cartel is attempting to buy off mayors and municipal officials while corrupting police officers. In that way, it is trying to create “parallel government structures” at local levels that will allow it a greater freedom to operate.

Reporting on the Sinaloa cartel’s activities, particularly its corruption of government officials, has become dangerous for Honduran reporters. Journalist Nahun Palacios of Radio Tocoa and Canal 5 in Colón was killed in March 2010. David Meza was killed near the port of La Ceiba after reporting on Sinaloa cartel activities in the area. Both had received threats from the drug trafficking organization prior to their deaths.²¹

THE ZETAS

Like the Sinaloa Cartel, the Gulf Cartel was active in Honduras throughout the past decade, but began expanding operations significantly in 2006. With the break between the Gulf Cartel and the Zetas in Mexico, the Zetas took over many of the operations inside of Honduras. They maintained ties with corrupt officials and kept track of the land titles and routes landing air and sea shipments in Honduras.

Following the split between the Gulf Cartel and the Zetas, the former continued operations in Central America. However, according to local officials, the Gulf Cartel tends to traffic through and around Honduras, with less infrastructure or personnel within the country as compared to the Sinaloa Cartel or the Zetas. With less of a permanent presence, they tend to avoid conflicts with other criminal organizations in Honduras. Recent reports suggest the Gulf Cartel tends to pick up cocaine in Costa Rica and Nicaragua and traffic it through Honduran territory by land and sea using local Central American *transportista* groups.²² They maintain a small group of several dozen Honduran *sicarios*, some of which they use in Nicaragua and Costa Rica to provide enforcement and protection.

In early 2010, Security Minister Álvarez said that the Zetas had placed a price on his head for his efforts to crack down on organized crime.²³ They were allegedly working with the street gang Barrio 18. The note seized by authorities from within Barrio 18 read in part, “Let’s try and do this job as soon as possible... since our ‘friends’ the Zetas gave us a \$20,000 advance and said they would give us another \$150,000 if we do this job well.”

Around the same time as the plot to assassinate Álvarez, Honduran authorities said that members of the Zeta leadership from Mexico may have been using areas of Copán to hide personnel and as staging locations for drug trafficking operations. However, the authorities were unable to confirm these rumors.²⁴

Like the Sinaloa Cartel, the Zetas have begun managing clandestine runways and transportation networks in Honduras. The country has become a key transfer point to take control of the cocaine as it heads northward into Mexico and then the United States. While some of the Zetas’ land routes overlap with the Sinaloa Cartel’s, the organization appears to prefer trafficking by sea, leaving from the area in or around La Ceiba and going to Guatemala, where they have better control of land routes, or all the way to Mexico.²⁵

As was exemplified by the tragic massacre of 72 migrants, many of whom were Honduran, in Tamaulipas, Mexico in September 2010, the Zetas also play an important role in the illicit smuggling of migrants in Central America and Mexico. Reports began surfacing in 2008 in Honduras that the Zetas were kidnapping Hondurans in Guatemala or as they crossed the border from Honduras to Guatemala.²⁶ Some people claim they were tricked into believing the Zetas were functioning as coyotes while others say they were outright kidnapped by force. Zetas would force the migrants to take on criminal tasks such as working for the cartel for a certain amount of time or trafficking drugs into the United States. Women have been forced into prostitution and sexually assaulted by the criminals engaged in their trafficking. At times, the Zetas would contact families of those kidnapped back in Honduras and demand ransom.

By 2010, Zeta networks extended further into Honduras, including active violent cells in San Pedro Sula and La Ceiba, logistics networks

along the Caribbean coast, and some land purchases both near the Guatemalan border and in rural areas of Western Honduras.

Media reports indicate that the Zetas have recruited a number of former Honduran police officers to provide security for drug trafficking as well as for the kidnapping and extortion of migrants.²⁷ The presence of former Honduran police goes beyond Honduras's borders and includes cells in Guatemala and Mexico, according to Honduran and Mexican authorities.

It may seem logical that an increasing Zeta presence would clash with the more established presence in Honduras of the Sinaloa Cartel, as well as local Honduran *transportista* groups. Information about turf wars, however, was not readily available other than the Sinaloa activity in 2008 referenced previously. The battles that occur among rival cartels and local groups appear to be individual instances with specific motives, not part of a long running feud where one group is out to destroy the other. Suppliers, local *transportistas* and *maras* do not seem to be forced to "choose sides" between the major Mexican groups that are in the country and are still allowed to freely work among the groups where work is available.

Even without long-running turf wars, the Zeta's presence and methods have meant that over the course of 2010 the Zetas have received greater media coverage in Honduras. Not content with quiet influence similar to the Sinaloa Cartel, the Zetas have apparently tried to intimidate gangs and local *transportista* groups in northwest Honduras and claim certain routes as their own.²⁸ These actions, combined with their brutal kidnapping and exploitation on the human trafficking routes, are creating a backlash against the group in Honduras.

THE MARAS

Honduras has the largest number of individuals involved in gangs (*maras* or *pandillas*) in Central America, whether measured in terms of overall numbers or on a per capita basis. A 2005 estimate by the UNODC said that the number of gang members in Honduras was about 36,000.²⁹ The

gangs are engaged in significant amounts of crime, particularly in the urban neighborhoods of Tegucigalpa and San Pedro Sula.

The two largest gangs in Honduras, MS-13 and Mara-18, are branches of the transnational gangs by those same names. Unlike El Salvador, where those two gangs and a few others dominate the entire *maras* landscape, authorities in Honduras estimate that over 100 different gangs exist in the country. Most of those gangs are local neighborhood groups that have horizontal ties with other local gangs in the country but lack the transnational scope of the largest gangs or the organized criminal groups that traffic most of the cocaine.

Vanda Felbab-Brown of The Brookings Institution believes that a collaborative relationship has developed over time between the criminal networks and the *maras* by which leaders of the networks subcontract specific tasks to the *maras*.³⁰ Transnational DTOs use those local gangs as “muscle,” doing temporary one-off jobs to kill or intimidate competition or government forces, provide security for shipments, or provide personnel to move a shipment across a certain location. A report by the International Narcotics Control Board (INCB, *Junta Internacional de Fiscalización de Estupefacientes* or JIFE in Spanish) suggested that most transnational drug trafficking organizations in Central America are using local gangs primarily for security protection.³¹

Analysts will at times note that the gangs have extensive ties with organized crime and international drug trafficking organizations. However, there is also an important level of separation between them. In the eyes of U.S. and Honduran officials interviewed for this report, the gangs aren’t coordinated or trustworthy enough to be offered a major part in the regional trafficking process.³² The gangs are much more local in their scope of activities.

However, there is an opposing view: that the gangs are more organized and have begun working apart from Sinaloa and Zeta control of the drug smuggling routes. Honduran Attorney General Roy David Urtecho said during a recent law enforcement conference:

“Now they [MS-13 and M-18] wanted the real power. They had been seeking an understanding with the cartels in Mexico and Colombia, to establish themselves as legitimate traffickers instead of street level thugs... Once they had control over the level of violence

in the country, they began to implement a system of bosses and subordinates; they went from hiring themselves out as the armed branches of various foreign criminal organizations to fully operating all criminal activities in Honduras. Even as we speak, they have a complete monopoly over the violence and drug smuggling routes in the country.”³³

Whether or not they are independent from the Mexican DTOs on the transnational routes, there is agreement that the *maras* control the local distribution for drugs. Local health statistics suggest that slightly less than one percent of the population abuses cocaine, which is not high by developed nation standards but among the highest in Central America, according to the UNODC.³⁴ Honduras provides a big enough market to make local cocaine distribution in some neighborhoods very lucrative. Marijuana use is even more prevalent, with authorities saying that marijuana sales account for a significant portion of the gangs’ incomes, second to extortion.

One official with the Honduran Attorney General’s office interviewed suggested the gangs make greater profits from local control of drug distribution networks and local extortion crimes than they do from organized criminal networks trafficking drugs through the country. Their involvement with the transnational shipment of drugs is a profit boost for the gangs, but is far from their only source of income.

There is a problem of drug consumption within the gangs. While cocaine use is on the rise, the bigger issue appears to be sniffing glue, paint, and other inhalants along with marijuana use and the abuse of some legal drugs. Officials also indicate they are seeing a rise of traffickers paid with product, something they say was once discouraged among the gangs and *transportistas*.³⁵

Gangs are a serious problem in Honduran prisons. They continue their organization and recruitment within the prison system and maintain networks to facilitate access to cell phones, weapons, and drugs for prisoners. They also corrupt or coerce the guards to permit them to carry out various illegal activities, including the continued coordination of criminal activities. Weapons, including high caliber rifles and explosives, have been trafficked into the prisons, according to local officials and media reports.

FROM SOUTH AMERICA TO HONDURAS

Nearly all of the world's cocaine is produced in three countries in South America: Colombia, Peru, and Bolivia. The cocaine destined for the North American market must travel by boat or air to Central America and the Caribbean and onward to the United States.³⁶ Approximately 90 percent of cocaine going to the United States travels through Central America and/or Mexico, though some analysts believe there has been a slight shift to the Caribbean route in the past year as Mexico has cracked down on drug trafficking in its territory.

For much of the late 1980s and throughout the 1990s, Colombian organizations played the largest foreign role in the management of cocaine at this point in the process. The cocaine transiting through Honduras was usually managed by Colombian organizations or by domestic Honduran traffickers. The Colombian groups include the *Fuerzas Armadas Revolucionarias de Colombia* (FARC), the *Ejército de Liberación Nacional* (ELN), the *Autodefensas Unidas de Colombia* (AUC), the Norte del Valle Cartel, and now, what are referred to as emerging criminal bands (*bandas criminales*, or BACRIM) formed in part by former paramilitaries.³⁷

Mexican DTOs began strengthening and moving southward during the early to mid-90s. Over the past decade a crackdown against the trafficking groups in Colombia has reduced their influence and allowed Mexican cartels to stretch their influence all the way down to South America. While the Mexican organizations have had ties in Honduras for at least 15 years, as described above, they have solidified their control of Honduran DTOs in the last 5 years. Through violence and competitive market forces, they have displaced Colombian organizations and pushed domestic Honduran organizations either out of business or to a second tier status working for Mexican DTOs.

Colombian groups—particularly the FARC, the BACRIM, and various micro-cartels—still play an important role in trafficking cocaine to Central America. Notably, the BACRIM group known as Los Rastrojos managed a number of illicit plane routes from the Colombia-Venezuela border to Honduras during 2009. Additionally, during 2009 and 2010 there was a rise of Venezuelan-based DTOs that have

begun to replace the Colombian groups on some routes by air and sea going to Honduras.³⁸

BY AIR

In 2005, the Honduran government recorded no illicit flights, though their ability to fully monitor that activity means that some flights may have landed on Honduran territory.³⁹ Based on the number of crash landings and official seizures, the number of illicit flights increased enormously around 2008. In 2009, government statistics suggest that at least 154 flights landed, about 3 per week. That number may well be higher, as government officials admit that they do not have full information about their own airspace.

The flights are generally operated by Colombian or Venezuelan trafficking groups, though some local Central American *transportista* groups have also been reported to operate the flights. Most of the pilots captured in the past two years are Colombian and Venezuelan. Illicit flights take off from South America, usually Venezuela or just across the border in Colombia, and fly up to the Caribbean side of Central America.⁴⁰ Some of the flights cross through Nicaraguan airspace.

There are hundreds of clandestine landing strips in eastern and northern Honduras, particularly in the Olancho and Atlántida provinces. There are reports that Mexico's Sinaloa Cartel has constructed landing areas.⁴¹

In some cases, landowners may be paid as much as \$50,000 for the right to use a landing strip on their property for a single night.⁴²

Other local officials interviewed indicate that some landowners receive little or no payment and are simply glad to escape unharmed.⁴³ Additionally, traffickers sometimes use highways in the region, paying off local police officials to look the other way as necessary.

Many planes make a partial or total crash landing, with the intent of never taking off again. The trafficking organizations make enough money off the shipments that the planes can be considered disposable. The government knows about many of the flights not due to enhanced radar or surveillance, but because the planes crash and wreckage is left behind or because there are crash reports from eye witnesses.⁴⁴

A team of workers, usually Honduran but sometimes including a Mexican manager, unloads the cocaine from the plane and generally destroys and hides the plane if it is not already overly damaged from the landing. The team of workers costs less than \$10,000 dollars for a night's work, including security and transportation.

The lack of airspace and ground control make the Honduran Mosquitia, the eastern region along the Nicaraguan border that is mostly within the Gracias a Dios province, an easy region for the traffickers to fly over and perhaps a tempting target in which to land. One official noted that the government lacks the technological capabilities to know how many illicit flights are coming in.⁴⁵ However, the near complete lack of infrastructure in that region pushes away even the traffickers, who have a hard time moving the cocaine out of that area once they land it there. Instead, most traffickers aim for Olancho or Atlántida.

There is an alternative air route that moves through Honduras's major domestic and international airports. In these cases, officials at the airports are bribed so that the planes can clear inspection and customs. Officials indicate this is a popular method to traffic bulk amounts of cash rather than cocaine, but instances of drug traffickers landing and taking off from Honduras' airports in Tegucigalpa and San Pedro Sula have occurred.⁴⁶

Few drug shipments leave Honduras by air heading north for any significant distance. Local media suggest the Sinaloa organization may have light planes and even helicopters flying short distances over the border from northern Honduras to southern Guatemala.⁴⁷

However, Honduran officials indicate it would be difficult for a plane to make it across their airspace from east to west without being detected. Flights may also head north from Honduras over the ocean and then turn west to cross over Belize into Guatemala or directly into Mexico. However, authorities believe the examples they have seen along those lines are more of a rarity than the norm for traffickers, who prefer to move drugs by land or sea once they are inside Honduras.

BY SEA

A majority of the cocaine moving through Honduras arrives by sea and nearly all of it via the Caribbean coast.⁴⁸ As Honduras's Pacific coast is very small and only has one major port, the percentage coming via the Pacific route is lower than that of its neighbors. Some cocaine arrives via the Pacific to Costa Rica, Nicaragua, or El Salvador and then crosses a land border to Honduras.

Cocaine can move its way up the Caribbean coast to Honduras by boat, either quickly or hidden. Go-fast boats move the cocaine with speed. They often hug the coastline and refuel at key gray market points. Technology has given them greater ability to run further out from the coast and identify refueling points with greater precision.

Some cocaine also moves via slower "fishing" vessels and travels through the same routes and ports as local fishermen. There are cases of outside traffickers coming in and "renting" fishing vessels from their owners as well as owners who work on contract for a trafficking organization for one to two days every few months to supplement their income.

When cocaine is seized at or near sea, the teams moving the cocaine are generally Colombian, Nicaraguan or Honduran. According to officials, the heavy Colombian presence among those arrested suggests that Colombian organizations maintain

Fuel Smuggling and Logistics

A related industry in fuel purchasing, trafficking and storage has increased alongside the illicit drug trafficking industry. While not generally illegal to purchase or move most types of fuel within Honduras, authorities are on the lookout for purchases that appear to be going towards fueling go-fasts refueling along the Caribbean coastline or airplanes refueling from illicit landing strips.

A secondary network of gray market operatives working for organized crime will leave fuel and other supplies near airstrips and tag the specific GPS coordinates. At sea, the logistics network will place several containers of fuel in the water with a small buoy and mark the coordinates. These coordinates are then sent by phone, SMS, or email to the traffickers. The go-fast captains will have a list of potential fuel locations as they travel up the coast. Many recent arrests have included a GPS device among the seized items from the traffickers.

Interview with U.S. counter-narcotics official, August 2010.

control over these routes for the time being.⁴⁹ Colombians often serve as the enforcers, making sure the other traffickers on the vessel remain on task.

Semi-submersibles have also been used along the Caribbean coast of Honduras, with fishing vessels at times towing underwater vessels laden with cocaine. The U.S. government has attempted to help countries in the region identify and track these vessels, but local officials believe that a number of these vessels are still getting through Honduran waters.

BY LAND

Cocaine enters Honduras by land through El Salvador and Nicaraguan border crossings along the western edge of Nicaragua's border. Cocaine is also trafficked by land over the eastern part of the Nicaragua-Honduras border, but even the DTOs are limited by the lack of infrastructure that makes trafficking by land more difficult than by sea or air in that area. Roads are unpaved and poorly maintained. Fuel, food, and basic supplies are limited and must be brought into the region.

Authorities and analysts disagreed over whether land trafficking is increasing as a preferred means of transport. Analysts who track the issue report a significant increase in reports of large seizures that were trafficked by land from Nicaragua and through Honduras. However, authorities in Honduras said their statistics, while not perfect, do not indicate an increase in land trafficking.⁵⁰

Several organizations run vehicles up the Pan-American highway from Panama or Costa Rica to northern Guatemala, as a recent arrest of members of the Gulf Cartel highlighted. They often pass through Honduras, stopping only at border checkpoints and gas stations and perhaps spending a night near San Pedro Sula before attempting the border crossing in the morning.

Local media who have followed the issue claim that the cartels pay drivers \$200-\$500 plus the cost of gas to run a shipment of 20-100 kilos up the highway in a car.⁵¹ In many Central American countries for poorer sectors of the population, that amounts to about a month's wage

for a job that takes three to four days. The cost of getting caught can be several years in prison for Hondurans or deportation for non-Hondurans.

There are also indications that larger-scale land trafficking may be occurring in western Honduras. In mid-August, a dump truck with 500 kilos of cocaine was seized. As one expert in illicit trafficking stated, “As they [the DTOs] see success with small scale trafficking, they attempt larger and larger shipments to test their luck... A bust of that size suggests many smaller shipments made it through first.”

Honduras has seen an increase in traffickers from Africa and East Asia. These are generally people who are being illicitly trafficked as humans and who also serve as mules—sometimes voluntarily and sometimes forced—to pay their way. The increase in trafficking of and by foreigners creates a problem for the Honduran justice system, which would deport these individuals but does not have the resources to do so. Some of them languish in a kind of legal limbo in a Honduran jail for immigrants as they are not a high priority for the Honduran government.

OTHER ILLEGAL ACTIVITY LINKED TO ORGANIZED CRIME

While the bulk of organized criminal money in Honduras is made from drug trafficking and extortion, a number of other illicit services occur as well. Some of these, like money laundering, are directly linked to the drug trafficking operations. Others, like the trafficking in exotic animals or contraband, is tangentially linked, often using the related networks to smuggle items across borders.

Honduras has a money laundering task force, but according to local authorities money laundering is less of an issue in Honduras than in some of its neighbors. The bigger issue concerns the large amounts of bulk U.S. cash smuggled through the country. As exchanging a large amount of U.S. dollars into Honduran currency (lempiras) is not particularly easy, most criminals and their related networks functioning in the gray and legal market prefer to work in U.S. dollars in Honduras. With limited government capacity to investigate financial crimes, criminals do not always feel the need to launder the money. In a country in which many crimes are never investigated or prosecuted, criminals who decide

to keep their profits in Honduras can spend ‘dirty’ money with impunity without going through the time, effort, and cost of laundering the money.⁵²

Bulk cash smuggling is largely done over land routes or by air, often on legal flights from major airports. For example, in early October 2010, the Honduran police arrested four Colombian citizens attempting to traffic nearly US\$1.5 million from the San Pedro Sula airport. Another two Colombians were arrested with \$20,000.⁵³

Another arrest in Guatemala in late 2010 suggested mules were being paid \$400 to traffic money in their cars from Guatemala to Panama.⁵⁴ Many would then return north and pick up cocaine in Nicaragua to traffic back to Guatemala.

While most transactions occur in cash, there have also been some drugs for arms deals in Honduras, according to media reports. Honduran authorities believe there was a spike in arms trafficking into the country in early 2009.⁵⁵ They also believe that the Zetas moved high caliber firearms, most stolen from security units in Mexico and Guatemala, into the Atlántida and Colón provinces in exchange for cocaine.⁵⁶

In one particularly high profile case, Syrian arms trafficker Tahal Hassam Kanthous, also known as Jamal Yousef, was arrested in Honduras and indicted in New York on charges of plotting to sell 100 M-16 assault rifles, 100 AR-15 rifles, 2,500 hand grenades, C-4 explosives, and antitank munitions to the FARC in exchange for a ton of cocaine.⁵⁷ However, cases like this are the exception and do not appear to be the general trend in Honduras.

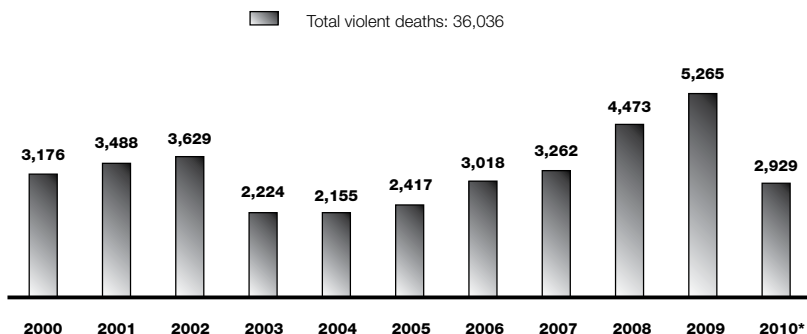
Other cases involve the flow of arms trafficking northward, with weapons from the 1980s conflicts in Nicaragua and El Salvador making their way to Mexico through Honduras.⁵⁸ Honduran authorities report that firearms including grenade-launchers have been lost or stolen from Honduran military bases and found in Mexico and Colombia.⁵⁹

In recent years, illicit human trafficking has been tied to the illegal drug trade in Honduras through the Zetas. Human trafficking is a major issue in Honduras, as the nation provides points of transit and departure. Mexico deported 23,000 Hondurans in 2009 and is on pace to deport nearly the same number in 2010. Meanwhile, the Mexican Institute of Migration estimates that 400,000 people cross illegally into Mexico each

year and many of them are from points south of Honduras, suggesting they pass through Honduras at some point on their way to Mexico.⁶⁰

Animal trafficking occurs from Honduras’ native forests or through Honduras from Panama, Costa Rica, and Nicaragua but does not appear to be managed by a large or centralized organization. Birds, monkeys, and snakes are all frequently and illegally trafficked, usually to markets in the United States. Similarly, hardwoods from Honduras and Nicaragua are trafficked illegally to Mexico, the United States, and Europe, often through the corruption of customs officials. The criminals committing this type of trafficking are usually different than those trafficking in illicit drugs. However, it is worth noting that in the 1980s and 90s, the non-drug smugglers became some of the key regional *transportistas* for drugs.⁶¹

Violent Deaths Per Year (2000-June 2010)



Graphic of murder statistics in Honduras from *Comisionado Nacional de los Derechos Humanos (CONADEH) report to Congress*,⁶² October 2010.

Source: Years 2000 - 2004, National Police
2005 - June 2010, Violence Observatory

THE EFFECTS

The security situation in Honduras has deteriorated significantly over the past five years. The number of murders has increased nationwide and

many of these murders can be linked directly back to drug trafficking organizations.

The influence of organized crime is evident in many locations, but no criminal organization “controls” large swaths of territory. Mexican DTOs have varying degrees of prevalence across the country, but there are few areas where analysts can clearly say, “this is Sinaloa territory” or “this is Zeta territory” in the way that areas of Mexico or Guatemala can be identified and mapped. Rather, there is a significant amount of overlap among the Mexican groups. There are indications that some gangs (*maras*) exercise significant control over neighborhoods (*colonias*) of the capital and San Pedro Sula, but these are more local phenomenon than transnational crime.⁶³

Impunity for crimes remains a problem. According to the Honduran National Commission on Human Rights, between 2005 and 2009 there were nearly 50,000 denunciations of human rights violations. Of those, there were 12,098 arrest warrants and only 2,510 arrests from those orders.

Corruption within the Honduran political and security system is widespread due to the influence of organized crime. Drug trafficking organizations are willing to pay a month’s wages to a police officer or soldier for one or two nights worth of work. Current and former police officers have been recruited to provide security. The corruption also creates a level of distrust within the institutions of government. Civilian and military organizations are more reluctant to share information outside their organization when they believe that it may be leaked to the criminals.

Politicians have also been linked with organized crime. For example, in 2003, a member of the Honduran Congress, Armando Ávila Panchamé of the Nationalist Party, was sentenced to 20 years in prison after being caught operating with a Colombian group bringing cocaine into the country.⁶⁴ There is also strong evidence that at least one local mayor near the Guatemalan border, Alexander Ardon of the town of El Paraiso, has been corrupted by the Sinaloa Cartel.⁶⁵ Authorities suspect the number of mayors who receive a *plato o plomo*, (silver or lead), style threat from the cartels is growing.⁶⁶

By 2010, Honduras had become one of the most dangerous countries in the world for journalists. The situation is a combination of the effects of organized crime, the effects of the coup, and the government's unwillingness to take the investigation of crimes seriously, often dismissing the organized crime-related killings as street crimes before a full investigation can be completed. An investigation by the Committee to Protect Journalists found, "The government's ongoing failure to successfully investigate crimes against journalists and other social critics—whether by intention, impotence, or incompetence—has created a climate of pervasive impunity."⁶⁷

The indigenous tribes along the Atlantic coast of southeastern Honduras and northeastern Nicaragua are being heavily affected by drug trafficking in their region. The drug business pays more than any job or potential job. Roberto Orozco, an investigator with the Institute for Strategic Studies and Public Policy (IEEPP), a Nicaraguan think tank, said organized crime's biggest weapon is "[its] ability to pay in cash for services."⁶⁸

The money is seen as a boost to the communities. In addition, communities long ignored and marginalized by the national governments receive social services that they were never able to get before: criminals have been known to invest in health, schools, and other services that the government has failed to provide.

Several analysts interviewed indicated that communities on the Caribbean coast of Honduras and Nicaragua were working to make their communities hospitable to traffickers, in some ways competing with each other to be the most desirable destination. Communities are avoiding cooperation with authorities, as they are concerned that cooperation will lead to traffickers using other communities and diverting a lucrative source of income.

There is also the issue of "fishing," in which these communities collect packages of cocaine that have been dropped by the cartels from go-fasts that were being pursued by the authorities or accidentally sunk. In many cases, these packages of cocaine can be resold to the cartels operating in the region, providing a source of income for the communities.⁶⁹

While the issue of human rights is generally discussed in the context of government actions or obligations, it's worth noting that the criminal organizations in Honduras are a key violator of human rights in the country, depriving citizens of their right to life and security and

indirectly violating their rights to fair and impartial institutions of justice by undermining the government institutions that do investigative and judicial work.

EFFORTS TO COMBAT CRIME

The Honduran Congress in July 2003 passed a tough anti-gang law (commonly referred to as *Mano Dura*) that made membership in certain gangs illegal and increased sentences for those convicted of gang activity. The law extended police powers to detain gang members and provided a brief surge of security as gang members were rounded up and thrown in prison. However, the law proved ineffective and perhaps even counterproductive as some gang members were released due to lack of evidence while others used the weak prison institutions to recruit and organize the gangs into even stronger forces.⁷⁰

The 2006 presidential election in Honduras pitted Manuel Zelaya against Porfirio Lobo. Faced with key issues of crime and security, Lobo promised a major crackdown on gangs and organized crime, indicating he would go further than even the administration of then President Ricardo Maduro. Zelaya, on the other hand, offered a softer approach, arguing that the *Mano Dura* anti-gang policies of the Maduro administration had failed. Zelaya narrowly won the election.⁷¹

Crime increased in the first year of the Zelaya administration and the Mexican cartels began increasing their reach in the country during that time. Zelaya's opponents like to blame the president for these facts and it appears true the Zelaya administration did little to focus on anti-gang or anti-crime measures. He met with his military, police, and security advisors far less often than the Maduro administration did. His plans to try a softer approach with the gangs never really came to fruition. With a focus on the economy and political issues, security was simply not on the president's agenda on a daily basis.⁷²

However, it is impossible to know the counter-factual of how a hypothetical President Lobo in 2006 or 2007 would have responded to organized crime. With the crackdowns on DTOs in Colombia and then Mexico under President Felipe Calderón, and the general expansion of

Mexican DTOs throughout the hemisphere, it may be that the expansion of organized criminal groups and the increase in related violence in Honduras was inevitable. It is also a common and fair criticism to say Maduro's anti-gang policies were not built for long term success and the conditions in prisons overcrowded from gang arrests may have aggravated the problem as Zelaya's term in office continued.

For a time in 2008, the Zelaya administration ceased its softer approach and returned to more traditional anti-crime operations, sending additional police into the streets and even using the military in some operations. However, effectiveness was limited and Honduras' murder and crime rates continued to rise.⁷³

Gang activity increased and became more violent in 2008 and 2009, and transnational criminal organizations increased their influence in the country. The Sinaloa Cartel, in particular, expanded operations in the northern areas while the Zetas and Gulf Cartel expanded in competition for territory. The numbers of illicit flights jumped and the amount of cocaine trafficked through the country by land, sea, and air all increased, according to Honduran and U.S. government figures.⁷⁴ The number of murders in the country also remained among the highest levels in the hemisphere, though they would get even worse post-coup.

As the Zelaya administration continued, the focus on various political fronts including the push for a constitutional reform in 2009 further removed security issues from the president's agenda. This paper makes no judgments on the proposed constitutional reform other than to say that the focus on the political issues meant less focus on security issues.

Zelaya's inattention to the security issue and the increasing role of organized crime in the country during his term would lead to accusations after he was removed that his government had tacit agreements with the FARC or Sinaloa Cartel to traffic cocaine and that his government was using cocaine profits to fund political activities. None of those rumors was ever confirmed with public evidence. The security concerns and levels of corruption appear to be caused more by neglect than by any sort of clandestine agreement at the highest levels.

THE COUP

Separate from the issue of organized crime, President Zelaya took economic and political measures in 2008 and 2009 that angered many of the traditional power brokers in Honduras, including those in the president's own party. He pushed for a *constituyente* or constitutional referendum to rewrite Honduras' constitution. Zelaya claimed he was rewriting an outdated document to improve the democratic institutions of Honduras and make them work for the people. Zelaya's opponents said the president was actually undermining democracy and attempting to change the constitution in order to remain in power longer and allow reelection.

The situation deteriorated in June 2009 as Zelaya, after being blocked from holding a referendum to rewrite the constitution, attempted to hold a non-binding vote on the matter and ordered the military to assist with the non-binding poll.⁷⁵ The legislative and judicial branches disagreed with Zelaya and said he had no right to hold the poll or order the military to be involved. On the morning of June 28, 2009, the day of the non-binding referendum, the military showed up at the presidential palace and placed President Zelaya onto a plane to Costa Rica, forcing him into exile. Members of the legislative and judicial branches attempted post-hoc to justify the military's actions as part of a judicial order they later produced. However, Zelaya's supporters and every government in the hemisphere condemned the action as a coup.

The same day Zelaya was forced into exile, the Honduran Congress named congressional leader Roberto Micheletti as de-facto president of Honduras until elections could be held later that year.⁷⁶

Every country in the hemisphere condemned the coup, and Honduras was removed by a unanimous vote from the OAS under the rules of the democratic charter. Many countries cut off political, military, and economic ties as well.

Organized crime did not directly cause the coup. The criminal organizations did not have a favorite in the coup, though both the pro- and anti-Zelaya forces tried to claim the other had significant ties to organized crime and drug trafficking. Rather, the main reasons the military unconstitutionally overthrew President Zelaya were political.

However, an argument can be made that the organized crime situation in Honduras did play a secondary role in destabilizing the

Zelaya government. By corrupting local government officials and undermining the professionalism of the Honduran military, it weakened the institutions of government. Organized crime also benefitted greatly from the turmoil caused by the coup.

If the fight against organized crime was minimized under Zelaya, it was completely ignored under Micheletti. Honduras was in a complete political crisis, with protests and counter-protests and with a full time focus on legitimizing the government and maintaining stability. Counterdrug chief Julian Arístides told Reuters at the time that the Micheletti government didn't even have a strategy to fight organized crime.⁷⁷

The number of illicit flights with cocaine entering Honduran airspace, already quite high under the Zelaya administration, skyrocketed once Micheletti was named interim president.⁷⁸ One official reported that under the interim government more planes were landing carefully on runways and taking off again to make second and third trips into the country.⁷⁹ DTOs were so certain that they would not be caught by Honduran authorities that rather than simply abandoning their airplanes, it became economically viable to reuse them.⁸⁰

The Honduran government said several illicit planes per week were landing with cocaine supplies, and some authorities suggested but could not prove that numbers of flights landing averaged as many as one to two per day.⁸¹ The Micheletti government, eager to turn the issue from a political liability to a political advantage, accused Zelaya of links to drug trafficking and threatened to file a formal international complaint against the Venezuelan government, whom it accused of sending the cocaine, or at least turning a blind eye to the flights, as part of a plot to destabilize the government.

Domestic resources to prevent or investigate crimes were diverted to guard the border against Zelaya's return and to a certain extent repress protesters that had taken over parts of the capital and other areas of the country. Even as this occurred, officials within the Micheletti government complained, with some accuracy, that President Zelaya had diverted the military and police from their key security tasks to perform his political goals. However, Micheletti was using the military for domestic political tasks too, including using the public forces to control

political protests in Tegucigalpa and sending them to border areas to prevent the unauthorized reentry of Zelaya or his supporters.

International isolation due to the coup was intended to place political and economic pressure on the interim government, but it also cut resources for the fight against organized crime and gave the transnational criminal organizations free reign to operate. Investigators within the Fiscalia could not contact counterparts to share information about cases. The Honduran government claimed they were restricted from speaking with the Mexican government about the possible movements of “El Chapo” Guzmán through their territory.⁸²

Under Micheletti, the numbers of murders and kidnappings increased according to official statistics and very few crimes were solved. Some of the violence was clearly political while other violence likely caused by organized crime was spun by the two political factions as proof of the other’s corruption.⁸³

In 2009, the United States cut off \$32.7 million in assistance to Honduras, including \$11 million in security assistance due to the coup.⁸⁴ The U.S. military, which maintains about 600 military personnel at the Soto Cano Air Force Base, cut off joint military activities and some military assistance. However, U.S. troops maintained their presence at the base and continued limited contact with the Honduran military in order to continue operations. Their mission focused mostly on humanitarian relief, including delivering aid to regions of El Salvador that were hit by flooding. The United States cancelled the planned use of Soto Cano for the Panamax 2009 military exercises, which led to the Hondurans withdrawing from the event.⁸⁵

The cutoff of U.S. assistance combined with significant budget problems overall left Honduras with very limited resources to combat drug trafficking. The Micheletti government had large scale budget problems throughout its six months in power.

Information sharing about the movement of drug traffickers between Honduras and its neighbors as well as between Honduras and the United States was reduced. Officials commenting from both the United States and Honduras sides differed as to whether information sharing, such as information on drug flight tracks and suspicious vessels at sea, was completely cut off or if information about illicit flights and boats was still being shared. It appears that there was some backchannel sharing of

information that did not run through the formal channels that were cut off by the events in June 2009.⁸⁶

U.S. officials may have tipped off counterparts within the Honduran military or counternarcotics police about certain shipments by sea or air, but this was done unofficially and was not systematic. Similarly, there are indications that informal military to military and police to police contacts continued, mostly via telephone or unofficial personal emails.

Cooperation and information sharing between Honduran authorities and their counterparts in neighboring countries were also significantly reduced. Officials from the United States, Mexico, Guatemala, El Salvador, and Colombia who had been collaborating with their Honduran counterparts on investigations into organized crime were officially cut off from those communications by their governments. Investigations that required officials from both countries were halted, and time and momentum was lost.⁸⁷

POST-COUP

In November 2009, elections were held and Porfirio “Pepe” Lobo won the presidency against Liberal Party candidate Elvin Santos. The elections were boycotted by supporters of President Zelaya. Lobo was inaugurated in January 2010. Over the course of the year, many countries, including the United States, recognized the legitimacy of Lobo’s government. However, several key countries, including Brazil, Argentina, Venezuela, and Nicaragua, have not granted diplomatic recognition and continue to block the reincorporation of Honduras into the OAS.

Even as the domestic and international effects of the coup seem to dominate the issues that Lobo faces, it is worth remembering this is the same person who, as a candidate in 2006, ran on a security platform and arguably lost because he focused too hard on that issue to the detriment of others. Security is a priority of the administration.

In the words of one top Lobo administration official, “security is back on the agenda.” The president meets at least once a week with key security officials and closely follows developments on fighting organized crime and gangs.⁸⁸

Democracy vs. Security

The spike in crime in Honduras caused by transnational criminal organizations during the coup should be cause for reflection in the international community. The diplomatic and financial isolation of the de facto government provided criminal organizations an opportunity to expand their operations with few concerns about repercussions.

The recommendations of nearly every report on drug trafficking and organized crime in the hemisphere cite the need for more cooperation, information sharing, and the development of a comprehensive strategy. Yet, the values of democracy promotion suggest that regimes that violate basic democratic norms should be isolated. Those two issues conflicted with one another in Honduras and the transnational criminal organizations benefited.

Indeed, if toppled democracies lead to weaker cooperation against organized crime, then criminal groups have a perverse incentive to adopt a strategy that destabilizes democratic governments.

Isolating anti-democratic governments may place pressure on those regimes; but such pressure comes with a set of second-order consequences that may or may not create more harm than good. One of the lessons of Honduras is that the isolation of a government in the hemisphere, even if done with good intentions, creates an opening for organized crime to operate with relative impunity.

In the case of Honduras, the hemisphere should have considered continuing information sharing about drug trafficking routes and movements, even with diplomatic ties reduced. A more targeted set of sanctions that still provided limited civilian assistance for police and investigative capabilities may have also helped. The challenge is that those types of recommendations require nuance in a regional political environment that is highly polarized.

The best remedy is to prevent democratic governments from failing so that the hemisphere doesn't face that choice. However, when disruptions of democracy do occur, the hemisphere needs to find ways to condemn and pressure the undemocratic behavior without also hurting the hemispheric fight against organized crime.

The Minister of Security, Óscar Álvarez, served with the same post under President Maduro and has become a very public figure on organized crime issues.

The international media has focused on questions of truth and reconciliation in Honduras after the coup, questions of international recognition of the Honduran government, and the ongoing resistance by opposition forces. These forces continue to oppose the legitimacy of President Lobo and call for a constitutional assembly process, for which they claim to have gathered 1.3 million signatures.

The Lobo government has refocused security forces on fighting organized crime, sending troops to carry out public security functions, pushing laws through Congress to facilitate the fight against crime, and regaining relations with the United States and regional neighbors. It seeks to receive security aid and improve cooperation and information sharing. The Lobo government sent hundreds of additional police officers into various neighborhoods of the capital.⁸⁹ According to interviews with police in the capital, the government's initial statistics, scheduled to be released in early 2011, indicate some early success with security in the capital, but interviews with local police indicate that gangs still have considerable control in certain neighborhoods.⁹⁰

Despite these initiatives and hints of success in southern Honduras, the results in northern Honduras have not been so good. The murder rate in Honduras remains among the highest in the world, corruption is high, and serious human rights violations abound. Furthermore, some of the government's opponents worry that the government uses the fight against organized crime as a way to repress its political opposition.

In April 2010, President Lobo announced an emergency decree to use the military for domestic security tasks. He began by ordering 2,000 soldiers along the Atlantic coast to participate in drugs and arms interdiction. The military has the authority to search for criminals and use some of their intelligence and investigative capabilities to follow up on crimes. The Honduran Congress also passed an initiative supported by the president in June 2010 that allows the military a greater role in assisting police in domestic security operations to combat organized crime and gangs.

Lobo's opponents saw these actions differently – as a way to repress a landless *campesinos* movement in Bajo Aguán. During the Lobo government, the *Movimiento de Campesinos del Valle del Aguán* (MUCA), made up of about 3,000 families, has demanded its constitutional right to

land in the region. Newspaper pundits sympathetic with the government insinuated that the group was either trying to spark a revolution or was linked to DTOs. Government officials have also expressed concerns about an armed group forming in the area. The Inter-American Commission on Human Rights said it was very troubled by allegations that the military had committed abuses in the region, and human rights groups denounced insinuations that landless groups were violent.⁹¹

Beyond the human rights concerns common in Latin America where military have been tasked with functions usually reserved for civilian police⁹², the recent coup in Honduras raises additional red flags for local civil society groups who are concerned that military operations against organized crime are at times targeting the political opposition or resistance.

Various human rights issues remaining from the coup create additional problems for the prosecution of organized crime today. A judge who disagreed with a Supreme Court ruling attempting to legitimize the removal of President Zelaya was removed from his

position under the Lobo administration; the firing of the judge raised concerns that the government was politicizing the judicial system.

The Budget Question

Playing a role within the ability of the Honduran state to counter drug traffickers is a structural budget crisis that has no easy solution. Blame is widely spread for the crisis, but some basic facts are indisputable. The government can barely pay its most basic costs (government salaries, pensions, necessary services) and has no money for any additional investment, purchases, or expansions. The cutoff of aid following the coup contributed to this budget crisis and affected every aspect of Honduran government spending including the fight against organized crime.

One Honduran official told the author, "It's our very limited resources versus the virtually unlimited resources of the narcotraffickers." Another official, talking about the period under the Micheletti government, said, "We were alone in our fight against the criminals. We did the best we could with no outside funds."

While the issue is more related to the debate over democracy, it has consequences for the effectiveness of the judicial system, which is vital to the prosecution of organized crime.

The Lobo government has taken some steps to address human rights concerns. The Attorney General's office has an investigative unit tasked to work on human rights and the National Commission on Human Rights (CONADEH) investigates and denounces abuses.⁹³ However, local human rights groups suggest that these steps are far from effective. Various local groups are critical of the head of CONADEH, Ramón Custodio, for his role during the Micheletti government, which created a perception that the unit is not politically impartial. Additionally, the Lobo government has been publicly dismissive of human rights concerns by NGOs, refusing to acknowledge ongoing problems. Too often, government officials suggest that victims of crimes have been involved with DTOs or *maras* before full investigations are completed, which likely harms the ability to investigate organized crime and end impunity.

Among other measures, the Honduran Congress passed a new asset forfeiture law in June 2010 that both U.S. and Honduran authorities say assists in clearing up the bureaucratic bottlenecks over what to do with items seized from the traffickers. The law does not sort out all the bureaucratic difficulties regarding who receives financial or political credit for seizures or who can use or sell the items seized.⁹⁴ Still, Honduran authorities feel it holds promise for resolving problems that plagued previous administrations. Recent investigations suggest that money seized as evidence was later stolen from the government, likely by corrupt officials.⁹⁵

Cooperation within the Honduran bureaucracy is absolutely necessary, according to both Honduran and U.S. officials interviewed. While Honduran officials were very positive about their ability to cooperate with each other, U.S. and independent analysts held more pessimistic views. The police, counter-drug investigators, and Attorney General lack the equipment and mobility necessary to combat organized crime. This makes the military's cooperation vital for civilian efforts, as it has the equipment that civilian agencies, including local police departments, lack. However, this also raises questions as to the over-militarization of law enforcement issues.

Several civilian government officials interviewed had particular praise for the Honduran Navy for their assistance in transporting and providing security for police and Fiscalía investigators. They said the Navy's base in the Mosquitia region is the only permanent government presence and has an impact in deterring trafficking by both sea and air in that area.⁹⁶ The Navy captures go-fast boats at sea and on rivers. It also participates in the destruction of clandestine runways in the region.

REGIONAL COOPERATION

Regionally, the government of Honduras is increasingly working with the governments of Guatemala and El Salvador to coordinate counter-drug and counter-gang efforts. Information sharing has resumed to pre-coup levels. The countries have also discussed coordinating their anti-gang legislation to parallel El Salvador's recently passed bill that criminalizes gang membership and increases punishment for gang activity.⁹⁷ The attorneys general in each country also want to unify investigations to avoid situations in which gang members commit crimes in one country and flee to another.

In mid-2010, President Mauricio Funes of El Salvador called an emergency meeting of the Central American Integration System (SICA) to address the issue of organized crime. The move by El Salvador came after a bus burning by gangs in El Salvador killed over a dozen passengers, an act that Funes called "terrorism."⁹⁸ President Laura Chinchilla of Costa Rica has also been vocal in asking the United States to create and fund a separate Central American counter-drug strategy. However, it's worth noting that efforts to coordinate counter-gang efforts have been on the table in Central America for several years and have had limited effect. For example, a meeting between SICA members and the United States in July 2007 produced a similar set of recommendations and agreements about combating organized crime, drug trafficking, and illicit arms smuggling.

President Lobo attended the 2010 meeting as Honduras was reincorporated into SICA at the same event.⁹⁹ While it was not stated publicly, it appears coordination on fighting organized crime was an important reason for the Guatemalan and Salvadoran governments, both

of which are politically center-left, to recognize and reestablish relations with the center-right government of President Lobo.

Honduras is also working with the Colombian government to create a joint action plan to combat organized crime.¹⁰⁰ Officials suggest that Colombia and the United States in combination with SICA are working to create a multilateral group to coordinate the fight against organized crime and drug trafficking.

Perhaps the most promising and most politically controversial idea for combating organized crime is to create an internationally-backed outside investigative unit that could function as a Honduran version of the UN-backed International Commission Against Impunity in Guatemala (CICIG). The CICIG has been tasked to go after corruption and organized crime that has penetrated government institutions, by bringing in outside investigative capabilities to collect evidence that can be presented at trial. The unit has shown limited successes, but a unit like this in Honduras could bring much needed investigative capability to solve the nation's crimes.

However, the idea faces significant political opposition. There are sovereignty concerns, questions of constitutionality, and bureaucratic issues. Government investigators in the police and attorney general's offices would almost certainly prefer greater resources for their own work than money spent on a parallel (and in their view, redundant) investigative structure. Additionally, political opposition to the idea, primarily from coup supporters, threatens to derail any attempt to create a CICIG-like body in Honduras.

The head of the CICIG, Francisco Dall'Anese, has suggested that he is open to the idea of installing a similar organization in Honduras or El Salvador.¹⁰¹ However, he notes that the Guatemala situation is relatively unique and what works in Guatemala may not work in other countries. In particular, Dall'Anese said an organization in Honduras would not be possible as government officials are unwilling to permit the organization enough independence and authority to manage the investigations. He also noted that the CICIG can only be a temporary measure and that the domestic judicial institutions must eventually be restructured. Current criticisms of the CICIG from Guatemala's political establishment may also make Guatemala's neighbors hesitant to follow the model.

U.S. ASSISTANCE TO HONDURAS

Through the Merida Initiative, the United States provided funds for security programs in Honduras. Over the course of 2010, the U.S. government is transitioning its support to a program called the Central America Regional Security Initiative (CARSI).¹⁰²

According to the Congressional Research Service:¹⁰³

For FY2011, the Obama Administration requested nearly \$68 million in foreign aid for Honduras, including almost \$54 million in Development Assistance (DA), \$12 million in Global Health and Child Survival assistance (GHCS), and \$1.3 million in Foreign Military Financing (FMF). U.S. assistance in FY2011 will support a variety of projects designed to enhance security, strengthen democracy, improve education and health systems, conserve the environment, and build trade capacity. Most assistance to the country is managed by the U.S. Agency for International Development (USAID) and the State Department.

As mentioned above, the cutoff of aid in 2009 affected \$11 million in security aid. Even with the resumption of relations and aid to Honduras, getting the funds flowing again is not particularly smooth. Units that had been vetted for human rights abuses and corruption prior to the coup must be reviewed again, and contacts among agencies must be resumed. Officials in both the U.S. and Honduran governments expressed frustration at “bottlenecks” in the aid process, but both indicated that they are working to resolve the issue.¹⁰⁴

There is significant concern in the United States that intelligence going to security forces across Central America, including Honduras, is being leaked to the DTOs, making it difficult to provide assistance.

From the development side, USAID funds under the Merida Initiative go to five areas: Community Gang Prevention; Rehabilitation; Community Infrastructure; Vocational Education; and Community Policing.¹⁰⁵ Much like security initiatives, most USAID programs were stopped during the Micheletti government and challenges remain in restarting them.

Even with the programs resuming, the general consensus from the Honduran government and other governments in the region is that the Merida Initiative and CARSI funds are welcome, but not enough to counter the threat of organized crime.

While Honduras is willing to extradite or expel foreign nationals caught committing crimes, its constitution makes it very difficult if not impossible to extradite Honduran criminals wanted in the United States. Many foreigners caught trafficking drugs at lower levels are simply held in prison for several weeks and then deported. Information sharing among the countries of the region and with the United States on this issue is weak.

Agreements with the United States allow for the arrest and prosecution of traffickers, including Honduran nationals caught during joint operations in international waters.

Additional examples of U.S. support:

- The FBI is providing counter-kidnapping training.
- The U.S. government is assisting in modern crime fighting techniques, including wiretapping of phones. While not in the public space, it is likely that the United States has already provided, or will provide, training on computer forensics for electronic equipment seized from the cartels.
- The DOJ is working to create task forces to crack down on financial crime in Central America, though it could not be confirmed if this was ongoing in Honduras. A clear bureaucratic counterpart at the Fiscalía and the recent assets seizure law passed by Congress assist this effort.

The U.S. military has also resumed support to Honduras. General Douglas Fraser, Commander of the U.S. Southern Command, met with the Honduran Defense Minister and the U.S. Ambassador on May 17, 2010 to formally reestablish military aid. JTF-Bravo has resumed ties with the Honduran military and is performing humanitarian missions

inside of Honduras. It also assisted in coordinating information that led to a 400 kilo seizure at sea just weeks after military aid was restored.¹⁰⁶

In April 2010 the countries renovated the Honduran naval base in Caratasca, La Mosquitia, and the United States offered four fast boats, valued at \$2.6 million. On June 8, 2010, the U.S. Southern Command donated 25 all-terrain vehicles worth US\$812,000 to Honduras' military. The vehicles will be assigned to Special Forces units in La Venta, Francisco Morazán, and La Brea, Colón. Honduras was also able to participate in the Panamax exercises in 2010, following a forced absence in 2009.

Information sharing between the militaries has been restored and is increasing, according to officials interviewed in both militaries. In September 2010, the United States and Honduras signed an accord that allows for joint operations between Honduran and U.S. authorities and provides guidance about the jurisdiction for suspects arrested.

While the benefit to the fight against organized crime is undeniable, this normalization of military relations, without reforms within the military to remove those who participated in the coup, has disturbed many human rights and democracy advocates. Within the U.S. Congress, there is a proposal to condition a certain percentage of military aid on human rights requirements, as has been done in Colombia and more recently Mexico. A letter from 30 members of the U.S. Congress led by Representative Sam Farr dated 19 October 2010 recommended a complete cut in assistance to Honduras.¹⁰⁷

CONCLUSION

Asked about the recent evolution of organized crime in Honduras, one U.S. official said, "It became worse under Zelaya and then exploded under Micheletti." He went on to say that the Lobo government may be making some slight improvements, but that the situation it inherited made the current government's job incredibly difficult.

Throughout the interviews for this paper, a constant refrain was that organized crime had benefited from the political situation in 2009, particularly the months following the coup. Political leaders and security forces were focused on other issues while international cooperation and

information sharing was cut off. Mexican DTOs and other criminal groups, which had been expanding their presence for years, moved quickly to step into the governance vacuum and greatly increase the amount of illicit trafficking and violence occurring in the country. Even though the political crisis appears past its peak, these organizations have solidified their strength in many areas.

Though elections were held, Honduras's domestic and international political situation remains tenuous. A significant minority of the population actively rejects the legitimacy of the elections that brought President Lobo to office while others who were prominent during the interim government have implied that Lobo's stability is at stake if he makes too many concessions to the factions that supported Zelaya. Several regional governments have not recognized the Lobo government and have not allowed its reincorporation into the OAS and other hemispheric organizations.

However, along with this difficult political situation remains a security crisis that should be an urgent priority for Honduras and its neighbors. Transnational criminal groups have a strong presence in the country and the violent crime rate is among the highest in the world. Honduras faces a serious long-term stability threat from organized crime.

ENDNOTES

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3 The term *transportistas* refers to local Central American individuals and small organizations that transport drugs from South America to Mexico.

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ORGANIZED CRIME IN EL SALVADOR: ITS HOMEGROWN AND TRANSNATIONAL DIMENSIONS¹

DOUGLAS FARAH

INTRODUCTION

When El Salvador's brutal civil war ended in a negotiated settlement in 1992 after 12 years and some 75,000 dead, it was widely hoped that the peace agreements would usher in a new era of democratic governance, rule of law, and economic growth.

There have been many positive developments. Some 9,000 combatants of the Marxist-led Farabundo Martí National Liberation Front (*Frente Farabundo Martí para la Liberación Nacional*-FMLN) demobilized. The U.S.-backed military shrank from 63,000 during the war to 17,000 today and was purged of its most egregious human rights abusers. A new police force, including members of both the FMLN and government forces, was formed and the traditional, repressive security forces disbanded. As one observer wrote, "most Salvadorans clearly viewed the (peace) accords as an historic opportunity to construct a new country and a new society, not simply as a set of technical measures to end the armed conflict."²

There is no question the peace accords fundamentally transformed the political structure of the country. In 2009 the FMLN-backed candidate won the presidency for the first time, ending the long-time dominance of the Republican Nationalist Alliance (*Alianza Republicana Nacionalista*-ARENA), a party founded by supporters of right-wing death squads that terrorized the nation in the 1970s and 1980s. Just as the FMLN moderated from its Marxist roots, ARENA moderated from the extreme anti-Communist ideology on which it was founded. The peaceful 2009 election of Mauricio Funes, a former journalist and the FMLN-backed candidate for the presidency, marked a truly historic moment in El Salvador's political life.

Yet today El Salvador is a crucial part of a transnational "pipeline" or series of overlapping, recombinant chains of actors and routes that transnational criminal organizations use to move illicit products, money,

weapons, personnel, and goods. The results are devastating and wide-ranging in the Massachusetts-sized country, and are a key part of the crisis of governance and rule of law crippling the Central American region and Mexico.

In a recent interview with the *Los Angeles Times*, Funes acknowledged drug trafficking organizations had infiltrated the police and judiciary and increased in power and range of operations. Asked who controls the flow of illicit drugs in El Salvador, Funes responded, “Everybody. There are Salvadoran cartels in connection with Colombian cartels. Guatemalan cartels are there. And recently we have found evidence of the presence of *Los Zetas* (a particularly violent Mexican organization).”³

The U.S. Drug Enforcement Administration (DEA) estimates that between 545 and 707 metric tons of cocaine are shipped to the United States each year from Colombia and other producing nations, and of that amount, 90 percent of the product (500 to 630 metric tons) enters through the Central America-Mexico route. More specifically, some 69 percent (376 to 488 metric tons) pass through the Eastern Pacific vector, meaning the Pacific coasts of Colombia and Ecuador, through Central America and on to Mexico, of which El Salvador is an integral part.⁴ According to the State Department’s annual report, in 2009 El Salvador seized less than 4 metric tons of cocaine, or roughly, at best, 1 percent of the cocaine passing through.⁵

El Salvador also is an important money-laundering center. The State Department annual report lists El Salvador as a “country of concern,” noting that

*El Salvador has one of the largest and most developed banking systems in Central America. The growth of El Salvador’s financial sector, the increase in narcotics trafficking, the large volume of remittances through the formal financial sector and alternative remittance systems, and the use of the US dollar as legal tender make El Salvador vulnerable to money laundering.*⁶

In one recent incident that demonstrates the amount of money moving through the country, in September 2010 police investigators found two plastic barrels full of \$100 bills and Euro notes on a small farm outside

the town of Zacatecoluca, in central El Salvador. The first barrel was reported to contain \$7,196,850 in U.S. dollars and 1,684,500 Euros, and the second barrel had a similar amount.⁷

Perhaps the most shocking indicator of the depths of the criminality and security challenges facing El Salvador is its homicide rate, which is now far higher than it was during the war and in recent years, routinely among the highest in the world. It is worth noting in the regional context that El Salvador, Guatemala and Honduras measure consistently among the highest five murder rates globally, ranging from 50 to 71 homicides per 100,000 citizens. This compares to about 5 murders per 100,000 in the United States and 1.7 in Canada. The murder rate for people aged 15 to 24 in El Salvador was an almost-unimaginable 94 per 100,000, the highest in the world.⁸

“Apart from its economic costs, which are concrete and indisputable, one of the main reasons why this is a crucial issue is that violence and crime are affecting the day-to-day decisions of the population, making insecurity a clear hindrance to human development,” said Rebeca Grynspan, principal author of the United Nations Development Program’s 2009-2010 report on Human Development in Central America. “One of the most difficult costs to quantify is that of lost freedoms.”

Grynspan added that “violence is affecting one of the essential forms of freedom. No aspect of human security is as basic as keeping the population from being victimized by fear and physical violence.”⁹

As a result of the extensive transnational organized crime actions, gang activity, impunity and homicide rate, citizen safety ranks as the public’s deepest concern. A shocking, high profile mass killing in June in which 16 people were killed inside of two city buses by one of the transnational gangs that control much of the national territory brought new calls for immediate action against the gangs.

One of the buses was sprayed with automatic weapons fire while the other was doused with gasoline and set on fire with all the passengers inside, including a 4-month-old baby. Police said the violence was aimed at bus drivers who refused to pay “protection money” to the gang members who control territory along the routes the buses plied.¹⁰

President Funes branded the attacks “acts of terrorism,” and the incidents provided the necessary impetus for the National Assembly to overwhelmingly pass a tough new law designating membership in a gang, regardless of individual activity, the crime of “criminal associations,” punishable by jail time. Funes also dispatched 1,000 army troops to support the police in combating gang activity, in addition to the 5,000 troops already deployed.¹¹

The economic toll of the violence is also enormous. According to a recent estimate, crime in El Salvador generates losses of 25 percent of the annual GDP.¹² The situation is so deteriorated that many people view the civil war as “the good old days.”

As Rep. Jim McGovern (D-Mass.), who has been closely involved with El Salvador policy for years, recently noted, the situation has gotten worse since the war rather than better.

*Little could I have imagined the violence in El Salvador becoming worse after the war, but it has. Criminal networks have invaded the country and they use it to traffic drugs, guns, human beings and other contraband throughout the hemisphere. Youth gangs are exploited, poor neighborhoods are terrorized, security and judicial authorities are corrupted, and crime, violence and murder have exploded.*¹³

There are multiple reasons for El Salvador’s current crisis: demographics, endemic poverty, weak civil institutions after decades of militarization of the government, land tenure patterns that still favor a small elite, the mass deportation of gang members from the United States, the enduring inability of the post-war governments to end the culture of impunity that has endured for generations, the privatization of state security functions, and many others.

However, this paper touches on only a few of those issues while examining how El Salvador has become a central hub for regional and transnational criminal organizations and the multiple impacts this organized crime has evolved in the country.

THE ENDURING TRANSNATIONAL PIPELINES AND THE ROLE OF GEOGRAPHY

One of the major shortcomings of the Salvadoran peace process (and perhaps one of the major failings of similar processes in Nicaragua and Guatemala) was a failure to appreciate the depth of the key clandestine networks that supplied both sides of the Salvadoran conflict with weapons, intelligence and broad international networks. Despite the general demobilization when the peace accords were implemented, many of these structures, particularly in urban areas, remained largely intact, and in a relatively short period of time morphed into heavily armed and well-trained criminal organizations.

A major investigation of post-conflict armed groups in 1994 found that the “illegal armed groups” operating after the war had “morphed” into more sophisticated, complex organizations than had existed during the war, and that, as self-financing entities they had a strong economic component, as well as political aspect, to their operations.¹⁴

After the conflict officially ended in 1992, small groups on both sides did not disarm, but kept their weapons, safe houses and logistical hubs. On the right, groups linked to a Cuban American faction whose most visible face was Luis Posada Carriles, remained.¹⁵ On the left it was primarily groups of the Communist Party (PC), the smallest of the five groups that made up the FMLN during the war.¹⁶

However, there was a significant difference in these networks from the days of conflict. With the end of the Cold War, the ideological frameworks of both the left and the right weakened greatly. This shift from an ideological to economic basis for operating allowed for the networks of the extreme left and extreme right, both with cadres of highly trained former combatants, to work together.

These groups, often taking over the leadership of local gangs that were forming at the time, immediately provided a new level of sophistication and brutality to several other types of existing criminal activities run by the gangs and smaller criminal bands, some of which had been operational for years and had proven to be lucrative. The primary activities were human trafficking, as El Salvador was a hub not only for its own citizens seeking to enter the United States illegally, but was central to almost all regional trafficking activities. The groups also

began to take over kidnapping rings, weapons trafficking operations and trafficking in stolen vehicles, giving them an economic base from which to grow.¹⁷

The newly-acquired ability of these erstwhile ideological enemies to work together was demonstrated with the 1995 kidnapping of Andrés Suster, as these groups moved into that lucrative criminal field as well. The victim was the 15-year-old son of Saúl Suster, the best friend and close adviser of Alfredo Cristiani, the president who had signed the peace agreement with the FMLN.

Initial suspicion fell on the far right groups, who had carried out multiple high-profile kidnappings in the past, as revenge for Cristiani's acceptance of the peace accords. However, police investigations in El Salvador, aided by special U.S. anti-kidnapping groups led by the FBI, pointed to the abduction being the work of the PC. Raul Granillo, a former senior commander of the PC, and one of his former lieutenants, who were convicted of the crime. Granillo escaped arrest and remains at large.¹⁸

But further investigations showed that while PC operatives carried out the abduction (and several others, including several in Brazil), the kidnappers were in fact working on behalf of wealthy right-wing businessmen who provided payment, safe houses and muscle from their own armed groups.¹⁹ The precise motive of the kidnapping remains unclear, but sources close to the case believe it was carried out for a combination of political and economic reasons. Over time these criminal elements formed the backbone of the main organized crime groups that would come to dominate in El Salvador, controlling the trafficking of cocaine, weapons, illegal immigrants, stolen cars and other items.

The skill of the cadre of highly trained and well-armed individuals with the ability to control physical space inside the country, operate intelligence and counter-intelligence groups and form alliances with powerful political and economic interest groups was a significant development. It is similar in some ways to the post-conflict developments in Guatemala and Nicaragua. In Guatemala, the military and its elite units have maintained a powerful web of political and intelligence alliances, and in Nicaragua both leaders of the Sandinista government and the Contra rebels intelligence structures have allied with drug trafficking groups to raise their operational capabilities.

This phenomenon of the sophistication of former combatants entering the criminal world explains in part why El Salvador in particular, and much of Central America more broadly, emerged in the mid and late 1990s with sophisticated armed structures seemingly overnight. Rather than spending years developing the capacities to form highly structured criminal enterprises, they simply adapted wartime structures and tactics to criminal activities.

The ability to control territory, in a region crisscrossed with traditional smuggling routes, is also one of the reasons the primary activity of the criminal groups in El Salvador revolves around transporting illicit goods. Producing no indigenous cocaine or heroin, El Salvador's geographic location is its value added contribution to the criminal pipeline structure traversing the region from Mexico to Colombia. Most of the organizations in El Salvador that participate in the drug trade are called *transportistas*²⁰ because their primary role revolves around transportation and protection, while Mexican and Colombian groups are the managers and ultimate owners of the product.²¹

Another important element retained by both sides of the conflict are still-functioning intelligence networks, particularly in the new police force, where both the old guard of the security forces and many of the FMLN recruits retained a loyalty to their old organizations rather than to the new institution. While the government formed a new, centralized intelligence structure after the signing of the peace accords in 1992, sources with direct involvement in the field say it has far fewer resources to work with than the private networks. Sources with direct knowledge of intelligence operations said that the FMLN party largely relies on Cuban intelligence services for training and Venezuela for ample funding, while the old guard of the radical right maintains a sophisticated intelligence structure built on Cold War alliances. Both groups reportedly have more resources and capacity than the government agency.²²

The interconnectedness of the organized crime groups in the region was exposed in the gruesome February 2007 murder of three Salvadoran representatives to the Central American Parliament as they drove to Guatemala City to attend a meeting. The bodies of the three parliamentarians and their driver were burned, as was their vehicle, at a farm inside Guatemala, just off the main highway. Within a few days four Guatemalan policemen were arrested for the crime, which authorities

said was a case of mistaken identity, where the politicians were mistaken for drug traffickers. But the Guatemalan policemen were themselves murdered inside a high security prison before they could testify.²³

The jailed policemen were killed by shots to the head at close range and had their throats slit, indicating the assailants had high level protection and cooperation in order to get weapons inside the prison, carry out the murders, and leave unmolested. The crime remains unresolved. U.S. FBI investigators sent to assist the Guatemalans left in dismay, saying the Guatemalan government had deliberately impeded their efforts to solve the homicides.²⁴

All three of the parliamentarians were members of ARENA, including Eduardo D'Aubuisson, the son of the party's founder, Roberto D'Aubuisson. Intelligence sources in the region said the killings appeared to be the result of a drug deal gone bad, or an attempt to steal money the three were believed to be carrying to purchase drugs. A theory with less currency, given the style of killing and subsequent impunity, is that the three were killed in a case of mistaken identity. While the case remains unresolved, it clearly showed how the organized criminal groups reach across the region's borders.

The geographic location of El Salvador is a significant advantage in the operations of criminal organizations. It has long made it a key transit point for drug trafficking from Colombia and the Andean region to Mexico and the United States, as well as human trafficking and the movement of other illicit products. With a lengthy and unguarded Pacific coast, porous borders with both Guatemala and Honduras and only a small gulf separating it from Nicaragua, El Salvador sits astride convenient land and sea transit routes.

While the war made it difficult for drug traffickers to exploit this path, the FMLN and right-wing groups took ample advantage of smuggling routes to meet their logistical needs. The FMLN depended on medical and logistical supplies, along with some weapons and much ammunition arriving from Honduras and Nicaragua, while buying and capturing many weapons from the Salvadoran military. The FMLN also built a significant international support structure in Europe and other revolutionary movements in Latin America.

Groups on the far right, particularly the non-state actors, primarily moved their supplies from across the Guatemalan border, where like-

mindful groups operated. Like the FMLN, they built an extensive international support network with military dictatorships in Latin America and the wealthy exile communities of Nicaraguan, Cuban and Central American expatriates, mostly living in Miami.²⁵

It is important to note that these international structures continue to be important to the criminal operations. This is particularly true for the remnants of the PC of the FMLN and its current and past ties to the Revolutionary Armed Forces of Colombia (*Fuerzas Armadas Revolucionarias de Colombia-FARC*). The FARC is now one of the largest producers of cocaine in the world and a primary exploiter of the Central American pipeline, as will be discussed below in detail.²⁶

The factors that made El Salvador easy to penetrate in the past have not improved in the post-war era. A senior Salvadoran security official estimated that El Salvador had more than 300 unmonitored points of entry, and said that even those that are monitored provide virtually no screening of goods and people entering or leaving national territory. He noted that corruption at the borders remains endemic; there have been numerous investigations into immigration corruption at Comalapa International Airport, almost all involving the movement of cocaine and/or suspected drug money, and seaports remain largely uncontrolled.²⁷

THE RISE OF GANGS AND THE CHANGING ALLIANCES

When “First Generation”²⁸ gangs began to appear in El Salvador in the early 1990s, they were largely made up of young men who had entered the United States illegally, often as children. After joining gangs and serving time in U.S. prisons, usually for felonies, they were deported to their country of origin, El Salvador, despite often having no family there, and having limited or non-existent Spanish language skills. These people turned to each other for survival and replicated the gang structures and cultures they had learned in the United States, primarily in the Los Angeles area.

While there are many dozens of gangs that have tens of thousands of members, the largest two by far, responsible for the vast majority of the violence as well as ties to organized criminal organizations are the *Mara Salvatrucha* (MS 13) and the *Calle 18* gangs. Their power derives in part

from their ruthlessness but also because of their truly transnational reach, operating not only in El Salvador, Guatemala and Honduras, but across hundreds of cities in the United States. The FBI estimates that just the MS 13 operates in 42 states and has 6,000 to 10,000 active members in the United States.²⁹



Figure 1: Source: USAID's Central America and Mexico Gang Assessment

The gangs began an aggressive recruitment campaign, primarily in the poor neighborhoods ringing the main urban centers of San Salvador and San Miguel. They imported their tattoo symbology, hand sign language and inter-gang warfare with them.³⁰

These gangs, with tens of thousands of members by the mid-1990s, soon overwhelmed the capacity of the new police force in El Salvador, as well as in Honduras and Guatemala. In El Salvador, many newly demobilized combatants found homes in the gangs, quickly pushing them to Second Generation operations.

In this time period, the primary function of the gangs was to protect cocaine shipments from Colombian drug trafficking organizations as they traveled by land across Central America. Often the Mexican drug traffickers accept the handover of the cocaine in El Salvador, and then move the product north through Guatemala, Mexico and into the

United States. The gangs often also exchanged weapons left over from the war, or stolen cars, with the different cartels in exchange for a small percentage of the cocaine.³¹

This payment in kind rather than in cash has become a major factor in the escalating violence. Once the gangs received cocaine they had to create a local market to absorb it in order to earn cash. This *narco menudeo* or small scale retail of cocaine and crack has set off an ongoing battle among different gangs for control over neighborhoods and street corners where the drugs could be sold, leading to widespread bloodshed. A similar dynamic is responsible for much of the violence in other high-risk areas such as Ciudad Juárez in Mexico, where gangs also fight for control of local distribution.

Few would dispute that many of the gang structures in El Salvador, at the upper levels often led by former combatants, are truly “third generation.” This is defined as having clearly become “internationalized, networked and complicated structures that sometimes involve political aims” and work with transnational criminal organizations. As a 2006 USAID study of gangs in five Central American countries found,

Since the end of the 1980s period of armed conflict, gang violence has evolved from a localized, purely neighborhood-based security concern into a transnational problem that pervades urban enclaves in every country in the region. The two predominant Central American gangs, Mara Salvatrucha (MS-13) and the 18th Street gang (Barrio 18), while originating in the Los Angeles region of the United States, have capitalized on globalization trends and communications technologies to acquire arms, power, and influence across the United States, Mexico, and Central America. Gang activity has developed into a complex, multi-faceted, and transnational problem that cannot be solved by individual countries acting alone. New approaches are needed to curb the social and material devastation wrought by these extremely violent networks.³²

President Funes acknowledged this transformation, saying

At the beginning, the gangs were just a group of rebel youngsters. As time moved on, the gangs became killers for hire. Now the situation is that the gangs have become part of the whole thing. They control territory and they are disputing territory with the drug traffickers. Why? Because they need to finance their way of life: basically, getting arms.³³

But the “third generation” gangs are no longer independent of the drug cartels, but rather have become integral part of their structures, at least at the most senior and sophisticated level. As the Mexican and U.S. governments have moved to confront the Mexican drug cartels in Mexico, these connections with the transnational gangs have facilitated the ability of Mexican organizations to rapidly expand their theater of operations across Mexico’s southern border.³⁴ The Mexican cartels are “spreading their horizons to states where they feel, quite frankly, more comfortable,” DEA chief of operations David Gaddis told the *Washington Post*. “These governments in Central America face a very real challenge in confronting these organizations.”³⁵

THE PERRONES AND THE PENETRATION OF THE POLITICAL STRUCTURES

In El Salvador over the past two years, according to intelligence and law enforcement officials, the Mexican organizations, particularly the Sinaloa cartel, have established relations with Salvadoran cocaine transport networks. The alliances span the political spectrum.

While the cocaine is produced by Colombian organizations, the Mexican organizations formally assume control of the product in Colombia or Ecuador and work with and through a variety of transport groups to move the product by sea and air to Central America until the product is in Mexico.

Ecuador is an increasingly important production center for HCL (refined cocaine), particularly the HCL produced by the FARC, which operates extensively along the Colombia-Ecuador border in the

Putumayo–Sucumbíos region. In addition to the FARC, other smaller organizations also have important HCL laboratories in the area. Because of the relative ease of accessing the Pacific coast routes from Ecuador, the Mexican cartels are increasingly picking up the HCL in Ecuador and moving it up the Pacific coast to El Salvador and elsewhere.³⁶

The largest of these transportation groups in El Salvador is known as *Los Perrones Orientales*, operating in and around the eastern cities of San Miguel, Usulután and La Unión. This group takes custody of the cocaine that arrives on El Salvador’s Pacific coast from Colombia and Ecuador, and is charged with protecting the product on a fleet of trucks that move westward toward Guatemala, or north to cross into Honduras. Once across the border, the drugs are turned over to Mexican or Guatemalan trafficking structures.

The *Perrones Orientales*, in turn, are allied with an organization known as *Los Perrones Occidentales*, who operate around the city of Santa Ana and control corridors for transporting cocaine, weapons and human traffic by land into Guatemala.

What made the *Perrones* unique in El Salvador’s organized criminal structure, police officials said, was:

- Their close alliance with Mexican drug cartels, particularly the Sinaloa syndicate;
- Their adoption of Mexican drug culture, including the purchase of thoroughbred race horses, the purchase of expensive cars and the construction of race tracks to race them on, and a fondness for *narco-corridos*, the musical tributes to their deeds;
- Their sophisticated intelligence network through the police and other state officials; their involvement in multiple illicit activities, from trafficking in stolen cars, weapons, human beings and cocaine; and their regional reach, from Nicaragua to Guatemala, with branches operating in Honduras.³⁷

“They (*Perrones*) have become very economically powerful and now, in parts of the country, the political system is relying on them,” said one senior police official who has investigated the group. “They are trying

to become mini Mexican cartels. Culturally, they are very close to the Mexicans.”³⁸

Many of those allegedly belonging to the *Perrones Orientales* have been involved in running contraband and stolen goods through the region for many years, including the contraband of cheese from Honduras. This has given rise to calling some in the group the *cartel de los quesos*” or the Cheese Cartel, and helps explain the organization’s reach into Honduras.

The trafficking of drugs represented in many ways an easy expansion of these long-time illicit transportation pipelines, where the protection of customs officials and local law enforcement was already established. The addition of cocaine to the pipeline added orders of magnitude to the profits for all involved but represented relatively little risk to the transporters.

One indication of the regional relationships that exist is that the alleged head of the *Perrones Orientales*, Reynerio de Jesús Flores Lazo, fled to Honduras because he was warned by a corrupt Salvadoran policeman that his arrest was imminent. In Honduras, Flores was arrested after six months at the request of Interpol when reward seekers turned him in.³⁹

The extensive reach of the *Perrones Orientales* came to light in 2008 when the police arrested several dozen people, including senior police officials and several locally powerful politicians in the San Miguel area for their ties to the criminal group. According to public reports as the investigations unfolded, at least 43 police officers are under investigation in the case, many of them members of the U.S.-funded elite Anti-Narcotics Division (*División Anti-Narcótico-DAN*). Among those suspended from his job and still under investigation in the case is Godofredo Miranda, who was the DAN commander.⁴⁰

An internal police report obtained by the author links the *Perrones* to prominent political personalities in the eastern part of the country, where the right-wing ARENA party has dominated and the National Conciliation Party (*Partido de Conciliación Nacional-PCN*), traditionally linked to the military, remains a force. The document outlines the *Perrones* ties to businesses for laundering money, bribes for protection, and ties to extensive influence within municipalities in the region.⁴¹

In one case that became public, the attorney general’s office said the owner of a large car sale business in San Miguel gave cars to a PCN member of the National Assembly that were used to bribe at least 10

local mayors and other officials. Investigators said they found the business claimed to have done \$13.2 million worth of business but could only account for about \$30,000 of that amount.⁴² The flow of funds was allegedly used to bribe officials to allow the unmolested transport of drugs through their regions as well as to launder the proceeds.

Many of those initially arrested on charges of belonging to the *Perrones* started off mired in poverty and acquired unexplained fortunes. Such was the case of Flores, who began his economic life fetching water on a mule for sale in his hometown of Bolívar, near the Honduran border. He branched out into Honduras, where he was reportedly involved in cheese smuggling and other contraband activities, before moving on to drug trafficking.⁴³

Police officials said the group not only laundered money from its own criminal activities but helped launder money for Mexican drug organizations through a series of seemingly-legitimate businesses in and around San Miguel. A Mexican woman known as “La Patrona” was the main contact for delivering money from the Mexican cartels to be laundered.⁴⁴

According to the police document, the reach of the *Perrones* extends to the national political level, as well as the senior levels of the police, the judicial system and the attorney general’s anti-narcotics unit. Evidence of the power of the organization, law enforcement and intelligence officials said, was the fact that many of the cases against leading members of the gang were being dismissed or the charges reduced, while only a few low-level members have been convicted.⁴⁵

The relationship among more structured groups like the *Perrones* and the gangs such as the MS-13 remains ambiguous and in flux. Law enforcement officials say there are documented cases of the gangs fighting with the *Perrones* for territory and transportation routes, but that most of the time the gangs are employed as muscle for *transportista* organizations. While the *Perrones* and other smaller groups take care of paying off the proper authorities and orchestrate the border crossings, the gangs are often used as the triggermen to make sure arrangements are enforced.

However, there are indications that the upper level gang leadership is being targeted for recruitment by the *Zetas* because of their ruthlessness and their usefulness as enforcers. In addition, they provide a web of contacts, markets and security arrangements on the U.S. side of the

Mexico–U.S. border to which the *Zetas* would not otherwise have access. Intelligence officials said the *Zetas* have not established a permanent presence in El Salvador but have key people in Guatemala that they send in regularly.⁴⁶

In addition to recruiting gang members as muscle, the sources said the Mexican cartels, particularly the *Zetas*, were also recruiting the special forces operatives in the Salvadoran military because of their military expertise. While many have retired since the end of the war, several dozen active duty officers who received extensive U.S. Special Forces training during the civil war have been approached. The success rate of the recruitment efforts is not known, but many of those approached were identified for the Mexican organizations by disgruntled retired senior military officials. The recruitment efforts of military cadres have stepped up since Funes took office because many of the military leaders during the war are bitter about the FMLN electoral victory.⁴⁷

MOVING THE DRUGS AND MONEY

The primary method for moving cocaine from Colombia and Ecuador to El Salvador is through go-fast light boats, which can often stop to refuel at pre-positioned “mother ships” disguised as fishing vessels, or on the increasingly popular semi-submersible and submersible crafts developed by the drug trafficking organizations.⁴⁸

Go-fast boats, so named because they use multiple large outboard motors to be able to outrun virtually any law enforcement vessel, are generally considered the most reliable method for transporting cocaine. However, the boats cannot carry large loads, and are often run aground and abandoned once they have been used.

Semi-submersibles ride just above the waveline and are almost impossible to detect by radar or overflying aircraft. In the past two years the drug traffickers have made significant technological strides in manufacturing the vehicles, increasing their range, safety and carrying capacity. There has been a corresponding increase in their use by drug trafficking organizations.

The vessels are now able to travel from the Colombian and Ecuadoran launching sites on the Pacific to El Salvador and Guatemala without refueling. If more fuel is needed it is often provided by fishing boats sent to a meeting point, easily located with GPS technology. The boats can carry up to 10 tons of cocaine, but average between 5–6 tons per shipment.

While it used to take 90 days to manufacture the boats, it now takes about 35, as the technology for building the fiberglass-hulled vessels has improved and the drug traffickers are now able to prefabricate and standardize construction. The average cost per vessel is about \$1 million, and they are often sunk after one trip, a part of doing business.⁴⁹

Admiral James Stavridis, when he was head of the U.S. Southern Command, responsible for Latin America, described semi-submersibles as *...a new and dangerous threat technology, vessels that can carry drugs, terrorists or weapons of mass destruction to our shores.*

In ever-increasing numbers, these stealthy, pod-like vessels depart expeditionary shipyards nested deep in the dense jungles and estuaries of the Andes region of Latin America. Carefully ballasted and well camouflaged, they ride so low in the water that they are nearly impossible to detect visually or by radar at any range greater than 3,000 yards. Loaded to capacity with tons of drugs they plod steadily and generally unobserved at less than ten knots toward designated drop-off points.⁵⁰

Once the drugs are offloaded from the shipping vessel on the coast, they are often stored in warehouses near the coast and then mixed with legitimate products that travel by large trucks across the region on the two main highways that traverse El Salvador—The Pan-American through the center of the country and the *Litoral* or Coastal highway that follows the Pacific coast. Cocaine transiting El Salvador from countries to the south employs the same routes.

The cocaine is dropped in different safe havens along the Pacific coast, including Panama, Nicaragua, Costa Rica and El Salvador. Eventually the product is funneled into Guatemala and then Mexico. This has led to the lucrative trade in transporting the cocaine. For example, drivers carrying loads of cocaine from Nicaragua to Guatemala are reportedly

paid about \$15,000 a trip by the Mexican organizations, and those who recruit the drivers are often given bonuses of \$5,000 per recruit. Each of the Mexican groups maintains its own group of drivers across Central America.⁵¹

Due to the volume of regional truck traffic, corruption at check points and the lack of capacity to check cargo, these vehicles can then generally travel anywhere in the region with relatively little risk.

In addition to hiding drugs and other contraband in legal shipments, trucks often employ false panels and hidden compartments to ensure that even in the vehicle were stopped by a policeman that had not been properly bribed, the illicit produce would still be very difficult to find.

THE COMMUNIST PARTY AND THE FARC

While the political ties of the *Perrones* were mostly with the traditional rightist political structure, the FMLN, through the Communist Party (PC), has also had significant relationships to criminal activity, including high profile kidnappings. As noted earlier, factions of the PC and some of the other groups of the FMLN did not demobilize after the war, and maintained not only their weapons, but their safe houses and logistics infrastructures.⁵²

The most notorious was the safe bunker holding thousands of false documents and other materiel operated by the PC and FPL factions of the FMLN in Managua, Nicaragua after the war ended and all sides were supposed to have demobilized. The bunker, hidden under a car mechanic's garage, was exposed when ammunition inside it exploded, ripping the top off.⁵³

Some members of the PC maintained ongoing relationships with other groups that had at one time been part of the Marxist revolutionary vanguard of the region. These include hard-line factions of the Sandinistas in Nicaragua aligned with President Daniel Ortega, the FARC in Colombia, the MRTA in Peru and the Basque separatists of the ETA.⁵⁴ The FARC and ETA are designated terrorist entities by the United States and the European Union.⁵⁵

This transnational network, driven by economics rather than ideology, has the advantage of being based on years of working together and the trust it engenders. One of the primary drug trafficking routes, according to Salvadoran, Mexican and Colombian intelligence officials, runs through the FARC in Colombia and Ecuador to Nicaragua's former Sandinista security structure, through PC members in San Salvador and into Mexico.

The clearest documentation of the ongoing relationship between the PC and the FARC and international weapons market comes from the computers belonging to Raúl Reyes, the FARC's deputy commander who was killed on March 1, 2008. When Reyes, living in a hard camp two kilometers inside Ecuadoran territory, was killed in a controversial raid by the Colombian military, Colombian officials found some 600 gigabytes of data on different computer hard drives and thumb drives.⁵⁶

Because of these documents, a clearer picture of the PC's involvement with the FARC is available than the information regarding the *Perrones*. It is worth laying out in some detail here because it shows how an important part of the transnational criminal pipeline operates.

Among the documents found in the cache were e-mails among different FARC commanders about the help they were receiving in acquiring sophisticated weapons from an individual identified as "Ramiro" in El Salvador, who FMLN members, Colombian intelligence and U.S. officials identified as the nom de guerre of José Luis Merino.⁵⁷

Merino is a senior member of the FMLN party, a position derived largely from being the point man for receiving and distributing subsidized gasoline shipments from Venezuela's Hugo Chávez. The sale of the gasoline is a major source of income for the FMLN political party. While Merino has steadfastly refused to discuss the issue, Funes said he had spoken to Merino about the e-mails and had been assured Merino had no involvement in weapons sales to the FARC.⁵⁸

Merino's participation in the Súster kidnapping had been widely reported and other former FMLN commanders say his group was responsible for numerous assassinations and kidnappings during and after the war. Merino has declined to comment on the case to either the local or international media.

During the war Merino commanded an elite urban commando unit that carried out several spectacular hits, including the 1989 assassination

of attorney general Roberto García Alvarado. The assassination was carried out by men on a motorcycle who strapped an explosive to the roof of García's car, killing him while the assassins sped away unhurt.⁵⁹ The Salvadoran Truth Commission, which investigated the worst human rights abuses of the civil war as part of the peace agreements, did not name Merino but concluded the assassination was carried out by the armed branch of the PC.⁶⁰

The relationship between Merino and the FARC appears to have spanned many years and revolved around mutually beneficial economic arrangements, many of them illegal.

In one 2003 e-mail, Reyes suggests the FMLN and FARC carry out a joint kidnapping for \$10 million to \$20 million in Panama to raise money for the FMLN's 2004 electoral campaign, although there is no record of such a kidnapping having occurred. The profits, the e-mail said, would be "split down the middle."

A 2004 missive describes a meeting of the FARC leadership with "Ramiro" and a Belgian associate in Caracas, Venezuela to discuss the FARC and FMLN obtaining Venezuelan government contracts, through front companies, to operate waste disposal and tourism industries. Interestingly, Merino then acquired a major interest in a major waste disposal company, Capsa, which operates in 52 Salvadoran municipalities.⁶¹

In another e-mail, Reyes recounts a 2005 meeting with "Ramiro" who reportedly boasted that he had gained full control of the FMLN and was reorienting the party toward "the real conquest of power."

But the e-mail that caused the most concern in El Salvador is from September 6, 2007, written by Iván Rios, a member of the FARC secretariat, to other secretariat members. In it he lays out the multiple negotiations under way for new FARC weapons, including the highly coveted surface-to-air missiles:

- 1) *Yesterday I met two Australians who were brought here by Tino, thanks to the contact made by Ramiro (Salvador). We have been talking to them (the Australians) since last year.*
- 2) *They offer very favorable prices for everything we need: rifles, PKM machine guns, Russian Dragunovs with scopes for snipers,*

multiple grenade launchers, different munitions...RPGs (rocket propelled grenades), .50 machine guns, and the missiles. All are made in Russia and China.

3) For transportation, they have a ship, with all its documents in order, and the cargo comes in containers. The crew is Filipino and does not know the contents, with the exception of the captain and first mate. They only need a secure port to land at.

4) They gave us a list of prices from last month, including transportation. They offer refurbished Chinese AKs that appear as used, but in reality are new, and were not distributed to the Chinese army, which developed a new line of weapons, for \$175. AK 101 and 102, completely new, for \$350. Dragunovs, new with scopes, \$1,200. RPG launchers for \$3,000 y grenades for \$80. They say they have a thermobaric grenade that destroys everything in closed spaces (like the bombs the gringos use against Al Qaeda (sic) hideouts) for \$800. Chinese missiles (which they say are the most up-to-date at this time) with a 97 percent effective rate, \$93,000, and 15,000 for the launchers. They say it is very easy to use, and they guarantee the training. If one of these missiles were identified inside Colombia it would cause them a lot of problems, but if, on the side they include old Russian SA-7 (shoulder-fired surface-to-air missiles) it would serve to confuse, mislead or at least give the impression that the guerrillas have weapons of different types, not just Chinese. The ammunition for AKs is 21 cents a round, but if we buy more than 3 million rounds, the price drops to 9 cents a unit.

5) (sic) They promised to give us an exact price on other material. Two months ago they sent me a price list (very favorable, for example, a used .50 machine gun for \$400, new for \$3,000), but I didn't take the list to the meeting place.

6) They do the purchasing without the need of a down payment, but when the merchandise is on the ship, they want 50 percent. When it is delivered they collect the other 50 percent. The money

*moves through a bank in the Pacific, in an independent country where they can move money without any questions being asked. Once the cargo is shipped it can take one month, or a month and a half to arrive in Venezuela. They said we could have a representative, it doesn't matter what nationality, on board the ship while it sails to its final destination.*⁶²

Subsequent e-mails on November 12 and November 23 indicate that the Australians arrived in Venezuela to consummate the deal and Ríos said a person identified as “*El Cojo*” (The Cripple) was in charge of paying the first quota and logistics for whatever was to be delivered.

While the end result of the meeting is not entirely clear, regional law enforcement officials believe that same pipeline moving illicit products, connecting parts of the PC to the FARC and elements of the former Sandinista intelligence structure in Nicaragua, remains active. Daniel Ortega, the leader of the triumphant Sandinista revolution in 1979, was re-elected president of Nicaragua in 2006.

Since at least the early 1990s Ortega has maintained a cordial relationship with the FARC leadership. In 1998, Ortega, as the head of the Sandinista party, awarded the Augusto Sandino medal, his party's highest honor, to Manuel Marulanda, the commander-in-chief of the FARC. Various e-mails in the Reyes documents are addressed to Ortega directly and indicate that, at least until he returned to the presidency, he maintained regular contact with the FARC leadership.

In 2008, following the bombing of the Reyes camp, Ortega granted political asylum to Nubia Calderón, a leader of the FARC's International Commission, who was wounded in the attack. In addition, FARC emissary Alberto Bermúdez was issued a Nicaraguan identity card by a member of Nicaragua's Supreme Electoral Council. Bermúdez, known as “*El Cojo*,” is believed by Salvadoran and Colombian authorities to be the person mentioned above who received the FARC weapons shipment arranged by Merino.⁶³

THE STATE RESPONSE AND HUMAN RIGHTS CHALLENGES

Since the 1990s different Salvadoran administrations have wrestled with how to control gang violence within the rule of law. Different versions of “*mano dura*,” or “iron fist,” policies have consistently failed to stem the rise in homicides, robberies and police corruption. President Funes, as noted earlier, recently criminalized the act of belonging to a gang and has deployed the military to help police regain control of the streets of the capital and other major cities, and expanded the military’s powers to carry out searches and arrests. During his presidential campaign Funes and the FMLN had condemned similar policies proposed by ARENA. The military deployment was authorized to last until June 2011, at a cost of some \$10 million.⁶⁴

These measures by Funes, as well as earlier actions by the ARENA governments, have consistently drawn criticism of international human rights groups, particularly the “Anti-Terrorism” law enacted in 2007 that granted police extraordinary powers.⁶⁵

The Funes government was especially criticized because it had promised to take a different tack to try to control the social violence. Rather than the *mano dura* of the ARENA governments, Funes had promised to try to deal with the social roots of the violence through community policing, youth sports programs, municipal level crime observatories and greater restrictions on access to weapons.

However, following the June, gang attacks on the buses, Funes said in a speech on national radio and television that: “We know that in the long term the policies of social inclusion and prevention will deliver results, but in the short term the violence is being fought with repression. And this is what the government has been doing and will continue to do.”⁶⁶

The street violence is compounded by the ongoing deficiencies in the judiciary. Despite millions of dollars in foreign assistance to improve the judiciary, the State Department’s 2010 report found that

Substantial corruption in the judicial system contributed to a high level of impunity, undermining the rule of law and the public’s respect for the judiciary. Inadequate government funding of the PNC, combined with intimidation and killing of victims

and witnesses, made it difficult to identify, arrest, and prosecute perpetrators of human rights abuses and other crimes, thus diminishing public confidence in the justice system.⁶⁷

Much of the criticism has centered on the office of attorney general, (*Fiscalía General de la República-FGR*), long a stronghold of the conservative ARENA party. The *fiscal* is named by the National Assembly, usually after much political negotiation, because to be named, the nominee must receive two-thirds (56 of 84) votes. Because of the delicate balancing act that leads to the deals for the naming of the *fiscal* it is almost impossible to remove the official without time consuming and difficult horse trading.

According to U.S. and Salvadoran sources the FRG has consistently refused to act on organized crime cases that have ties to conservative political groups. Senior police officials said the FRG has refused to move on the most important *Perrones* cases and has quietly returned many of the vehicles and goods seized in police actions against the group.⁶⁸

Rep. McGovern, who has long pushed judicial reform issues in El Salvador, has publicly called the FGR “the place where justice goes to die. Countless cases of murder, corruption, drug trafficking, money laundering and other crimes are stymied within its halls...So, for example, if the Inspector General for the National Police finds criminal elements within the police force, what is she to do? Send them to the Attorney General’s Office where they simply languish or are quickly dismissed? Just like the murder cases of community and environmental leaders in Cabañas? Or the Katya Miranda case? Or the murder of U.S. trade unionist Gilberto Soto? Or cases involving the Perrones drug-trafficking network? And if these internationally-known cases go nowhere or are deliberately led astray, what hope does the average Salvadoran have that he or she will ever receive justice before the courts?”⁶⁹

In addition to the enormous problems facing the FGR and other parts of the judicial structure, the post war police force, established in the hopes of ending years of official human rights abuses and corruption, is suffering from significant morale problems and growing internal corruption.

The police force (*Policía Nacional Civil*-PNC) has seen its once-high ratings as a trusted institution erode in recent years. The inspector general of the PNC said 167 Salvadoran police officials had been arrested in the first seven months of 2010 alone.⁷⁰

A senior police official late last year acknowledged that his force had “a high level of demoralization, due in part to the style of leadership here and in part to the economic conditions, which are deplorable. Our financial situation is critical, and we are running a deficit of \$ 8 million to \$10 million, which has left us practically prostrate economically and administratively.”⁷¹

THE MÉRIDA INITIATIVE AND THE CENTRAL AMERICA REGIONAL SECURITY INITIATIVE (CARSI)

Under the Mérida Initiative to combat drug trafficking and organized crime in Mexico and Central America, begun under the Bush administration and continued under the Obama administration, Mexico is to receive 84 percent of the funds (\$1.32 billion) from FY 2008 to FY 2010. Seven Central American nations divide the remaining 16 percent (\$258 million).

The Central American portion of the initiative was renamed the Central America Regional Security Initiative in 2010.⁷² This amounts to roughly \$12million a year for each of the Central American nations. Given the vast shortfalls in the PNC and judiciary outlined above, the amount El Salvador is to receive under CARSI is viewed as relatively paltry by Salvadoran officials.⁷³

The five primary goals in the Central American aid package are: establishing safe streets; disrupting the movement of criminals and contraband; building strong, capable and accountable governments; embedding government presence in communities at risk; and enhancing the regional level of cooperation.

To this end, the funding will be used in El Salvador to:

- Create vetted police units to work with the U.S. Drug Enforcement (DEA) in complex, multinational investigations into drug trafficking

and money laundering cases. The aid includes investigative equipment and training for the unit.

- Improved Policing/Police Equipment program to address basic transportation and communications needs, along with computer, and narcotics detection equipment.
- Enhance the Transnational Anti-Gang Initiative (TAG) by providing technical expertise and specialized equipment such as computers, software, protective gear, radios, and vehicles to law enforcement agencies. The funding will support the deployment of FBI agents not only to El Salvador but also to Guatemala and Honduras;
- Support the International Law Enforcement Academy (ILEA) in El Salvador, which provides training and technical assistance, supports institution building and enforcement capability, and fosters relationships of American law enforcement agencies with their counterparts in the Central American region.
- A program to improve Salvadoran prison management, considered a crucial vulnerability in establishing the rule of law, given the endemic corruption in the prison system that allows detained gang leaders to continue to run their operations while serving time.⁷⁴

Most of the programs funded under CARSIS are extensions or new iterations of programs that have been tried in the past, with few positive results. The most innovative is the prison management program, one that Salvadoran officials said is fundamental.

Senior civilian and police officials cited the inability to eradicate corruption in the prison system, rife with abuses, corruption and inhumane overcrowding, as a key vulnerability for gang and organized crime activity. Many of the murders carried out by the gangs in Central America and the United States are done on the orders of imprisoned gang leaders who use smuggled cellular telephones maintain their control in the outside world.⁷⁵

Police officials and senior government officials said that, while the CARSIS money was an important symbolic gesture, it was a virtual drop

in the bucket when compared to the needs. Several expressed the unlikely hope that aid levels would be significantly increased in coming years.

Given the magnitude of the organized crime problem in El Salvador; the multiple factors that contribute to the violence and erosion of state authority; and the regional ties of Salvador's criminal structures to Mexico and the rest of the region, it is clear that no matter how well intentioned the government may be, it cannot make significant advances that are not part of a regional strategy.

While CARSI is an important recognition on a policy level that the fates of Mexico and Central America are closely intertwined, it is also clear that there is a significant imbalance in the current allocation of resources between Mexico and the region. While Mexican drug cartels are clearly a high priority and are correctly viewed as the epicenter of narcotics trafficking and organized crime that affects Central America, it is also clear that those cartels cannot be dismantled as long as they can move south into Central America.

The Reyes documents and multiple ongoing investigations indicate that remnants of one-time revolutionary movements have formed a new alliance to engage in criminal activities that pass through El Salvador, using long-established clandestine networks. The *Perrones* case shows that other criminal organizations with close ties to the Mexican drug cartels have gained significant access to the traditional political power structure in El Salvador controlled by the right, as well as the police and the judiciary. The structures, with political protection across the political spectrum, traffic not just in cocaine, but in human beings, weapons, stolen cars, exotic animals, bulk cash and many other projects.

These trafficking activities are not independent of the gang activities of extortion, kidnapping and armed robbery. Rather, they form a part of a continuum of criminal activities where short lived alliances can be achieved based on short term common interest and mutual benefit, only to be broken when those conditions are no longer met. The breaking of alliances and territorial disputes both over turf and control of specific trafficking routes in this superstructure and substrata of criminal activity leads to enormous levels of violence, social decomposition and the erosion of positive state attributes.

Given the current level of penetration of organized crime in the political, judicial and law enforcement structures of El Salvador, the

situation is unlikely to improve in the short term. As Mexican cartels, under pressure at home, push further south from their traditional homes, the local groups will likely gain resources and strength, as well as added incentive to wage warfare among themselves for added territory.

The Funes administration, while showing some political will to tackle these issues, has not had the resources, political strength or space to move beyond the traditional remedies for the violence and criminal activities, remedies which have failed repeatedly over the past decade. The CARSÍ also fails to look beyond the traditional strategies of police reform and increased repression in dealing with organized crime. While regional in its funding, there are few built-in mechanisms for regional information sharing or coordinated action against transnational criminal organizations.

Perhaps the most relevant is the System for Central American Integration (*Sistema de la Integración Centroamericana-SICA*), which has a standing Commission for Central America Security, established to deal with regional security issues.⁷⁶ However, participants say that since the institution's founding in 1993 some progress has been made in economic integration but virtually none in integrating security systems.

The CARSÍ funding offers some limited resources to help the government tackle the security and criminal issues that pose the most significant challenges to the state. However, it is a relatively small effort, given that the Salvadoran state faces an array of groups that are better financed, better armed and more mobile than government forces.

El Salvador's transnational organized criminal phenomenon and collateral local crime and gang-related violence pose a significant threat to the nation's democratic governance and state legitimacy. The overwhelming problems must be faced at the state level, but also within the deteriorating regional context. The criminal structures in Mexico, Honduras, and Guatemala all have a significant impact on El Salvador, as El Salvador's structures have an impact on the other nations.

Without a costly and comprehensive regional and transnational effort to simultaneously address the complex issues of organized crime in Central America, the region's fragile democratic gains of the past decade will likely be swept away. The hope generated by the peace processes that ended the brutal Cold War conflicts will be exhausted and the table will be set for future conflicts.

ENDNOTES

1 Field research for this paper was conducted during two visits to El Salvador, in March and August 2010, with support from the International Assessment and Strategy Center. The paper draws extensively from interviews with national and international police officials, senior Salvadoran security officials, former FMLN combatants and sources familiar with the drug trade in the region. It also draws on internal police documents acquired by the author. Most of these sources requested anonymity because of security concerns, which are real.

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4 U.S. Department of Justice National Drug Threat Assessment 2009, National Drug Intelligence Center,.

5 United States Department of State, 2010 International Narcotics Control Strategy Report (INCSR), Volume I, Country Report: El Salvador, March 1, 2010.

6 United States Department of State, 2010 International Narcotics Control Strategy Report (INCSR), Volume II: Money Laundering and Financial Crimes, March 1, 2010.

7 Marcela Solís and Mauricio Bolaños, “Encuentran Segundo Barril con Dinero en Zacatecoluca,” *La Prensa Gráfica* (El Salvador), September 4, 2010.

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12 Juan Carlos Garzón, *Mafia & Co.: Criminal Networks in Mexico, Brazil, and Colombia*, Woodrow Wilson International Center for Scholars, September 2010 (Originally published in Spanish in June 2008.)

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14 The investigation was carried out by a special commission formed in 1992, composed of the nation’s human rights ombudsman, a representative of the United Nations Secretary General, and two representatives of the Salvadoran government. The commission was formed by a political agreement among all the major parties due to a resurgence in political violence after the signing of the historic peace accords. See: “Informe del Grupo Conjunto Para la Investigación de Grupos Armados Ilegales con Motivación Política en El Salvador,” El Salvador, July 28, 1994, accessed January 26 at: <http://www.uca.edu.sv/publica/idhuca/grupo.html>

15 Luís Posada Carriles is a Cuban exile and former CIA agent and anti-Castro activist, accused of carrying out numerous terrorist activities in Latin America from the 1970s to the 1990s. During the civil wars, he spent extensive time in El Salvador and Guatemala as a civilian adviser to anti-Communist groups, and was part Oliver North’s clandestine group that supported the Contra rebels in Nicaragua. He was arrested in Texas in May 2005 and is awaiting trial for illegal entry into the United States and other charges. See: Jack Epstein, “Arrest of Cuban Ex-CIA Figure Puts Bush in Tough Political Spot,” *San Francisco Chronicle*, May 18, 2005; Ann Louise Bardach and Larry Rohter, “A Bomber’s Tale: Decades of Intrigue, Life in the Shadows, Trying to Bring Castro Down,” *New York Times*, July 13, 1998; and Carol J. Williams, “Cuban Militant Must Stand Trial in the U.S.,” *Los Angeles Times*, August 15, 2008.

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40 Godofredo Miranda was also named by Rep. James McGovern (D-Mass) as a possible accomplice in the April 1999 murder and rape of a 9-year-old girl, Katya Miranda, who also requested that President Funes investigate the *Perrones* for possible involvement in the November 2004 murder of U.S. Teamster labor organizer Gilberto Soto. McGovern's June 8, 2009, private letter to Funes requesting further investigations into these cases was leaked to the Salvadoran press and reported widely but not released by McGovern. According to Salvadoran investigators, Soto, who was organizing truck drivers in and around the port of Usulután, was killed because he stumbled on the *Perrones* drug operations in the port warehouses and their use of tractor trailer trucks to move cocaine. For more

on the ongoing investigation into Miranda, see: Equipo de Nación, “Inspección Continúa Indagando a Ex-Jefe DAN,” *La Prensa Gráfica*, August 31, 2010. The PNC has failed in numerous past attempts to build effective anti-drug units and has undergone several major reorganizations in an effort to end corruption and increase effectiveness.

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49 Author interviews with Colombian, U.S., and Mexican intelligence officials. Interestingly, the first attempts by the Colombian drug traffickers to move to this type of shipment came in 2000, when the cartels were found to have plans to construct a Russian submarine, and had acquired most of the necessary parts. The groups then moved to homemade semi-submersibles, a technology pioneered and likely copied from, the Tamil Tigers of Sri Lanka. While few of the crafts are built in Ecuador, many are built near the border region in Esmeraldas and launched almost immediately into Ecuadoran waters.

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organization were deported, but several others who were most of those granted citizenship remain there.

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GUATEMALA'S CROSSROADS: THE DEMOCRATIZATION OF VIOLENCE AND SECOND CHANCES

JULIE LÓPEZ

INTRODUCTION

September 15, 2010, began with a bang, literally. Unsuspecting shoppers enjoying a leisurely Independence Day at Guatemala City's Tikal Futura Mall found themselves in the middle of a shootout. Hours later, media outlets reported that police had tried to arrest Mauro Salomón Ramírez, who had been under indictment by the U.S. District Court in the Middle District of Florida (in Tampa) since 2009, for conspiring to import 3.7 tons of cocaine into the United States from Guatemala's Atlantic coast. Ramírez escaped from the Guatemalan police, but he left behind a trail of death and many unanswered questions. One policeman and a pastor were killed in the crossfire.¹

In the hours and days that followed, Ramírez's wife, ex-wife, and brother were arrested. His brother had US\$1.8 million in his possession at the time of his arrest. Two weeks after the Tikal Futura shootout, Ramírez was captured in Suchitepéquez, in southwestern Guatemala. Authorities also seized weapons, SUVs, and millions of dollars. Ramírez's was a landmark arrest.² His extradition to the United States is pending.

Prior to Ramírez's arrest, 20 years had passed since Guatemalan authorities had apprehended a key player from one of its local drug trafficking organizations. In 1990, Arnaldo Vargas, the mayor of the city of Zacapa near the Honduran border, was arrested. Two years later he was extradited to the United States on drug trafficking charges. Vargas was later convicted and sentenced to 30 years in prison by a New York court. In the intervening years, other Guatemalans wanted on drug trafficking charges have been arrested and flown to the United States, but none of these arrests took place in Guatemala.

Ten days after Ramírez's arrest, the local media released a video taken hours after the September 15 shootout. The video showed a

police officer at the Tikal Futura Mall carrying a bag and conversing with another police officer about the money it contained. No one, including the prosecutors at the scene, had registered the seizure of money.³ The video cast a pall over what had been seen as a successful arrest and highlighted endemic police corruption. Other media reports contributed to the suspicion when they reported that another police officer was carrying an undisclosed, unexplained amount of U.S. dollars, Euros, and Guatemalan currency during the same police operation on September 15th.

Minister of the Interior Carlos Menocal reportedly dismissed the video as a fabrication. He also said that the money carried by the other police officer was no cause for alarm because the amount was insignificant. However, even before the video surfaced, a rumor had spread within police circles that money had been unofficially seized at the Tikal Futura Mall.⁴

Guatemala City residents were still trying to come to terms with what transpired on September 15 when another, equally as shocking incident occurred a month later. Early in the morning on October 16, 2010, armed thugs walked into a Mexican restaurant and shot a man at point blank range. They also killed two women and injured eight others. The crime scene was in the *Zona Viva*, a touristy area of the capital where some of the most expensive hotels are located.⁵

The shootout was a grim reminder that this is an age of insecurity for all Guatemalans. Violence is indiscriminate and has no regard for people or place. Victims of the October 16 attack included 28-year old Jennifer Prentice, who had recently received her Ph.D. at the London School of Economics, and 15-year old Patricia Velásquez, who sold candy and chewing gum in the *Zona Viva* to make a living. The survivors of the attack experienced what residents of countless towns and villages have already lived through for years in remote, and not so remote, areas of rural Guatemala and in poor neighborhoods in the capital. Now violence was more visible because it reached the doorstep of Guatemala's middle and upper classes, whose voices are more apt to be heard by politicians.

The events during the last four months of 2010 and the first half of 2011 were a source of both hope and despair. In December 2010, the government declared a two-month state of siege in the northern state of Alta Verapaz in an effort to restore governance to an area registering high

drug trafficking activity. Once the state of siege was lifted in February, and despite many arrests and the seizure of property, drug traffickers resumed their activities. On March 30, 2011, the police arrested a prominent drug trafficker in Quetzaltenango in western Guatemala, Juan Alberto Ortiz López, whose extradition was also requested by a district court in Tampa, Florida, on drug trafficking charges.⁶ It was the second landmark arrest in six months. On April 26, 2011, came a third arrest, of Waldemar Lorenzana Lima, patriarch of one of the largest families that several U.S. federal agencies had linked to drug trafficking in Guatemala.⁷ Lorenzana's extradition, still pending at the time of this writing in June 2011, has also been requested by a U.S. district court in Washington, D.C.

The commotion caused by the Lorenzana arrest had barely died down when another tragedy struck the country.

On May 14, 2011, 27 peasants were murdered and decapitated on a ranch in the Petén region in northern Guatemala and near the border with Mexico.⁸ Local press reported that the Petén massacre was an act of retaliation against the owner of the ranch for allegedly stealing two tons of cocaine. The government responded by declaring a state of siege in the Petén. Ten days after the peasant massacre authorities made another gruesome discovery, this time the dismembered body of an assistant prosecutor, Allan Stowlinsky Vidaurre, whose remains were found in Cobán, Alta Verapaz.⁹ A note found next to the body made it appear that Stowlinsky's murder was another act of retaliation for having seized 500 kilos of cocaine earlier in the year. In the immediate aftermath of the massacre and subsequent murder of the assistant prosecutor, the government arrested several suspects and opened judicial cases that are still pending.

Each of these recent tragedies has served to highlight the unique nature of organized crime in Guatemala and the weakness of the state. For example, while the arrest of Mauro Salomón Ramírez's in September 2010 was significant, it also highlighted that more must be done to stop corruption in the country's security forces and in some parts of its judicial system. Corruption is endemic and pre-dates the formal end of the country's armed conflict in December 1996.

Additionally, important aspects of the Petén massacre have been reminiscent of the mass killings during Guatemala's armed conflict

in the early 1980s; the obvious major difference is that this time, no ideological or political reasons were involved. Furthermore, despite the arrest of major crime figures such as Ortiz and Lorenzana, the Petén massacre exposed the inability of local authorities to control the spread of organized crime to other parts of the country. Similarly, the murder of the assistant prosecutor underscored the vulnerability of justice system officials in this context.

Now, some 15 years later, Guatemala has a second chance. Three years since its inception, the International Commission Against Impunity in Guatemala (CICIG, its acronym in Spanish) can point to concrete results of its efforts.¹⁰ Guatemala is also on the verge of restructuring the role of the army and launching a police reform initiative that will take 13 years to complete. But obstacles abound, including the lack of financial resources and political will to ensure the continuity of the reforms. Both obstacles must be overcome if Guatemala is to adopt police reform as a state policy and not as a temporary reform with the lifespan of the current presidential administration (which will end on January 14, 2012).

Guatemala's post-conflict period, which began in 1996, has been turbulent. In 1997, the National Civilian Police (PNC, in Spanish) was formed to replace the National Police, which had strong ties to the military. The PNC was intended to be the state's response to both organized and common crime. Instead, there was a surge in both types of crime that overwhelmed the PNC. The gap between Guatemala's security needs and the police's capabilities has continued to widen over the last decade due to the state's failure to strengthen civilian authority and capacity within the PNC.

Given the problems with the civilian police, the reputation of the Guatemalan armed forces has been rehabilitated for some Guatemalans. During the armed conflict, left-wing groups, other civil society actors, and members of the international community condemned the atrocities committed by many members of the armed forces. Now the military is being utilized to support police efforts to rescue the country from the turmoil caused by organized crime.

Today, the international community is searching for signs of a long-term commitment from the Guatemalan authorities—one that will survive any given administration—to cleanse state institutions of corruption and strengthen the armed forces so the country can participate

as a capable and strong partner in the regional fight against organized crime. Although donor countries view CICIG's presence in Guatemala as a step in the right direction, they know that it is not a magic wand. Donors have pressed Guatemala to invest in institutional strengthening and have made it clear that the continued flow of foreign assistance will be conditioned on the same stipulation.

Will Guatemala act to strengthen state institutions vital to the security of its citizens? Only time will tell. The final year of the current administration and the first year of the incoming one will be critical. This is history in the making.

THE NATURE OF ORGANIZED CRIME IN GUATEMALA

In examining the origins of organized crime (OC) structures in Guatemala, it is first necessary to determine which criminal activities are linked to OC. "Organized crime has become a one-size-fits-all explanation for what doesn't have any other apparent explanation,"¹¹ said Ricardo Stein, who served as special advisor to the resident coordinator of the United Nations system in Guatemala and consultant to the United Nations Development Program (UNDP). For instance, there are highly-organized kidnapping and extortion networks with smaller infrastructure than large-scale OC, but with the ability to engage in multiple operations. These networks thrive on corruption among low or mid-management government officials and do not necessarily rely on open cooperation from high-level government officials. Likewise, Stein said, "all types of OC engage in money laundering, which permeates several layers of society."¹²

In September 2010, Banking System Superintendent Edgar Barquín revealed that an international OC "mega structure" for money laundering, operating from Guatemala, had laundered nearly Q300 million (US\$37.5 million). Barquín said that this structure had carried out operations in China, Colombia, Ecuador, Panama, and some Caribbean and African countries, using financial and commercial systems in at least four countries. The laundered money was profit from trafficking in drugs, persons, and arms. It had been invested in Guatemala as purchases of cattle, real estate, jewelry, luxury cars, and various types of businesses.¹³

Guatemalan government officials have also released information about how money launderers have tried to use community cooperatives to funnel dirty money. They have especially targeted cooperatives in regions along the borders where arms and drug trafficking activities are common. The Superintendent of Guatemala's Banking System maintains surveillance over at least 500 cooperatives in an effort to determine whether they have been used to launder money and has opened ten investigations.¹⁴

Other forms of organized crime that depend on government corruption include the smuggling of stolen cars, people, and even stolen babies across borders for illegal adoptions.¹⁵ All of these smuggling operations involve the alteration of legal documents or the production of counterfeit ones. Even when government officials are not involved in producing counterfeit documents, corrupt officials handling falsified documents may recognize them as such and still process them as valid legal documents, for a fee.

The disappearance of babies and teenagers is linked to illegal adoption and human trafficking networks. Press reports quote the Guatemalan National Commission for Adoptions revealing that there were three cases of babies stolen in 2006 and given up for adoption to families in the United States in 2007 and 2008. The Guatemala-based *Fundación Sobrevivientes* (Survivors Foundation) has taken these cases to court. According to Norma Cruz, the foundation's director, one judge and three officials from a state agency in charge of overseeing adoption processes were prosecuted.¹⁶

The problem is widespread. In September and October 2010 alone, Alba-Keneth Alerts—similar to the Amber Alert in the United States—were issued on behalf of 30 children who had been reported missing. Most of the children were found within three days. Some were rescued from brothels.¹⁷ In an interview, Minister of Interior Carlos Menocal said that adolescent and adult victims kidnapped in other Central American countries are illegally transported to Guatemala, a transit point on the way to Mexico and the United States.¹⁸

Fundación Sobrevivientes has documented cases in which victims kidnapped in Guatemala were kept inside the country but later moved to different areas from where the abduction took place. All of these activities involve corruption and negligence by judicial system officials

who aid in smuggling victims across national borders and overlook the use of counterfeit or altered documents.

The cases of the 30 children reported missing between September and October did not reveal involvement by corrupt government officials. However, the “Annual Trafficking in Persons Report 2010” published by the U.S. Department of State indicates that the Guatemalan government has not complied with the minimum standards to eliminate human trafficking. These standards are part of the U.S. government’s anti-human trafficking policy worldwide.¹⁹ The 2010 report stated that, although the Guatemalan government had taken significant steps to target the problem of trafficking, efforts to fight official complicity in trafficking have been insufficient, and most victims are still receiving inadequate treatment.²⁰

There is a vicious cycle in which corruption both enables OC and guarantees impunity, and vice-versa. Political analyst Ricardo Stein described the cycle as follows: “Corruption—in the government—favors OC, and OC has used corruption for its purposes.” He added a cautionary note: “ineptitude also can pass as corruption, and doesn’t necessarily mean OC is involved. Also, pushing forward certain issues for personal gain, for a price, is not necessarily OC.”²¹

OC is capable of gathering intelligence about its targets and possible business partners. Intelligence information enables OC to operate more effectively and decide which government officials to approach and how. OC will recruit, extort, infiltrate, or—as a last resort—threaten an intended target.²²

Criminal organizations adopt different strategies with regard to territorial control, also an important factor for OC. Historically, each crime lord controlled his own territory and—to a greater or lesser degree—local government structures and specific routes within that territory. If a criminal is arrested within the territory or along the route, the crime lord exerts his influence with local authorities to secure his or her release. This also happens at a regional level.²³

Exclusive control of a territory is no longer the only strategy. Today, routes controlled by different organizations sometimes pass through the same territory. At times, the organizations reach an understanding to respect each other’s routes, but in other instances, one organization will try to take over a route previously controlled by a rival.

Criminal organizations that specialize in drug or arms trafficking, and control territories or specific routes, can also profit from other trafficking activities. Any other criminal organization moving its illegal merchandise across the territory, or over the route, must pay a “toll” to the controlling criminal organization or face brutal reprisals. In mid-2010, 73 primarily Central American migrants were kidnapped while being smuggled across Mexico without the Zetas’ permission.²⁴ The smugglers escaped, but the migrants were less fortunate. The Zetas demanded ransom from their families in Central America, and when the families were unable to pay the ransom, the migrants were killed.²⁵

THE GENESIS OF CORRUPT AND CRIMINAL STRUCTURES

Organized crime in Guatemala is not a mutation of previous military regimes but rather resembles a three-legged stool. Local *capos*, or heads of homegrown criminal structures, are the first and largest leg. The second leg consists of foreign OC groups that seek to ally themselves with a local *capo*, to obtain permission to operate in his territory or along his route. The third leg is comprised of corrupt government officials—both within Guatemala and in other countries—who actively work with OC.²⁶

The origins of OC are found in homegrown criminal networks that stem from the *capo*’s engagement in local illegal activities. These activities can extend to broader national and/or transnational networks of smugglers or traffickers. OC has existed in Guatemala since at least the 1960s, active in theft, bank robbery, extortion, and kidnapping. Local *capos* have amassed great fortunes and created powerful criminal structures. These structures adapt to market forces and to the particular activities in which a *capo* is engaged at any point in time.

In Guatemala, foreign OC groups used what political analyst Héctor Rosada called “historic operators.” These individuals were immersed in a web of powerful criminal structures with roots in the army. These operators emerged after 1933 and the end of prohibition in the United States, carrying out their activities primarily between 1942 and 1946. Their activities led to an increase in drug trafficking in Mexico which, in turn, led to the spread of drug trafficking across its southern border into Guatemala. Following the revolution of 1944, Guatemala made a

transition from military dictatorship to a joint civil-military government. These lasted until the 1954 military coup backed by the United States, which ushered in a new era of military regimes. According to Rosada, the historic operators re-engaged in organized criminal activities from 1954 until after 1996.²⁷

Guatemala's first visible civilian *capo*, Arnoldo Vargas, didn't surface until the 1980s. Some press reports indicate that he was a member of a death squad beginning in the mid-1960s and during the 1970s. Other unofficial reports identify Vargas as a former customs official who, after being fired, went into the cattle business and into politics, becoming mayor of Zacapa. After the 1985 election, the armed forces had handed presidential power over to civilians. Vargas' emergence was due, in part, to the military's withdrawal from civilian affairs.

As mayor of Zacapa, Vargas served as a connection between the criminal and the political worlds. His criminal structure became the means by which Colombian criminal networks transferred cocaine overland through Guatemala. Vargas was arrested in 1990 and extradited to the United States in 1992, despite allegations that his legal right to a pre-trial hearing as a public official was violated and that he was prosecuted on false grounds.

Vargas had dealt mostly with the Medellín and Cali cartels and fostered good relations with military officials in Zacapa. "Vargas was a hero to many army officials who were assigned to Zacapa at the time," said retired Colonel Mario Mérida, former director of military intelligence. "He'd arrive at the Esquipulas garrison [in Chiquimula, neighboring Zacapa,] and invite officers to lunch." Bottles of whiskey often accompanied the meal, and he would insist on giving them spending money. "That's how he bought many people," said Mérida.²⁸ Vargas' tactics help explain how he was able to arrange for flights of cocaine-laden small airplanes originating in South America to land at the Zacapa military base.²⁹

In contrast to the situation in Mexico, where most of the corrupt government officials were either police or municipal-level authorities, in Guatemala during the 1980s, the majority of those comprising the third leg of the OC stool were members of the armed forces, due to the military's preeminence within the state. The Guatemalan army controlled 100 percent of the territory from 1954 until 1996, and

exercised control over communications, the road system, airports and sea ports. Criminal activity was impossible without the armed forces' knowledge, according to Rosada.³⁰

The Colombian cartels' territorial advances in Guatemala began in the 1980s. The army detected small airplanes landing in the southwest and southern Guatemalan coast,³¹ and thought the flights were supplying the guerrillas. However, this initial assumption was questioned when there was no concurrent increase in the insurgency's combat capabilities. After a careful examination of the flight routes, the army realized that the flights were landing in areas where the guerrillas were not active, and that several military officers assigned to these posts were showing signs of improvement in their quality of life.³²

Prior to the Vargas connection, Colombian cartels had been trafficking drugs by sea—mostly through military connections on Guatemala's Pacific coast—using go-fast boats. Problems developed when different Colombian criminal groups began stealing one another's shipments along the Nicaraguan and Costa Rican coasts. Some responded by moving their operations to land and air transportation.

At first, the Colombians had difficulty establishing a foothold in Guatemala. Their planes bombarded ranches with packaged cocaine, but no one picked them up except to toss them outside their property. "Once, in a meeting held by the military high command in the early '90s, I was shown some pictures," recalled Rosada. "Several officers were there, including the Minister of Defense Domingo García Samayoa and [2011 presidential candidate and retired General] Otto Pérez Molina.³³ I was asked if I knew what the pictures were showing. They were images of several packages strewn by the side of a road. [When I saw them, I thought that] if the military were asking a civilian—me—what these packages were, it was because they did not understand what was going on."³⁴

When dropping the cocaine packages from the air did not work, the Colombians began visiting farm owners with the intention of renting farmers' properties that had landing strips. However, they did not contact just any farm owner; they targeted those who had losses or a bad harvest. The Colombians were running a business and had conducted their marketing studies beforehand. Rosada recounted, "in a meeting with the military, one of these farmers—whose son-in-law was an army officer—said the Colombians asked him to set a price [for renting the

landing strip] and asked them for US\$50,000 per year, far more than the Q50,000 (approximately US\$8,900 given the average exchange rate in 1993) he had earned for his harvest. The farmer said they accepted and, by way of explanation added, ‘I could tell that something was wrong, but you know what it’s like to need money really badly, don’t you?’” In return for the money, the farmer only had to instruct his workers to leave the property before the renter’s workers arrived. “The farmer said, ‘you see? It was hassle-free because we were not involved in anything,’” Rosada recalled.

The following year, the Colombians told the farmer, “look, we didn’t do as well as we thought, so here is US\$35,000 in cash and US\$15,000 in product.” The product was cocaine. The Guatemalan farmers thought they could establish an internal market, but most would simply get rid of the “product.” Others tried to market it or found someone else to do it for them. According to Rosada, the army estimated that at least 100 landing strips were being rented in the 1980s. He also believed that Colombian traffickers bought properties in Guatemala to build resorts that doubled as contact-generating points where they began befriending military officers in the way that Vargas had done. Thus the spider web began to grow.³⁵

The surge in Colombian involvement can be traced to the period from 1986 to 1988. The military high command (*Estado Mayor de la Defensa*) concluded that increased openness and flexibility during the previous military government of General Humberto Mejía Vítores (1983–1986) left an opening that drug traffickers exploited.³⁶ In the 1980s, OC in Guatemala was largely taken over by Colombian cartels; they used local *capos* to approach top-level officials indirectly, or went directly to the military. By the end of the decade, the Colombians were joined by Mexican criminal organizations that made their appearance in the region by approaching and involving low-ranking Guatemalan government officials in their activities.

When Vargas was arrested in 1990, Byron Berganza, was regarded by Guatemalan police as Vargas’s successor and the country’s main drug trafficker. Berganza, a former military commander, had begun trafficking and was known as the most powerful figure in northeastern Guatemala. The U.S. Drug Enforcement Agency (DEA) traces his earliest activities back to 1988.³⁷ Berganza dealt with both Colombian

and Mexican drug traffickers and enjoyed the protection or complicity of several military officers. Meanwhile, the profile of transnational drug trafficking networks in Guatemala had begun to change.

While Colombia's Cali Cartel stepped up efforts to establish a foothold in Guatemala between 1991 and 1992, a six-month military operation supported by U.S. forces spoiled the Colombians' intentions, leading to the disintegration of most of their criminal structure, and significantly reducing the cartel's presence in the country. The impact of the operation was less dramatic on other Colombian criminal organizations. Colonel Mérida, director of military intelligence at that time, revealed that police did not participate in the operation because they were not trusted.³⁸ The extradition to the United States of Vargas, whose 1990 arrest was prompted by a Colombian DEA informant, occurred towards the end of this operation in 1992.

One year later, in 1993, President Jorge Serrano Elías declared a coup by suppressing constitutional guarantees and attempting to override the authority of the legislative and judicial branches. He was ousted by popular demand by a wide array of civil society groups and the military.³⁹ Ramiro De León Carpio replaced Serrano after the coup failed. This political transition also resulted in changes in the military high command.

By the mid-1990s, with their leaders dead or under arrest, Colombia's Medellín and Cali cartels had been largely dismantled.⁴⁰ In the meantime, Berganza's profile had risen and his security detail was comprised exclusively of military officials. "At the time, not a single shipment of cocaine was moved in the country without his consent," said one former police investigator. There were captains and majors protecting Berganza's every move when the former detective was one of the police officers who unsuccessfully tried to arrest him in 1997.⁴¹

"The arrest warrant was for a swindling case; [Berganza] said it was no problem, called his lawyer, and asked him to fix everything with the judge in Villa Nueva (a province adjoining Guatemala City), and we all drove there in a caravan, his military bodyguards leading the way and escorting us in several cars," the former police investigator recalled. "We had to wait for the judge. It was lunch time, and we said we hadn't eaten all day, so Berganza gave us money to buy lunch. I bought fried chicken for everyone. When was the police ever going to give us money to buy

lunch? Never! He was an OK guy. After arriving, the judge declared that the arrest warrant was unjustified and released Berganza.”⁴²

In court papers, the DEA identified Berganza as an unpaid informant. Berganza explained that he cooperated with the DEA agents after they contacted him and promised to withdraw a 1996 indictment against him from a New York court—a promise that the DEA denied. Berganza was allegedly the go-between for the Colombian and Mexican organizations, and sometimes passed information and phone numbers of their members to the DEA. Berganza also gave the DEA the money and drugs he collected. At the same time, he continued trafficking. In the late 1990s, he dealt with Nicaraguan military officers, and his main accomplice was a Guatemalan customs official that became a DEA informant and was killed years later. New York prosecutor Anirudh Bansal told the court, referring to the U.S. Attorney’s Office, “as far as we knew, [Berganza] was a drug trafficker.”⁴³

The decreased Colombian presence in Guatemala left territory available for the Mexicans to expand their operations in the country. This was evidenced by the presence of the head of the Sinaloa Cartel, Joaquín “El Chapo” Guzmán, and his subsequent arrest in Guatemala in 1993. Guzmán was later extradited and jailed in Mexico, where he escaped in 2000. The shift from a predominately Colombian participation in drug trafficking through Guatemala to an increased Mexican presence began in the late 1990s and continued into the following decade. Yet, despite this change and law enforcement operations against the Cali Cartel in Guatemala and the Cartel’s downfall in Colombia in the mid-1990s, “the Colombians flourished most in 1994 and during the Ramiro De León Carpio government [mid 1993-January 1996], until 1997,” according to Rosada.

The Mexicans operated to the north of San Marcos (along the southern Mexican border) and smuggled marijuana, while the Colombians dealt in cocaine on the southern coast and along Guatemala’s eastern border. Confrontation between Colombian and Mexican cartels began at the end of Guatemala’s armed conflict in 1996, when several military bases were closed around the country (starting in the late 1990s up until 2004) and Mexicans began to intervene in the cocaine trafficking market in Guatemala.⁴⁴

During this time, the Mexicans made contact with the younger members of the Mendoza family in Izabal and Petén in northeastern Guatemala, the Lorenzanas⁴⁵ in Zacapa, Jorge Mario “El Gordo” Paredes (arrested in May 2008 in Honduras), and Otoniel Turcios Marroquín, an alleged accomplice of Paredes (arrested in October 2010 in Belize). “They became the cornerstone for foreign OC structures,” said Rosada. “Outsiders, [the Mexicans], had an intelligent *modus operandi* because they didn’t compete with local crime; they stimulated it.”

By the early 2000s, Berganza had begun to lose power. He survived two assassination attempts, allegedly at the behest of either the Colombians or the Mexicans, who had discovered that he was talking to the DEA. On September 10, 2003, he was arrested by local police officers in El Salvador for not possessing a permit to cross the Guatemala–El Salvador border. Salvadoran police subsequently handed him over to DEA agents stationed in El Salvador.⁴⁶ Berganza was “expelled” from that country according to documents in the Southern District Court of New York. On September 11, 2003, he was flown from El Salvador to New York and charged with conspiracy to import and distribute cocaine in the US. He pleaded guilty and, in April 2008, was sentenced to 22 years’ imprisonment.

In the 1980s, foreign organized crime networks—like those of the Colombians and, later on, those of the Mexicans—selectively and carefully cast their net over politicians like Vargas, the mayor of Zacapa. To set up operations in Guatemala they chose to work with a Guatemalan criminal structure that was already established. “OC cannot survive in a void, cannot work without a structure to latch on to, just like contraband requires customs officials,” said Rosada. “It’s like a vine that requires something to climb on, or it cannot grow.”⁴⁷

ARMED CONFLICT SHIELDS ORGANIZED CRIME

Three elements must be weighed when considering the involvement of Guatemalan military officials with OC: 1) during the armed conflict, changes were made in military personnel that sometimes favored OC, indirectly and unintentionally; 2) the army’s involvement in OC was not the result of institutional orders from the military high command,

but resulted from a climate of permissiveness or corruption in certain military structures that permeated all ranks from top to bottom. For example, criminal camaraderie developed among graduates of particular classes of the military academy; and 3) OC is not a by-product of the military or a mutation established by military officials who disappeared without a trace (and were not reported missing or kidnapped), nor is it a consequence of armed conflict. Nevertheless, the end of the armed conflict became an indirect accelerant of the OC surge after the signing of the Peace Accords.

“It is ill-intentioned to convey the idea that OC is a mutation from the military,” said Rosada. “My own view, when asked about the level of army complicity in drug trafficking, is to respond that it was not easy to buy the military. On the contrary, they [drug traffickers] had to insert a mole within the military structure, an infiltrator. They protected him and tried to get him promoted, so that, when his help was needed, he was in the right place to facilitate a series of processes.”⁴⁸

Between 1981 and 1982, a total of 16 or 17 tactical unit commanders (second lieutenants) were killed in combat. Given these losses, the military academy accelerated the training of some 200 officers and advanced their graduation dates—sometimes losing quality control in the process. The same applied to the massive training of troops to replace the dead and injured.⁴⁹

Second lieutenants enjoyed the full and direct support of the defense minister because they were the link between the troops and the military high-command. They were crucial in war and viewed as authority figures by troops; they represented power at an institutional level. “Several officers began to get involved in illegal activities on their own, not at an institutional level,” Mérida said. “Some were caught and arrested, like Lt. Colonel [Carlos] Ochoa.⁵⁰ Others were not because they knew how to do things.”⁵¹ Perhaps some of them were the moles referred to by Rosada.

Moreover, as the process for training troops was expedited to meet combat demands, background checks (including examination of one’s financial situation) for personnel were relaxed— a sign that military intelligence’s influence had diminished in that respect.⁵²

Additionally, Rosada believes that corruption went beyond troops and second lieutenants. It was part of a web of illegal activities that cut

across several command structures. “If there was a corrupt general, he needed several corrupt colonels, and they needed some corrupt lieutenant colonels, and they needed corrupt majors, who in turn required corrupt captains and corrupt second captains, who also needed corrupt lieutenants, and these, in turn, needed corrupt second lieutenants, and everybody from the corrupt captains to the corrupt second lieutenants needed corrupt troops,” the analyst explained. “There is no room for confusion. The military high-command knew perfectly well who was doing what: theft of gasoline tankers, contraband, kidnapping, cattle theft, etc.”⁵³

During the armed conflict, customs and immigration officials at checkpoints along the border and at seaports gathered information that was crucial to counterinsurgency efforts. The border checkpoints between Guatemala and Mexico, at El Carmen and Tecún Umán, were focal points for scrutiny and control because the guerrillas (URNG) had a strategic stronghold on the Mexican side of the border in that area. The Agua Caliente border with Honduras was also strategic. As a result, military intelligence relied on police officers and immigration and customs officials assigned to the area, according to Mérida. He expressed that recruiting informants at the border was a “legitimate objective” for the Guatemalan military because it furthered its efforts to gather first-hand information, generate intelligence, and determine the magnitude of the insurgency threat. “At some point, the whole process got perverted with the engagement of certain individuals in corruption; contraband was allowed, and those positions became strategic for drug trafficking,” said the retired colonel.⁵⁴ Vargas was only one example. He went from customs official to mayor to top drug trafficker.

In 1996, military tribunals were dismantled. This eliminated military complicity in the acquittal of guilty officers, although the protection offered by the military tribunals was replaced by corruption amongst civilian officials. For example, if an officer was found innocent of a misdemeanor or a crime in a military tribunal, he could still be sanctioned or given a dishonorable discharge by the minister of defense. “The Military Tribunal was concerned with safeguarding the prestige of the armed forces, as if the prestige were that good,” Mérida said.

In civilian courts, this did not happen. Military officers could defend themselves, but a number of them were still sent to jail.⁵⁵

On another front, evidence of longstanding ties between the military and the police was uncovered in 2005, when an investigator from the Human Rights Ombudsman's office stumbled upon a treasure trove of historical records at the archives of the National Police. While investigating an explosion at a military base, the staff person discovered an abandoned warehouse—next to a junkyard on PNC property—that contained millions of police records.

The records contain invaluable information dating from the early 1900s, regarding hundreds of thousands of arrests and the fate of people who were forcibly disappeared in the 1970s and 1980s. “That archive suggests that the National Police had dozens of thousands of informants. Intelligence information in Guatemala is not based on technology, but on the massive use of informants,” said Gustavo Porras, President Álvaro Arzú's private secretary (1996–2000).⁵⁶ The army had expertise in creating a network of informants for counterinsurgency purposes and, later, for criminal ones. This capacity was also transferred to the police.

“The police executed the orders received, but the orders came from above,” said Porras.⁵⁷ The orders came from the military, in a context of counterinsurgency and state-sponsored terrorism.

According to Rosada, the military was the main power structure in Guatemala between 1954 and 1996. He reached the conclusion that “any decision made was known by them, and there was no decision taken against their will.”⁵⁸ These decisions pertained to security in particular, whether involving the guerrilla or OC. In 2010, Carlos Castresana, former CICIG commissioner, said that “what used to be counterinsurgency is now organized crime.”⁵⁹

By 1996, when the peace accords were signed, OC had tainted a considerable number of military officers. Shortly thereafter, they were discharged without a proper demobilization process to integrate them into civilian society. Some of the discharged military officers kept their “inside” contacts (civilian and/or military) in state institutions. At the same time, both organized and common crime became more prevalent throughout the country partly because the army's nationwide surveillance structure was significantly diminished when the PNC was created.

THE HAUNTING FAILURE TO DISMANTLE THE CLANDESTINE STATE INTELLIGENCE APPARATUS

In Guatemala, clandestine intelligence and security structures (known as CIACS in Spanish) are protected by people embedded in state institutions and security forces. The CIACS enjoy impunity because of their direct or indirect ties to the state. The CICIG established that the CIACS were not dismantled after the 1996 signing of the peace accords. They continued to operate, both to respond to state interests and to profit from illegal activities, entering into a “partnership with transnational groups of organized crime.”⁶⁰

In an interview, human rights campaigner Helen Mack, head of the Guatemalan government’s Police Reform Commission, asserted that many public officials in strategic positions of power, handling large volumes of information, had corrupt and/or criminal networks in place before the armed conflict ended.⁶¹ In the post-conflict era, OC fueled corruption within the state. Over time, OC gained control of certain public offices and used them to protect and further its interests.

To believe that the CIACS were the source of OC is a mistake, “particularly in a country that has such a lax and discretionary justice system,” said Ricardo Stein.⁶² In fact, one section in the armed forces created the CIACS to gather intelligence for counterinsurgency purposes. Then, some of the CIACS engaged in criminal activities, and acquired a life of their own—parallel to or in complicity with OC—before the formal end of the armed conflict in Guatemala.

“Something that greatly concerned guerrilla commanders was the existence of military commando units comprised of men who posed as guerrillas and infiltrated the insurgency’s structures,” said Stein. “At some point these units [specializing in infiltration of the guerrillas] were linked to military intelligence, but they apparently disappeared without a trace between 1980 and 1985.”

Guerrilla commanders worried that part of the military units that infiltrated the insurgency, by posing as guerrillas, had turned into CIACS. None of them had taken part in the formal demobilization process. There was also concern that some extortions and kidnappings attributed to the guerrillas were actually carried out by members from these units.⁶³ These concerns notwithstanding, there was ample

evidence that the insurgency was engaged in extortion and kidnapping for financial gain well before 1997.⁶⁴ However, it is difficult to determine whether former guerrilla members are involved in OC today because the insurgency did not keep records of its membership. This is not the case with OC members who served in the armed forces, because the military keep meticulous records of all those who work for the institution.⁶⁵

President Álvaro Colom, who participated in the peace process as head of the National Peace Fund (Fonapaz, in Spanish) during the first two years of the Arzú government, offered assurances that no links were detected between the insurgency and OC financing.⁶⁶ Mack observed that the guerrillas had not occupied positions of power within the state structure since the peace accords were signed; they have only attained marginal positions with no capacity or ability to influence anything—unlike the military.⁶⁷

Nevertheless, the army did not demobilize like the guerrillas, according to retired Colonel Mérida. “The army never generated a policy that I would call ‘return to life at the base,’ which should have been oriented to readopting values and principles and mainly to demanding more academic development from officers, because the conflict had ended,” said Mérida. “This would have allowed [military] reinsertion and participation within [civilian] society.”⁶⁸

Former combatants who served in the army struggled to make a living when they returned home after the armed conflict ended. There were no provisions in the Peace Accords to assist them. Neither the state actors (Executive officials and military) nor the guerrilla commanders included such provisions in the peace negotiations. After the conflict ended in 1996, soldiers returning to civilian life without much formal education and with few job skills found very few opportunities. Close to 11,663 soldiers, from generals (receiving severance payments of nearly US \$56,000) to foot soldiers were forced to retire, leaving a force-strength of 15,500.⁶⁹

The army’s meticulous records allowed for the identification of several military officers involved in OC four months before the signing of the peace accords. In September 1996, the Arzú government took down a contraband network operating within the state-run customs agency (Dirección General de Aduanas), which had a large structure involving at least 20 military officers. The network’s leader, Alfredo

Moreno, was arrested. During the investigation of this case, many of the officers allegedly implicated were discharged from the military but were not prosecuted. Some were suspected of involvement in illegal activities during the conflict, as well as throughout the peace process and afterwards.

The Vargas, Berganza, and Moreno cases provide ample evidence of the military's involvement in OC in the late 1980s and 1990s, while the armed conflict was still in full swing. Therefore, the absence of military demobilization alone at the end of the armed conflict does not explain the military's participation in OC. Further evidence is provided by the recruitment of Guatemalan military Special Forces known as the *Kaibil* by Mexican organized crime (particularly the Zetas) beginning in 1994, two years before the end of the war.⁷⁰ This recruitment may have been successful because some of these officers knew that their employment would end with the signing of the Peace Accords.⁷¹ Others simply may have seen OC as a more profitable sideline than serving in the armed forces, which provided tainted military officers a legal façade for illegal activity.

Rosada explained that, for the military, the end of the armed conflict did not mean yielding control; some members of the armed forces retired while other continued to hold government posts. It is certainly not the case that military officers holding strategic positions within the government after their retirement from the army are involved in corruption or OC. For some, however, the positions they hold enable them to connect with local criminal networks and use state resources for criminal endeavors. Others engage in corrupt practices and profit from these resources without necessarily being linked to OC.⁷²

There are two dominant perspectives in Guatemala regarding the military's institutional sanctioning of involvement by its personnel in OC: (1) there is no institutional sanction; (2) the involvement of army personnel assumes institutional sanction, as each soldier represents the entire institution.

Rosada maintained that, "to talk about the military institution is to talk about all its human resources and the structural hierarchy inside the institution. ... Therefore, the military's high command is responsible, but not the young officers, or the officers in between. Some officers

within the military structure did not attain senior positions within the high command because they knew that doing so meant stepping into the mafia. For some, reaching the position of minister involved paying dues.” Rosada believes that the military must assume institutional responsibility because the law covers the institution as a whole, although there are vast internal differences among military personnel. Some officers strictly abide by the law while others use their positions of authority for criminal purposes.⁷³

There are also differences among the classes that graduate from the military academy. Some have more leadership skills. Some are more prone to involvement in OC. Rosada pointed out that the roots of some criminal groups can be traced back to the academy’s Class of 1973. For example, while retired General Otto Pérez Molina is a notable exception of a military officer who is not identified with any of these structures, his peers—Juan de Dios Estrada Velásquez, Rony Macloni Morán, and Eduardo Arévalo Lacs—all ministers of Defense during the Alfonso Portillo administration (2000–2004), are a different matter. The Public Ministry (prosecutor) and the CICIG claimed that the four men were involved in the looting of Q906 million (US\$113 million) in state funds while in office.⁷⁴ However, only Portillo, Arévalo and Manuel Maza (Portillo’s former minister of Finance, also indicted) stood trial for the illegal use of a small portion of that amount (Q120 million, or US\$15 million) about which there was stronger evidence. Yet they were acquitted in 2011.⁷⁵

Another example of camaraderie among graduates of the same class is the case of Juan José León, also known as *Juancho*, killed in Zacapa by the Zetas in March 2008 in a drug-related dispute. According to Mérida, León graduated from the Instituto Adolfo Hall military academy in Zacapa, and managed to make a series of contacts with several officers during his time at the academy.⁷⁶ The assumption is that he used these contacts for criminal purposes years after he graduated from the military academy.

“At some point, criminal structures seek a marriage of political and economic structures,” Rosada explained. Those involved in these structures search for and secure contacts in the political sector, within the government, and in areas of the state where they can have access to large sums of money. Minister of Interior Carlos Menocal has identified

former President Portillo as the political component in the OC networks. Portillo's close advisors, Colonel Jacobo Salán Sánchez (convicted in 2010) and Major Napoleón Rojas, are under investigation by the CICIG and were accused of direct involvement in illegal procurement scandals worth millions of dollars and involving the Ministry of Defense during the Portillo administration.⁷⁷ According to Rosada, these types of criminal structures also search for contacts at a local level—lawyers, judges, prosecutors—to guarantee their ability to operate quietly. Portillo was the political contact; his close advisors and the Minister of Defense were the links to the money.

Early in 2010, CICIG director Castresana recognized that the CIACS were made up of several groups. He noticed “an evolution” in their composition and objectives. He observed that these groups—in combination with OC—had “shot up everywhere.”⁷⁸ Some civil society actors were also trying to identify the CIACS by asking some fundamental questions. “What did the CIACS mutate into? [Are they] inside or outside the state? And how do you turn them off?” asked Ricardo Stein. “The CICIG’s task now is to expose and call these structures by their name, and dismantle them. That’s the archeological part of the process, because the CICIG will find snake skin. Then, it has to see what the snake looks like now, without the old skin.”⁷⁹

Identifying these structures was just as difficult between 1996 and 2000. “Why do you think that these structures weren’t dismantled? I asked [human rights activist] Helen Mack back then,” said Porras, referring to their conversation 16 years ago. “Then I said, ‘Introduce them to me;’ we don’t know who they are.” Porras maintains that, during the period immediately after the signing of the Peace Accords, clandestine structures operated at the margins of the state, not as a part of it, and that there is only testimonial evidence against them.⁸⁰ As an example, he says that despite the many accusations against General Francisco Ortega Menaldo as the purported head of these networks, no hard evidence has been produced against him. Ortega Menaldo was also connected to the Portillo government and unofficially linked to clandestine intelligence networks and organized crime, but never prosecuted and taken to trial.

Porras says that the CICIG is struggling to reach the heart of a Gordian knot. “This is a qualitative investigation,” he points out. “Their main objective is not something very vast; it’s very complex.”⁸¹

THE SIGNING OF THE PEACE ACCORDS CHANGES DYNAMICS OF CRIMINAL NETWORKS

Prior to the signing of the peace accords in January 1996, President Arzú dismissed from the Guatemalan military 13 generals who had led the notorious counterinsurgency campaigns. Some believe this action was a political concession in negotiations with the guerrillas.⁸² Other analysts point out that several of the retired generals continued to direct criminal networks because they kept their political and military connections, offering further evidence that organized crime is not a post-war product.⁸³

Subsequent to the peace accords, the army's presence in the country and its force size were reduced with the understanding that the soon-to-be-created PNC would replace military surveillance. The accords provided for a new role for the police, which would strengthen civilian authority. Several constitutional reforms were needed to help accomplish this. Approval of the reforms required passage of a public referendum. Of the 47 proposed constitutional changes included in the referendum only 13 stemmed from the peace accords. One recent report from the International Crisis Group indicated that “voters rejected the package” during the May 1999 referendum (with only 18.5 per cent participation) and thus slowed down compliance with the Accord for Strengthening Civilian Authority, necessary to ensure greater civilian control of public security.⁸⁴

The referendum was destined to fail before it began because the public information campaign about the reforms was limited in scope and depth. Ignorance about the purpose of the referendum was so widespread that in some towns in the highlands of Quiché, in northwestern Guatemala, some voters were puzzled because there were no party logos or faces of candidates on the ballot. They thought they were standing in line for an election of some sort. Press accounts documented the confusion. In addition, the referendum ballot had complex questions and legal terms that the average Guatemalan did not understand. As a result, most voters opted to vote “no” or to annul their vote.⁸⁵

In the meantime, the police were undergoing reform. New recruits were trained within six months. Officers from the old National Police were “recycled” with three-month training sessions and could work

for the PNC if they passed the required tests and background checks. However, two years into the new training process, the Washington Office on Latin America (WOLA) issued a report whose main conclusion was that the PNC Academy was sacrificing quality for quantity, to try to meet the commitment of having a police force of 20,000 by the year 2000. WOLA also criticized the PNC for having “limited oversight mechanisms.”⁸⁶

WOLA's conclusions still hold true today, and have been supported by failures in security policies over the last 14 years. Just two years after the creation of the PNC, several of the recycled agents were arrested for involvement in illegal activities. More recently, in 2009, the current administration declared it had purged 1,700 police officers from the force for various reasons; some for minor infractions, and others for serious crimes, which merited their arrest and prosecution with help from the CICIG.⁸⁷

In short, successive administrations in charge of police reform have repeated the same mistake made with the army: expanding its force size dramatically while relaxing recruiting controls, and overlooking quality standards for training. “Today you see an effort to produce more bad police officers, with the risk of their potential involvement in illegal activities, than efforts to create incentives for entering a military-type academy, with a basic and well-established doctrine, an academy more prone to control,” said Mérida.⁸⁸

While the expansion of the police force was underway, in the late 1990s the army began to withdraw its troops and high-command officials from significant portions of the country. As a result, the Colombian cartels operating in Guatemala lost the complicity of state structures in their operations. Once the military no longer held key positions of government that could facilitate the transit of illegal goods, Colombians lost their foothold in Guatemala by the end of the decade.⁸⁹ In the meantime, Guatemalan groups thrived and Mexican criminal networks nurtured contacts with government officials at low and middle-management positions in state institutions, just like they had done in Mexico for over 60 years.

The Mexican cartels built a strategic axis with some mayors and public officials in towns along Guatemalan's border with Mexico and Honduras. The criminal surge that followed caught the police unprepared.

"We lost a great opportunity for police reform with the peace accords," said Mack, 14 years later.⁹⁰ The accords were a new beginning that had allowed skeptical Guatemalans to actually believe the police could improve. Public opinion regarding the PNC improved month after month as the first groups graduated from the police academy. This was a development that even surprised government officials who admitted having made mistakes in the process.⁹¹

"Everybody admits it was a mistake to recycle old police agents into the new police, to meet the [peace accords] requirements to cover the whole country," Porrás said. "The fact that these people returned to the police restored certain vices [in the police] as well."⁹² By October 1999 (still during the Arzú administration), 65 percent of the police force—of 17,339 officers—were recycled officers.

The major setbacks were man-made, particularly during the Portillo administration (2000–2004). Mack notes that some PNC directors and ministers of interior were not qualified for their positions, based on standards contained in the PNC Law.⁹³ Additionally, they failed to ensure continuity in institutional strengthening reforms, which were needed to confront challenges at a regional level. Besides, Porrás said that "the Portillo administration fired several *comisarios* (police officers of the highest rank), who had a pristine record, and the decay in the PNC was immense....Crime soared while all this was happening."⁹⁴

Mérida also pointed out that Portillo (2000–2004) made changes that left 16 generals in the high-command, some of whom were corrupt and now are the subject of judicial prosecution.⁹⁵

In June 2004 the army reduced its force by two-thirds, double the goal established in the peace accords. The most affected area was the Petén and the corridor bordering Mexico, in northwestern Guatemala, according to Interior Minister Menocal,⁹⁶ as well as the Zeta stronghold – Alta Verapaz (south of Petén). As a result, says Mérida, fewer than 6,000 troops were available to tactically cover the country's 108,889 square kilometers. The rest of the troops occupied administrative posts.⁹⁷

Eduardo Stein—Vice President during Oscar Berger's administration 2004–2007—has stated that the army's downsizing in compliance with

the peace accords was prompted by two factors: 1) pressure from the international community; and 2) the need to correct the number of troops, which had been inflated. “Salaries were being cashed in for soldiers and officers who only existed on paper,” Stein said.⁹⁸

The former vice president argued that the army’s force reduction was conditioned on the PNC’s strengthening and on keeping enough military personnel to protect the borders. “The argument that the army was reduced beyond what the peace accords required, thus leaving the country vulnerable to drug trafficking, rests on two incorrect premises,” said Stein. “One of them is that the army—instead of civilian security forces—must control national territory in the fight against drug trafficking; the second one is that organized crime cannot corrupt the army, as opposed to the police.”⁹⁹

Stein argued that the fight against OC has demonstrated that, contrary to government assertions, the army is not as efficient as many believe it to be, and should not be assigned a civilian security function.¹⁰⁰ Mérida, who retired in July 1998 after a 28-year military career, maintained that the Guatemalan army had not changed its doctrine since the end of the armed conflict. “The first part of the military doctrine is that the army is prepared to take an objective by gunfire or maneuvers, or by fire and deployment, or to defend an objective by means of gunfire, or tactical operations,” says Mérida. “That is what a soldier is trained for; not for police tasks.”¹⁰¹ In the same vein, Stein contended that the army cannot be effective at something it was not trained for, despite President Colom’s assertions that an increase in military troops in the northern part of the country has reduced organized crime activity in the area.¹⁰²

There are ample recent examples to support Stein’s assertion that the military is not corruption proof. One case involves military weapons stolen from an army base that ended up in the hands of the Zetas. Nevertheless, it is not a question of who is less corrupt, the police or the army; it is a matter of absence of proper internal controls in both institutions.

Eduardo Stein and Mérida criticize the use of the armed forces as a band-aid solution. In this context, the issue is whether it is appropriate to use the army to provide security—and for how long—when the police lack the force size, capabilities, and weaponry required to combat organized crime.

“If Colom is right about something, or whoever advised him, it is that military surveillance was displaced from key areas that had been under control for 42 years, and that is a lot,” said Rosada.¹⁰³ In 1996, the army numbered 54,875 soldiers and officers. By 2011, its numbers had fallen to 17,100, according to the army’s spokesperson, Colonel Ronny Urizar.

The post-war assumption that, “scores of unoccupied men, whose only ability is to fire a gun, is what led to more violence and crime” does not explain all post-conflict violence. Thus, attributing current security challenges in Guatemala to the armed conflict alone is a myth. The conflict is an important context for armed violence, but not the entire explanation. “I always bring up Mexico as an example,” said Porras. “Which armed conflict developed there? Which peace process? [None,] and yet the situation there is just as bad, or it’s worse than here.”¹⁰⁴ According to Porras, blaming the existence of OC on decades of armed conflict and the subsequent failures of the peace process is disingenuous.

The central problem is the lack of political will to enforce existing laws and develop long-term security policies that apply to the entire justice system. Nonetheless, some in the international community, including U.S. Ambassador Stephen McFarland, see the creation and support of CICIG as a sign of political will. “But you always want more,” McFarland said, and many Guatemalans definitely do.¹⁰⁵

AN ATYPICAL PEACE PROCESS

Many countries initiate peace processes that end the conflict, permit the holding of free elections, and eventually mark the beginnings of democracy. In Guatemala, however, elections preceded the peace process, primarily because military intelligence became convinced that the guerrillas (URNG) had been defeated militarily.¹⁰⁶ The question becomes whether the inverted order, of holding elections before establishing a peace process, permitted a smoother transition from military to civilian governments or allowed military influence to survive, even though several civilian administrations took office before the peace accords were signed. Peace processes tend to reduce corruption and increase transparency, but the Guatemalan case demonstrated an atypical process in which the military negotiated a way to step down

from governing, while maintaining certain quotas of power within state institutions.

Three elections were held prior to the end of the conflict in late 1996 and, though free and democratic, the first one (in 1985) was imposed by the Guatemalan military. Although civilian presidents took office, some say the military still held “hidden power” behind the state’s closed doors. Under civilian rule, violence and repression continued, though not at the worst levels displayed during the armed conflict, when at least 90 percent of human rights violations were attributed to government security forces.¹⁰⁷

Military influence declined from 1986 to 2010, although it has not and probably will never disappear entirely. Nevertheless, Guatemala has had at least one generation without military regimes. “To blame the military for everything is to avoid the responsibility that belongs to everybody, to civilians,” warned Ricardo Stein, who said that the habit of using a position of authority for illegal gain is as old as the wheel, and that smuggling dates back to colonial times. “The military are not the only corruptible ones; they are not the only corruptors,” said Stein. “And corruption is like sticky caramel sauce. For someone to get a hand stuck in it, you have to have the sauce and someone willing to stick their hand in it. Two people are needed.”¹⁰⁸

During the armed conflict, and in the intervening years, local and foreign OC networks have been the corruptors, and both civilian and military authorities have stuck their hand in the sticky, caramel sauce. Other factors, such as the lack of a larger professional workforce in state institutions, low government salaries, and a degree of impunity that makes corruption appear to be punishment free, turn corruptible employees into easy targets.

Guatemala’s Constitution, adopted in 1985, was the product of a pact between the business elite, the military and the political class, a commitment to move the country out of isolation, which was accomplished ten years later. “We were pariahs, isolated from the world, due to how the local economy was run and human rights violations,” said Ricardo Stein.¹⁰⁹ The new Constitution was rights-based. It helped close the chapter of the armed conflict and open the doors to a broader political spectrum that included space for the guerrillas as a political organization.

INFILTRATION OF THE JUDICIAL SYSTEM, THE CONGRESS, THE EXECUTIVE BRANCH, AND THE MILITARY

Several cases, during the past two years illustrate how Guatemala's judicial system is infiltrated by organized crime. Since mid-2009, two PNC directors have been arrested, one for allegedly stealing seized drugs and money (an accusation of which he was acquitted in 2011), and the other in connection with the murder of five counter-narcotics investigators and a corruption case. On September 15, 2010, two police officers were secretly filmed stealing money from the Tikal Futura crime scene after a failed attempt to arrest drug trafficker Mauro Salomón Ramírez (arrested two weeks later).

In another case, 32 of 45 known members of the Véliz Palomo organized crime network were captured in late September 2010, including three prominent individuals. The rest of the suspects remain at large. The network specialized in drug trafficking, extortion and money laundering, and their criminal headquarters was in Guatemala City. Assistant Prosecutor Gloria Hernández, who had worked for nine years in the Public Ministry, allegedly assisted the network by altering the indictments of its arrested members, and is now being charged as an accomplice. The son of Judge Irma Valenzuela, who presided over former President Portillo's case, was also involved in the organization, according to press reports. However, authorities did not disclose details of the nature of his involvement. The Public Ministry did not indicate whether Judge Valenzuela's rulings on the Portillo case were being called into question due to her son's alleged involvement in the Véliz Palomo case.¹¹⁰ The list of defendants also included the president of the Baseball Federation, José Luis Véliz Domínguez, who has been charged in the case as the network's leader and for allegedly having used the federation to launder money.¹¹¹ The investigation is still ongoing, but the case shows that OC members can approach a wide spectrum of public officials, or their relatives, to turn them into accomplices in their criminal endeavors.

In mid-October 2010, a judge in Quetzaltenango released three Mexicans and four Guatemalans allegedly belonging to the Mexican Sinaloa Cartel. The group had been arrested in possession of 124 kilos of cocaine and several weapons. Later that month, prosecutors revealed that

the incinerated shell of a small plane was recovered in Suchitepéquez, in southwestern Guatemala, and claimed that some of the suspects travelled as passengers on this plane that was also used to transport the drugs on June 11, 2010.”¹¹²

On October 28, a news story broke that six charges against Interim Attorney General María Encarnación Mejía were dismissed just before she was appointed on June 11, 2010 and before she requested to be confirmed for another term until 2014. The internal affairs office at the Public Ministry, which did not disclose the nature of the charges against her, assured the public that Mejía did not intervene to get those charges dismissed.¹¹³

These cases underscore the lack of clearly-defined job responsibility for public officials. Guatemala's Civil Service Law has not been subject to much needed reforms to establish a more professional cadre of civil servants. “When lack of clarity exists, borders are transgressed, and rules are broken,” said Ricardo Stein. The problems are compounded when a non-professional bureaucracy is installed in office as payment for political favors or financial support, during the elections, which has been the tendency during the past several administrations.¹¹⁴

After 1996, the guarantees that criminals needed to operate were already in place inside the state. “If you want information, you don't have to infiltrate, you have to be a part of it,” said Porras.¹¹⁵ The case of assistant prosecutor Hernández exemplifies the benefits for OC networks in finding allies inside the state.

From 2004 to 2006, when ruling party congressman Mauro Guzmán was governor of Huehuetenango, a state bordering Mexico, he knew of police complicity in many kinds of trafficking. “We understood that the chief of police of Huehuetenango received Q250,000 monthly (some US\$31,250) in return for letting anyone and anything through the border,” the congressman recalls. Guzmán revealed that the chief of police would lead the way in his police car as a bus or two loaded with undocumented migrants followed close behind to the Mexican border. Guzmán, president of the Migrants Commission in the Congress, blamed impunity for such corruption. “Despite the tens of thousands of migrants who pass through Guatemala to reach Mexico and the United States, I cannot recall a single case of anyone convicted of trafficking migrants. This is part of the traffickers' success.”¹¹⁶

The Colom administration also has endured its share of infiltrators, or questionable public officials. Salvador Gándara, the second of five Ministers of the Interior that Colom has appointed to date, was accused of misleading CICIG investigators in the Rodrigo Rosenberg case,¹¹⁷ among other irregularities. Gándara, who was Arzú's Vice Minister of the Interior, was also responsible for appointing PNC Director Porfirio Pérez Paniagua, who was arrested for allegedly having stolen seized drugs and money (an estimated 350 kilos of cocaine and some US\$300,000) in 2009. However, by February 2011 Pérez Paniagua—who was represented by a public defender—had been acquitted on both counts due to lack of evidence.¹¹⁸

Gándara was asked to leave Colom's cabinet and returned in early 2010 to the mayor's office in Villa Nueva (a province neighboring Guatemala City), a position to which he was elected in 2007. While he lent significant political support to the Colom electoral campaign, Gándara now remains under investigation by the Public Ministry in connection with the misuse of public resources in the Villa Nueva municipality. In early 2011, he was forced to leave his position as mayor, as well, to prevent him from obstructing the investigation.

"Gándara couldn't stay [in the government]," Colom explained in 2010. "Obviously, the political cost [of removing him] was tremendous, but he couldn't stay because he appointed Pérez [Paniagua]. Then, the next minister [Raúl Velásquez] stuck his hands in the money, and I couldn't allow that either."¹¹⁹

Almost six months after his July 2009 appointment as Minister of Interior, Velásquez was accused by government prosecutors of pocketing US\$5 million that were destined to buy fuel for police cars. The money was allegedly used to buy property in Velásquez's name. The former minister remained at large for almost a year and turned himself in to authorities in January 2011. His case is still ongoing and has not led to a trial yet. Now, Colom says that Minister Menocal made good progress in 2010, even though a lot remains to be done.

In 2008, the president's security detail discovered that Colom's offices, as well as those of the First Lady, had been wiretapped, and the head of executive branch security, Carlos Quintanilla, was held responsible.¹²⁰ Quintanilla remained at large for months until he agreed to turn himself in at the court that issued his arrest warrant. He was subsequently released

on bail and, in 2010, acquitted due to a lack of evidence indicating that he had installed the wiretapping and microphone devices.

After that, Colom had difficulty explaining what became of his campaign slogan that he would “fight against violence with intelligence,” a response to his strongest opponent, retired General Otto Pérez Molina, whose slogan was “Iron fist against violence” (interpreted as the use of sheer force).

“We had a security team, but our party is not the exception when it comes to infiltrations,” Colom conceded. “The preparation stages of the national security plan underestimated the real problems in the Ministry of the Interior. Maybe our evaluation indicated a level 10 of problems, when the reality was that the level was 120, or 80. There was a misconception of reality because [before the elections] we were the opposition, and we didn’t have ‘inside’ information.”¹²¹

Inside information became available in early 2008 when Vinicio Gómez was appointed Minister of the Interior to the Colom administration. He had previously served as Vice Minister of the Interior under Adela de Torrebiarte’s term as minister, from 2007 to the end of the Berger administration, one which exercised stronger controls within the police. Colom’s efforts to ensure continuity in policies and practices by making this appointment were interrupted when Gómez was killed in a helicopter accident in July 2008.

“Putting things in order and cleansing security forces has not been easy,” Colom said. “My principle is that if the head is healthy, the body will heal.” So far, the cleansing strategy has led him to dismiss three top officials in the Ministry of Defense.¹²²

The army has not escaped infiltration either. In March 2009, weapons belonging to the army, mostly machine guns, ammunition, and grenades, were found at a training camp believed to be operated by the Zetas in Quiché, in northern Guatemala. According to the Public Ministry and Colom, the weapons had been stolen from a warehouse on a military base in Guatemala City.

Other weapons from the same lot were found in a warehouse rented by the Zetas in Amatitlán (close to Guatemala City) in late April 2009. In this case, five counter-narcotics detectives were killed (the same case in which one police director—Baltazar Gómez—was charged, an indictment that led to his arrest). One source from the Public Ministry

stated that, although the police declared that these counter-narcotics detectives were on an investigative mission to search the warehouse, their real intention was to steal drugs and money. When other police officers arrived at the scene, they found the detectives dead, and seized at least 500 grenades and 5,000 rounds of ammunition for machine guns. The ammunition was packed in boxes with a logo that read “Guatemalan Military Industry” and was found next to landmines of military manufacture, along with a black vest with white letters that read “Narcotics Officer.”¹²³ Among the seized weaponry was “one machine gun that belonged to a lot purchased during the Berger administration,” said Minister Menocal.¹²⁴

The judicial investigation of the Amatitlán case led to the arrest in February 2010 of Baltazar Gómez, who was then PNC director; Nelly Bonilla, the head of the PNC’s counter-narcotics unit (DAIA, its acronym in Spanish), and police officer Fernando Carrillo. They are also suspects in the disappearance of an undetermined amount of cocaine from the warehouse.¹²⁵ Gómez, Bonilla and Carrillo insist on their innocence. Another three police officers and three civilians have been prosecuted on the same charges.

In a context of police scandals and rising violence (one death every 81 minutes on average), in July 2010, Obdulio Solórzano, former head of the National Fund for Peace (Fonapaz) was gunned down while riding through a wealthy neighborhood in Guatemala City in a brand new SUV. Solórzano was one of Colom’s campaign financiers and described by the president as a “great executive.” Yet, Colom dismissed him in April 2009 amid corruption rumors. Several charges had been brought against Solórzano for his mishandling of Q1.4 billion (US\$175 million).¹²⁶

An adviser to the Colom administration said that Solórzano was using Fonapaz to launder drug trafficking money, by hiring construction companies with links to organized crime to build infrastructure projects for municipalities in northeastern Guatemala. The adviser said that Solórzano was fired after the U.S. Embassy told the government about his alleged ties to organized crime in Alta Verapaz in northern Guatemala.¹²⁷ Solórzano was also accused of processing contracts for Q440 million (US\$55 million) that were not honored and had to be rescinded and reassigned to other vendors.

According to Colom, Solórzano had admitted to being friends with people “who had been linked to drug trafficking,” although no proof could be found of that link. The president explained that Solórzano, a former member of Congress for the governing party, was fired “due to a strong suspicion that he could be involved in something of that nature,” referring to the drug trafficking links. Colom elaborated further saying, “an investigation of this case was inconclusive, but—like the popular Guatemalan phrase says—‘when the river is noisy, it’s because it’s carrying stones,’ and so a decision to separate him [from Fonapaz] was made.”

In an interview, Colom said that the way in which Solórzano was murdered—50 casings from AK-47 and 9 mm ammunition were found at the crime scene—indicates that the motive was “thick.” “It was a narco-style murder, although we don’t have evidence of that; but the circumstances appear to indicate there was a relation there,” the president said. Colom denied having received any information from the U.S. Embassy regarding Solórzano. “Normally there are communication exchanges between intelligence offices, and that information is considered, but in Obdulio’s case there was none of that as far as I can remember.”¹²⁸

The Congress has not been immune from accusations regarding ties to OC. In October 2010, former representative Manuel Castillo stood trial for the murder of the three Salvadoran Central American Parliament (Parlacen) representatives and their driver, perpetrated in January 2007. Castillo was accused of being the mastermind of the murders, a vengeance killing requested by a Salvadoran congressman. Castillo, who has also been linked to the robbery and redistribution of drugs in Jutiapa, a province along the Guatemala-El Salvador border, was convicted in early December 2010 and sentenced to 203 years in prison. His accomplices received similarly harsh prison sentences.

Sometimes cries about Congress’ complicity come from within, when laws that target organized crime are blocked or stymied by lengthy debates. Two examples include the Law for Private Security Companies and the Seized Assets Law, designed to combat organized crime. “Maybe some people in the Congress have a glass ceiling and that’s why the approval processes for certain laws are being stalled,” said Héctor Nuila, a Member of Congress from the UNRG.¹²⁹ The Seized Assets Law

was finally approved by the Congress in early December 2010 after months of deliberation, but lacks additional provisions regarding criteria for its application. The Law for Private Security Companies was approved in 2011.

Nuila, who recognizes that his left-wing party has minimal influence because of the small number of seats it holds in Congress, also criticized how the Arms and Munitions Law was reformed. “Unfortunately it took ten years to draft the law and people say it hasn’t served the purpose of disarming the population because it was not designed for that,” he says. “How is it possible that [the law] allows each person to carry a maximum of three weapons, and as much ammunition as a soldier uses for shooting practice in three months? The law seems to have been designed to aid the dirty business of arms trafficking.”¹³⁰ Several congressional representatives are believed to be associated with owners of armories, or private security companies, which could benefit from this law. However, no allegations have been backed up by formal evidence. By 2011, the law had undergone further modifications that now allow each person to carry more than three weapons with the required permits.

TERRITORY SEIZED BY CRIMINALS

A May 2010 article from the Strategic Studies Institute warned that “the influence of non-state criminal actors rivals or exceeds that of the government in up to 40 percent of the country.” The report also indicates that the trend “is apparent in institutional terms, as criminal groups have colonized sectors of the government and turned the state to their own purposes.”¹³¹

In contrast, President Colom says there is not a single area in the country where the army or the police cannot enter. Yet, he admits “there is definitely infiltration (by criminal groups) in all kinds of structures, not only in the government.”¹³² This type of infiltration leads to the exercise of more subtle control than physical occupation of a territory, and it’s more difficult to combat. Subsequently, OC has won “hearts and minds,” just as occupying armed forces try to do in populated areas near combat zones. This type of infiltration requires violence only as a last resort because subjects recognize and respect the criminal group’s power.

If such recognition were absent, it would be imposed by instilling fear through violence.

As recently as March 2011, the Zetas allegedly tried to instill fear in one of two police officers who seized a drug shipment in Raxruhá, Alta Verapaz. The officer was new to the area and had only been assigned an official mobile phone for three days when he began receiving threatening calls. The phone had previously been assigned to police officers in Cobán, the capital of Alta Verapaz. “First, the person calling, a man with a Mexican accent, offered him US\$250,000 to release the shipment,” said Minister Menocal. “When the police officer refused, he was offered US\$500,000. After that the caller indicated he knew his address, home phone number, whom he lived with and how many children he had.” Menocal said that the police officer and his family were relocated immediately. The assistant prosecutor participating in the operation—Allan Stowlinsky Vidaurre, mentioned above—was not as fortunate.¹³³

The drug seizure operation took place a few weeks after a two-month state of siege had come to an end in Alta Verapaz, a measure intended to return governance to the area. Minister Menocal claimed in the local press that violence was reduced by 57 percent, nearly 100 weapons were seized, and 22 people were arrested as a result of the government’s action. Yet no major players in the drug trafficking business were captured. The state of siege raised concerns from human rights groups, but several citizens maintained that the state of siege reduced violence in the area.¹³⁴

Some sources attest that the Zetas kept a lower profile after the state of siege was lifted, but nevertheless resumed their activities in the region as the March drug seizure proves.¹³⁵ As mentioned above, on May 24, 2011, the Zetas claimed responsibility for the murder of local assistant prosecutor Allan Stowlinsky Vidaurre, whose dismembered body was found in downtown Cobán, Alta Verapaz, in apparent retaliation for the seizure of cocaine in Raxruhá two months earlier. The Zetas claimed in a hand-written message left by the victim’s body that the seized cocaine amounted to 500 kilos.¹³⁶ Minister Menocal has said that Stowlinsky’s only role in the operation was to count the drugs seized.¹³⁷ The day of the gruesome finding the minister had revealed to radio reporters that the shipment consisted in 470 kilos; subsequent press reports quoted police statements indicating the drugs seized amounted to 453 kilos.

The assistant prosecutor had been working for five years in the Public Ministry, four of which had been in Cobán.

President Colom said that traffickers also instill fear in authorities at a municipal level. “One example involves a mayor in Alta Verapaz [a strong hold for the Zetas],” said Colom. “He cannot open his mouth because he is surrounded by violence, threats, and terror. Even though the mayor is clean, his behavior is controlled by these criminals.”¹³⁸

Another state of siege was imposed on May 16, 2001, in Petén, after the Zetas murdered 27 peasants at a ranch, allegedly in retaliation for losing a drug shipment at the hands of the ranch’s owner, Otto Salguero, who went missing.¹³⁹ Since then, several Mexican and Guatemalan suspects have been arrested in connection with the massacre in Petén as well as in the case of the murder of assistant prosecutor Stowlinsky.

In addition to confronting crime and OC, the police also face hostility from the population. On October 10, 2010, residents of Chichicastenango, Quiché, destroyed a police car and the police station after authorities arrested a man accused of mugging motorcycle taxis at gunpoint. The mob unsuccessfully tried to lynch the presumed criminal on the assumption that he would be set free shortly after his arrest. Unfortunately, statistics support this perception. In a sample of 600,000 cases studied by CICIG, there were indictments in only 1.8 percent of the cases.¹⁴⁰ These statistics do not reflect the cases in which innocent people are arrested and imprisoned despite the lack of evidence, such as former police director Porfirio Pérez Paniagua. Police officers are sometimes the villain or the scapegoat, and many times end up dead. At least 47 police officers were killed between January and October 2010.¹⁴¹ By June 2011, there had been several incidents involving attacks against the police to protest the arrest of suspects that mobs either wanted to lynch themselves or have released. These incidents reflect the public’s limited regard for the police as authority figures.

In Guatemala, OC has filled the voids of power and authority in several regions of the country. OC pays for the electrification of urban areas, paves streets, and employs locals in its businesses enterprises. Local *capos*, like Vargas, used these methods more than twenty years ago in Zacapa. Now, organized crime groups have followed suit all over Guatemala.

“Generating a better quality of life gives [OC structures] the power to influence large groups of people,” said Mérida,¹⁴² and turns them into willing informants and a surveillance structure. This type of control was used to foil government attempts to arrest major OC figures such as four members of the Lorenzana family in Zacapa, wanted by a district court in Washington, DC for conspiring to transport and import cocaine into the United States. Since July 2009, at least three operations with combined Guatemalan and U.S. forces have failed to take these four men into custody. During one operation, the entire family was found in their house, save the four defendants. The attempted arrests were followed by demonstrations in the family’s hometown, organized and led by the younger members of the Lorenzana family. Clearly, the degree of control the Lorenzanas have over their territory has become their safety net.

Until the arrest of Lorenzana in Lima on a lonely road outside Zacapa on April 26,¹⁴³ the case stood in stark contrast to that of Mauro Salomón Ramírez, who was located and arrested along with several family members. Lorenzana’s three sons, also wanted by a Washington, D.C. district court, remain at large.

The Colom government is the first to openly pursue the Lorenzanas. Some say that it has been compelled to do so by the United States and the indictment in the district court. In fact, before 2009, no public official had ever formally and openly accused the Lorenzanas of drug trafficking. They were mostly mentioned in off-the-record conversations.

Colom believes that the 2009 arrest attempts on the Lorenzanas’ were sabotaged because they have successfully infiltrated state agencies. There is speculation that they received warnings from a police chief in Zacapa, officers expelled from the PNC in 2009 and 2010, or the community where the Lorenzanas live. According to a retired detective, the police in Zacapa keep the Lorenzanas informed of any attempt to arrest them—a warning system that clearly failed on April 26.

On another front, assessing the scope of organized crime’s influence on local authorities is difficult when they have potentially been coaxed, threatened, or bought off. In one case, mayors pressured municipalities and Development Councils in Izabal, Zacapa, and Petén to hire construction companies belonging to the Lorenzanas to build several

projects, or to extract sand from river banks.¹⁴⁴ In other cases, mayors are pressured to make decisions favoring OC.

There is much silence in the face of these irregularities. “I was struck, [while attending] a Security Cabinet meeting down in Izabal a couple of years ago, [how] person after person was talking to the president (Colom) regarding their concerns about security and [they] all revolved around, ‘we’ve seen people with weapons, machine guns, out-of-towners looking like this or that,’” U.S. Ambassador McFarland recounted in an October 2010 interview. “Finally, one guy got up and said, ‘let’s not be cowards; we are talking about narco traffickers;’ but he was the exception.”¹⁴⁵

THE ROLE OF GUATEMALAN OC NETWORKS FROM SOUTH TO NORTH AMERICA

The general consensus is that Guatemala occupies a strategic geographic position in Latin America, next to Mexico, Belize, Honduras, and El Salvador, having coasts on two oceans. Its location makes the country very attractive to OC.

Mexican Ambassador to Guatemala Eduardo Ibarrola describes Guatemala’s geopolitical position as a liability. “Mexico and Central America’s geographic position makes them awfully vulnerable because we are located between the drug producers—in this case, of cocaine—in the Andean countries, and the great consumers market, [the United States],” said the Ambassador.¹⁴⁶ Ibarrola indicated that Central America has also turned into a consumers market because OC has been paying transportation and protection costs in drugs that they were unable to transport into the United States.¹⁴⁷ Increased consumption in the region has stimulated small-scale sales and violence, resulting from efforts by OC to protect their market and territories.

Critical migration routes also run through Central America and Mexico. “The great labor market for undocumented migrants is, at the end of the day, the United States, and we are also on the route for trafficked arms—which runs in the opposite direction, from north to south,” explained Ibarrola,¹⁴⁸ who has been in Guatemala almost three years.

Marijuana and poppy are also grown in the region. The poppy, found near the Guatemala-Mexico border, is used to produce heroin or synthetic drugs—like meth—in an undetermined number of clandestine labs. These drugs are consumed in Mexico, the United States, and Europe.

Guatemala and Mexico share a border that is one thousand kilometers long, with eight immigration crossing points that cover less than 25 percent of the border. There are also countless illegal, or blind, crossing points, some of which congressman Guzmán has said are not actually so blind. The state he represents, Huehuetenango, shares a border with Mexico that is 200 linear kilometers long and it has two official border crossing points at La Mesilla and Gracias a Dios. “There is no control,” says Guzmán. “You can see the flows of [undocumented] migrants passing through next to La Mesilla (a legal crossing point), with no control.”¹⁴⁹

The border’s porous qualities also allow the nearly 100,000 legal Guatemalan workers employed in Mexico to cross the border to reach their jobs on coffee plantations and in service and construction industries. Ibarrola says that, “As long as the border allows these Guatemalans to travel to Mexico and return to Guatemala, it also allows them to stay in their country over the long term, or visit their relatives in Guatemala, and not what has happened at the [Mexican] northern border, where difficulties in crossing has led migrants to opt for a permanent stay.”¹⁵⁰ However, Ibarrola believes it is important to legalize the status of Guatemalan migrants who work in Mexico.

In certain cases the lack of infrastructure to legally process the volumes of people and merchandise going through the border encourages illegal border crossings, according to Ibarrola. In some cases, street vendors simply block the border crossings, and in other cases customs agents are inadequately equipped to deal with commercial traffic and must examine each truck individually.

Illegal border crossings are used by people returning to their jobs or transporting merchandise they have legally purchased at home. Smugglers also use these crossings for merchandise illegally produced, purchased—perhaps even stolen—and transported. The first group makes the detection of the second more difficult.

Minister Menocal explains that outsourcing allows different networks, structures, and organizations involved in OC to intersect when trafficking humans, drugs, arms, money, stolen vehicles, and contraband. Some do not branch out to other areas, but most do. For instance, both extortionists and kidnappers may buy vehicles from a network engaged exclusively in car theft. Both bank robbers and drug traffickers may buy weapons from the same arms trafficker. They all network within Central America and are ultimately tied—directly or indirectly—to larger organizations in other regions.

The recruitment of former members of the Guatemalan military special *Kaibil* forces by Mexican organized crime networks is another example. Both the Sinaloa cartel and the Zetas recruit retired Kaibiles because it gives them an edge over Guatemala’s civilian security forces, which are reduced in number and capabilities. In addition, Mérida explains that the Mexican groups have also capitalized on the clout they have had for years with local authorities in municipalities along the country’s borders.¹⁵¹

Furthermore, in the one-month period between mid-September and mid-October 2010 alone, nearly US\$3 million were seized from organized criminal groups in Guatemala. These figures indicate that a significant amount of drug money is moving along and across the country. If this sizeable sum is added together with the more than US\$8 million seized in El Salvador, Mérida posits that one can grasp the extent to which the system is corrupted.

LINKS BETWEEN ORGANIZED CRIME AND OTHER FORMS OF CRIMINAL ACTIVITY IN GUATEMALA

While some OC networks engage in a variety of criminal activities, certain networks have specialized and provide specialty services to larger organizations.¹⁵² “For instance, car theft is a big, multi-national and trans-continental business,” said Menocal. “Car robbers cater to *maras* (gangs) and to *narcos* (organized crime), and *maras* account for 48 percent of criminal activity in Guatemala City and 41 percent on a national level.” *Maras* use stolen cars to engage in extortion and several other crimes. Public Ministry statistics indicate that, between January 2008

and mid April 2010 an average of 37 vehicles were stolen per day in the country and 63 percent of the car thefts occurred in the central district, where Guatemala City is located.¹⁵³

The police and Menocal say that organized crime groups provide *maras* with drugs to sell on a small scale. This has spawned fights between gangs for territorial control, particularly in the northern part of the capital, in Zones 6 and 18. Gangs also fight among themselves for their share of the extortion market. Furthermore, the Minister maintained that some gangs obtained firearms through the Zetas. “Two and a half years ago, we could tell that the *maras* were still using makeshift rifles,” he recalls. “Now they use AK-47s, Galils, AR-15s, machine-guns with laser visors, plus 9 mm and .40 brand new guns.”¹⁵⁴

One former Mara Salvatrucha member admitted that in 1996, his group had enough money to buy weapons from a military officer. They made money from extortion of home owners and businesses, kidnapping, selling drugs on the streets, breaking into homes to steal valuable objects, and selling stolen cars they had bought from a separate structure. One police detective reported that the Salvatruchas provide security for drug shipments belonging to the Sinaloa cartel, and also collected payments for the drug trafficking group in southwestern Guatemala. The detective claimed that the Salvatruchas had closer ties to OC than the Barrio 18 gang, which focuses more on small-scale drug sales, common crime, and extorting owners of public transportation companies. Both groups—numbering from 12,000 to 200,000 in Guatemala, according to different sources—are well-armed.¹⁵⁵

Arms trafficking is high on the list of concerns for Mexico; Ambassador Ibarrola says that Mexico is between two countries (the United States and Guatemala) that have very permissive arms policies. The United Nations Office on Drugs and Crime (UNODC) recorded that in 2008 arms trafficking was a US\$20 billion business in Mexico and the United States alone.¹⁵⁶

Colom claimed that, because most of the arms in the illegal market are purchased at the U.S. border, efforts to control the flow should be redoubled given that there is mutual responsibility. “Drugs go through us to the north, but we get weapons and dirty money in return,” the President said.¹⁵⁷ In the first ten months of 2010, the police seized Q23.3 million (US\$2.9 million) in cash, 79 percent of which was seized in a

single weekend. This amount was almost double the 2009 total seized – Q12.7 million.¹⁵⁸

Arms trafficking routes are difficult to identify and trace. After one thousand grenades and thousands of ammunition rounds for automatic rifles and machine guns were seized from the Zetas in 2009, counter-narcotics prosecutor Leonel Ruiz speculated that perhaps the Zetas are also engaged in arms trafficking.¹⁵⁹ Since then, no other large illegal weapons caches have been found in Guatemala, except for those seized in different operations during the state of siege in Alta Verapaz between December 2010 and February 2011, and in Petén, since May 16, 2011. However, between 2008 and early 2011, Guatemalan authorities seized 700 assault rifles, 500 pistols or guns, and 40,000 rounds of ammunition of different calibers.¹⁶⁰ At least two of these guns, found in the hands of the Zetas in 2008, were purchased in Texas. In 2009, another 23 weapons purchased in Tennessee were traced to the Lorenzanas and Mendozas families.¹⁶¹

Ambassador McFarland agreed that weapons from the United States are being trafficked to Guatemala, but also notes that “a lot of Guatemalan weapons from military stocks have been stolen and sold over the years.” Many of these were seized from the Zetas. It remains unclear whether all the weapons and ammunition were stolen from the army, or whether some were purchased from the Guatemalan military industry by a third party. The easy availability of firearms in the country is undiminished as the result of a lenient gun ownership law, which has prompted the CICIG to request further modifications to the law.

Estimates suggest that between 1.2 million and 1.8 million unregistered weapons are in use in Guatemala, twice as many as in Honduras and four times more than in El Salvador, according to a 2010 study. (In addition, there were at least 187,375 registered weapons as of 2010.) There is an approximate ratio of one unregistered weapon for every nine inhabitants. Of these, at least one million weapons are registered (although police sources claim that is the number of weapons in the illegal market). Up until 2007, 89 percent of the homicides that occurred in Guatemala involved the use of firearms, a percentage higher than that of El Salvador and Colombia. Official importation records from 2006 and 2007 indicate that the registered weapons originated not only in the United States but also in Colombia and Argentina.¹⁶²

The large number of guns on the streets helps account for the rising number of homicides involving firearms in Guatemala. On the weekend of October 23 and 24, 2010, 61 people were shot and killed in different attacks throughout the country—more than one death per hour. On October 27, 2010, alone, the police seized 14 guns in a number of search and arrest operations. The availability of weapons and the ease with which they can be smuggled into the country, or be bought or stolen, has benefited criminal organizations, particularly in rural areas where there is limited police presence.

Links between extortion and drug trafficking were apparent in only one case in 2010. This case involved the Véliz Palomo group—the organized crime group that laundered money and trafficked in drugs.

According to Menocal, until 2010 and unlike Mexico, there were no apparent links between drug trafficking and local kidnapping rings. While there has been ongoing DTO activity, the current administration has seen a drop in kidnapping cases, from 213 in 2008 to 66 in 2010 (through September). Yet nearly Q15 million (US\$1.9 million) has been paid in ransom between 2008 and 2010, and at least 183 people have been arrested. “These groups maintain minimum but steady activity,” purports the Minister.¹⁶³

The kidnapers’ main area of operation is in south and southwestern Guatemala (Totonicapán, Quetzaltenango, San Marcos, and Escuintla). Although the Sinaloa Cartel operates in much of the same area, there are no known links between the cartel and the kidnapers, except in the case of reprisals for drug theft.

In mid-June 2010, the Public Ministry (PM) tracked down a small airplane in Retalhuleu (other reports indicate it was in Suchitepéquez) on Guatemala’s southern coast. “Apparently the pilot got lost and the plane was found in the middle of a sugar cane plantation,” said a PM investigator. Given the plane’s size, authorities estimated that it had contained originally at least 300 kilos of cocaine; yet only 124 packages were recovered, each one weighing approximately 1.5 kilo (for a total of nearly 186 kilos). It is the same case in which three Mexicans and four Guatemalans were arrested and, four months later, released by a judge, despite the evidence seized.¹⁶⁴

The PM learned that, following the drug seizures and arrests, an undetermined number of relatives of people who lived near the area

where the plane landed had either been killed or kidnapped. The investigator suspects that the victims were targeted by drug traffickers in reprisal for taking the missing packages from the plane.¹⁶⁵

By June 2011, Menocal revealed that some drug trafficking groups had begun extorting business owners, among others, particularly in Huehuetenango near the border with Mexico, following the patterns of criminal groups in Mexican territory.¹⁶⁶

Multi-tasking is not uncommon to OC in Guatemala. Some say that drug-trafficking sometimes intersects with human trafficking in Guatemala, although no statistics prove that this is a trend. Congressman Guzmán says that when he was governor of Huehuetenango (2004–2006), one of his workers traveled to the United States as an undocumented migrant, and later on told him that “he was hand-picked, along with a Honduran woman, separated from a large group of migrants, and given a backpack.” According to Guzmán, “Obviously there was a certain amount of drugs inside, and the men who chose them kept a close eye on them throughout the journey.” Guzmán believes this practice continues into the present.¹⁶⁷

Even transportation of small amounts of drugs can be profitable when combined with human trafficking. The numbers are self-explanatory. One kilo of cocaine costs about US\$11,000 in Guatemala, and can be sold for up to US\$16,000 or more in major cities in the United States. “This means that any possibility of transporting even one kilo is good business,” says Guzmán, who believes that undocumented migrants, organized crime groups, and arms traffickers use exactly the same routes because they go through OC-controlled territories.¹⁶⁸

LINKS BETWEEN GUATEMALAN ORGANIZED CRIME GROUPS, YOUTH GANGS, AND OTHER VIOLENT ACTORS IN CENTRAL AMERICA, MEXICO, AND COLOMBIA.

Youth gangs, or *maras*, are ever-present in Central America and especially in the northern triangle of Guatemala, El Salvador, and Honduras. The main gangs in Guatemala are the Pandilla Barrio18 and the Mara Salvatrucha. Although gangs are a growing problem in the United States, particularly in large cities with a significant Hispanic population, they

seem to have bypassed most of Mexico. Ambassador Ibarrola revealed that gang activity in Mexico is concentrated in the south, in Chiapas, close to the border with Guatemala. Rosada, also a sociologist, reported that the gang presence is linked to poverty, which explains why gangs are active mostly in Chiapas, one of the poorest Mexican states, and why they have sprouted in several areas outside Guatemala City.¹⁶⁹

Gangs generally operate at a local level, and movement of gang members between neighboring countries appears limited, although Honduran and Nicaraguan suspects occasionally are arrested in Guatemala. However, some groups engage in car theft or other illegal activities at a transnational level. Guatemala serves as a departure point for stolen cars that are sold as parts or as whole vehicles (with modifications ordered by catalog), throughout Mexico, El Salvador, Honduras, Nicaragua, and Costa Rica, according to Minister Menocal. Some cars, he says, have even ended up in the Netherlands and Denmark.¹⁷⁰

In contrast to gangs, kidnapers have downsized their operations to Guatemala. This is a departure from their *modus operandi* in the late 1990s, when some organizations operating in Guatemala, El Salvador, and Nicaragua would kidnap a victim in one country and demand the payment of ransom in another. Extortionists, when operating on a small scale, keep their movements and funds local. Yet, larger extortion organizations may be merged with money laundering structures or organized crime. They tend to operate in several Central American countries and send their money to banking systems where it cannot be easily traced. One example is the extortion ring linked to the Véliz Palomo group in Guatemala.¹⁷¹

Human trafficking networks operate with an organizational infrastructure that is almost as wide as that of organized crime, and have a different set of complexities than international car theft. All share the same principles: strategy, unlimited resources, and the ability to recruit corrupt public officials. The Ministry of the Interior has found out that local leaders of trafficking networks that traffic undocumented migrants have strong ties to South America, primarily with Ecuador, Brazil, and Bolivia. Some belong to structures that kidnap women for forced labor or sexual slavery. "Some of the people being trafficked had another intended destination, but ended up staying in Guatemala," says Menocal.

“People from El Salvador, Honduras, and Nicaragua, and South Americans passing through those countries, come to Guatemala.”¹⁷²

As CICIG Commissioner Francisco Dall’Anese once put it, OC structures “globalized before anyone else.”¹⁷³ The branch operating in Guatemala was no exception.

GEOGRAPHY, ORGANIZATION, AND STRUCTURE OF NATIONAL AND TRANSNATIONAL ORGANIZED CRIME IN GUATEMALA

In March 2009, when Dall’Anese was still the attorney general of Costa Rica (and had not yet been appointed head of the CICIG), he was asked about the evolution of drug trafficking in Central America. His response was candid and blunt: “While criminals are traveling by elevator, the rest of us are climbing the stairs.”¹⁷⁴

According to the U.S. International Narcotics Control Strategy Report (INCSR) in 2010, “Guatemala is at the epicenter of the drug threat.”¹⁷⁵ In Guatemala the growth of organized crime can be measured in a variety of different ways. The first set of measurements relates to seizures. In 2009, a record year for seizures of illegal drugs, money, vehicles, and property, the total value of the seized items was equal to 5.4 percent of the country’s GDP—a stark contrast to the 1.2 percent of GDP that the state invests in security. Although the U.S. Narcotics Affairs Service (NAS) estimated as far back as 2000 that nearly 200 tons of cocaine was trafficked through Guatemala, only 16 percent of this annual amount was seized by local authorities *over the course of the past decade*. By 2010, the estimate of the amount of cocaine trafficked through Guatemala en route to Mexico and the United States each year had jumped to between 250 and 300 tons,¹⁷⁶ an increase of 50 to 100 tons per year in the last decade. In contrast, the amount of cocaine seized in 2009—5.8 tons (5,860 kilos)—is only 58.6 percent of what was seized in 1999. That signifies that more cocaine is passing through Guatemala, but smaller amounts are being seized. For example, for every 10 kilos seized in 1999, only six were seized in 2009. According to government statistics, half the amount seized in the first six months of 2011 was in the hands of the Zetas.¹⁷⁷

Changes in the composition of organized crime—their alliances as well as their enemies—along with changes in the counter-narcotics policies and the security forces that confront OC help explain the increased trafficking of drugs and its effects on Guatemala.

President Colom has claimed that of the 6,498 violent deaths reported in 2009 and the 5,960 reported in 2010 (comparable to a yearly average of 5,500 during the armed conflict) 41 percent are linked to drug trafficking, either large-scale distribution or small-scale sales. The increase in violence in Guatemala is the result, in part, of organized criminal groups using drugs as currency to pay for transportation and protection. These drugs are subsequently sold in local markets. Colom says that 27 percent of crime is associated with *narcomenudeo*, or the retail sale of drugs for local consumption, not distribution.¹⁷⁸ Analysts believe that the revenue from the sale of these drugs serves to put more guns in the streets.

At least until August 2010, Guatemalan police investigations of DTO activities were disproportionately focused on the retail sale of illegal drugs (*narcomenudeo*) and not on the massive quantities of drugs that transit the country. Minister Menocal says that 90 percent of cocaine being trafficked through Guatemala continues on to Mexico and the United States, and the rest remains in the country.¹⁷⁹ Cases of *narcomenudeo* take up most of the time of the counter-narcotics police, even though smaller quantities of drugs are involved. Nearly two-thirds of the investigations carried out by this counter-drug unit are related to small-scale drug distribution.¹⁸⁰ As of August 2010, this unit had approximately 600 staff members, of which less than 16 percent carried out investigations. Public Ministry investigations are under-staffed and rely in part on the police and military intelligence for information. This takes place even when issues of trust develop, raising the specter of infiltrations of the investigating team.¹⁸¹

MAPPING ORGANIZED CRIME

The first requirement for mapping organized crime in Guatemala is to throw away the old maps. The players and their *modus operandi* have changed dramatically in the last ten years, and even since 2009.

These changes are closely related to changes in the Mexican cartels, which pocket at least US\$6 billion a year for moving drugs through the territory they control in Guatemala alone.¹⁸² In Guatemala, few alliances are clear-cut. Some distribution and smuggling routes cut across the same territory, which can be shared by two or more groups as long as they do not interfere with each other's routes.

In June 2011, Interior Minister Menocal said that seven organized criminal groups operate in Guatemala.¹⁸³ Of these seven, two stand out as historical anchors: the Lorenzanas in the eastern area of Zacapa, and the Mendozas in Izabal and Petén, northeastern Guatemala.¹⁸⁴ Over the years, both of these criminal groups have remained fixtures in Guatemala, despite changes in other OC networks around them. For instance, in the 1990s, Jorge Mario Paredes Córdova operated on Mendozas' turf (which was linked to Mexico's Gulf Cartel), but Paredes also had some associations with the Lorenzanas (who have been linked mostly to the Mexican Sinaloa Cartel). According to the DEA, Paredes also received drugs from the remnants of Colombia's Norte del Valle Cartel (which rose to power after the Cali and Medellín cartels were dismantled).

The DEA alleges that Paredes had taken over from Otto Herrera, who had ties to the Lorenzanas between 1990 and 2003.¹⁸⁵ Herrera fled Guatemala and went to Mexico, where he was arrested in 2004. Herrera escaped from a Mexican jail one year later, and then was recaptured in Colombia in 2007. In 2008, he was extradited to the United States.

In 2005, Paredes' DTO is said to have changed its modus operandi. Together with other accomplices, his DTO began trafficking along the Pacific coast from Panama directly to Mexico—usually a Sinaloa Cartel route. His case file (03CR987) in the Southern District Court of New York documents that he made frequent trips to Panama and Mexico. However, by 2007, Paredes had established himself in San Pedro Sula, Honduras, where, by his own account, he delved into real estate.

Like the Lorenzanas, Paredes was privately regarded by public officials in Guatemala as a drug trafficker, but they never brought charges against him. Guatemalan authorities pursued Paredes for years following his September 2003 indictment in the Southern District Court of New York, but it took until 2006 for a Guatemalan court to issue an arrest warrant for him. On May 1, 2008, Paredes was arrested in Honduras, turned over to the DEA by Honduran authorities, and flown to the

United States, where he was tried, convicted in 2009, and sentenced to 31 years' imprisonment in April 2010. Other defendants in the same case were arrested in Illinois and New York, as well as in Mexico and Colombia.

One day after his arrest, Paredes admitted to a DEA agent that he had contact with Juan José *Juancho* León (gunned down by the Zetas five weeks earlier). Paredes said that *Juancho* and Otoniel "Otto" (also known as *El Loco*) Turcios Marroquín¹⁸⁶—also indicted by the New York court but for whom no arrest warrant was issued in Guatemala—gave him large amounts of cash in dollars to buy property in Antigua Guatemala and Alta Verapaz, respectively. Paredes told the DEA that he "suspected" that the money might have come from profits from drug trafficking, but had not asked any questions.¹⁸⁷ The office of the counter-narcotics prosecutor in Guatemala was aware of a "small Turcios group" in Alta Verapaz, but did not investigate Turcios.¹⁸⁸ His brother, Isaías "Lico" Turcios was arrested in Chicago in June 2004 and given a nine-year prison sentence for drug trafficking in 2005, as part of the Paredes case.¹⁸⁹

Until at least mid-2007 it was possible to distinguish between the Gulf Cartel and the Sinaloa Cartel in Mexico. This is no longer the case. In 2007, the Gulf Cartel still relied on the Zetas for its hit men and bodyguards. The Zetas were trusted to guard territory and routes that the Gulf Cartel controlled in Mexico and Guatemala. On Guatemalan soil there was a corridor from Huehuetenango (on the border with Mexico), stretching from west to east through Quiché (where a Zeta training camp was discovered in March 2009), Alta Verapaz, and Izabal, and heading southeast to Zacapa. This corridor allowed access by land to drugs coming from Honduras or by boat once they reached the Guatemalan Atlantic coast.¹⁹⁰ The drugs could then be transported directly to Mexico.

Information (including flight records) from the office of the counter-narcotics prosecutor in Guatemala indicates that the Zetas began entering Huehuetenango by land sometime in 2007, flying from there to Alta Verapaz, and proceeding by land to other parts of the country. Honduran and Mexican military intelligence determined that the Zetas had established a cell or a "plaza" (a post) in Alta Verapaz and had gone to Zacapa—with the Lorenzanas consent—to kill *Juancho* in revenge for his having ambushed and killed two Zetas in Honduras, and having

stolen drugs from them. *Juancho* was known for his “*tumbes*” (a slang term for stealing drug shipments) from other criminal groups and reselling them. The Zetas reportedly received advice on logistical matters from a former top officer in Guatemala’s military high command and from “Otto” Turcios.

One Public Ministry investigator concluded that the Zetas may have made a working pact with the Overdick family in Alta Verapaz, a small but influential DTO led by Hearst Walter Overdick. At the same time, the Zetas managed to keep an amicable distance with both the Lorenzanas and the Mendozas. “It appears they have an understanding to let each other work in peace and not sabotage each other’s routes,” the investigator said.¹⁹¹

Meanwhile, a BBC Mundo report published a map credited to the research organization Stratfor, showing that the Sinaloa Cartel established a route along Mexico’s Pacific coast that extends across the border into San Marcos, Guatemala.¹⁹² The Sinaloa Cartel had ties to Juan Alberto Ortiz López (also known as Chamalé or *Hermano Juan*, Brother Juan) and Mauro Salomón Ramírez, two men from the San Marcos area who were significant cocaine traffickers and poppy cultivators.¹⁹³ Ramírez is the same suspect who escaped the police surveillance operation that attempted his arrest on September 15, 2010, at the Tikal Futura Mall in Guatemala City. He was arrested two weeks later near the south coast.

Chamalé, arrested on March 30, 2011, in a military and police operation with DEA support, organized fishermen in canoes to retrieve drug packages unloaded from Colombian boats along San Marcos’ Pacific coast. Ramírez started out working for Chamalé, but eventually established his own DTO and became a competitor. Ramírez’s nickname, “León del Mar” (Sea Lion), reportedly was coined when he saved two Colombians on the high seas; as compensation, they made him their business partner. This turn of events allowed Ramírez to stand up to Chamalé. As his indictment in the Tampa district court details, Ramírez was also involved in sending drug shipments to the United States along the Atlantic coast (a typical Gulf cartel route). The same Tampa court requested Chamalé’s arrest and extradition on similar grounds.

Ramírez is considered by the United States to be an important piece of the organized crime puzzle in Guatemala, although he was less significant than Chamalé. Ambassador McFarland said that, “The

amount of money and the vehicles that were seized when [Ramírez] was arrested gave some indication that he was an important figure.” The nearly US\$2.3 million seized from Ramírez in a single weekend surpassed the amount of drug money seized in all of 2009 (US\$1.5 million).¹⁹⁴ An arrest warrant was issued for Ramírez in 2009, one year before he was captured.

In an interview, Interior Minister Menocal said that during the first eight months of 2010, 545 million poppy plants were seized, mostly in San Marcos, from territory controlled by the Sinaloa cartel. Although Guatemala has surpassed Colombia as the “second highest [heroin] producer in the region,” it remains well behind Mexico.¹⁹⁵ This change is not reflected in the 2010 INCSR, which identifies Guatemala as a “minor producer of poppy and opium derivatives for export.” The report indicates that Mexican cartels provide seed and guarantee purchase of opium latex and morphine base from producers in Guatemala.¹⁹⁶

By June 11, 2011, Minister Menocal reported that 753.3 million poppy plants had been seized in the first five months of the year. Since the beginning of Colom’s administration in 2008, authorities seized a total of 2,270.4 million poppy plants, an amount at least double the seizures between the eleven years between 1996 and 2007. “If we hadn’t seized this many plants, Guatemala would be the second poppy producer in the world after Afghanistan,” Menocal stated.¹⁹⁷

Minister Menocal’s conclusion that local growers worked with both the Zetas and the Sinaloa cartel in Huehuetenango is shared by the U.S. Embassy. “My understanding is that [Ramírez’s] group as well as the others, had dealings with everybody,” said Ambassador McFarland.¹⁹⁸

Political analyst Rosada explained that Ramírez’s organization played a crucial role amongst Guatemala’s criminal networks. Ramírez worked as a go-between with others to pass on information, or even to provide drugs when another organization’s supply runs dry. “That’s why you can’t take maps at face value,” Rosada warned. “More than territories, one must think in terms of route protection.”¹⁹⁹ This would explain the apparent ambivalence regarding the choice made by Ramírez, Ortiz, and Paredes to traffic along both the Pacific and the Atlantic coasts.

The Pacific has traditionally been Sinaloa Cartel turf, but Ramírez was indicted in 2009 in a U.S. District Court in Tampa, in the Middle District of Florida. This indictment means that Ramírez had to take

or send drugs to that jurisdiction through Atlantic waters, and plunge into the Mexican Gulf which is a natural Gulf Cartel area. One reason for the change could have been that the Atlantic waters offered greater trafficking opportunities due to increased surveillance along the Sinaloa Cartel's Pacific routes beginning in 2009.

According to intelligence gathered by radar by the DEA and shared with Guatemalan government officials, in 2009 there was a shift in the destination of narco-flights. Instead of landing on Guatemala's southern coast, most began to land in Honduras, the Dominican Republic, and Haiti after the 2010 earthquake. The change in the flights' destination could have prompted the use of alternative trafficking routes from Honduras to Tampa by boat, or by land from Honduras to Guatemala's Atlantic coast, and then from there to Florida by boat, or from Guatemala to inland Mexico and onto the Mexican Gulf, and eventually to Tampa.

The fact that at least one airplane was recovered in Suchitepéquez in southwestern Guatemala in June 2010 suggests that the Sinaloa Cartel was still active there at the time. This is the same case in which three Mexicans and four Guatemalans were arrested after the plane was seized; they were identified as members of the cartel by Guatemalan authorities, only to be released weeks later despite the seizure of 124 packages of cocaine. This case marked a turning point: prior to it, both the press and the special prosecutor for counter-narcotics spoke mostly about the Zetas and made only passing mention of the Sinaloa Cartel. Ambassador McFarland said that one explanation for that "is that some people, when they see or read about a Mexican group, assume it's the Zetas." The diplomat revealed that both groups are active in Guatemala, and their presence has grown over the past several years.²⁰⁰

In 2007, the Zetas began to operate in a more independent fashion from the Gulf Cartel, but still remained within the same DTO. During this period the Zetas entered Guatemala and killed *Juancho*; 14 members of the Zetas (Mexicans and Guatemalans) were arrested in the months subsequent to his murder. They were convicted in 2010 and given prison sentences that ranged from 8 to 313 years. The Mexican detainees possessed illegal Guatemalan identification cards that allegedly had been provided to them by officials in municipalities in southern Guatemala. One of those convicted is a Mexican citizen, Daniel "El Cachetes" (Cheeks) Pérez Rojas, who the authorities regarded as the Zetas' leader

in Guatemala. Others speculate that the Zetas have another leader who operates with complete anonymity.

In November 2008, the Zetas, whose presence was growing throughout the country, attempted to ambush a Guatemalan drug lord in Huehuetenango who had ties to the Sinaloa Cartel. The ambush resulted in 17 deaths, six more than during the incident in which *Juancho* was killed in Zacapa. Several arrests were made. Eyewitnesses described how heavily armed Mexican men fled the scene in helicopters. Mauro Guzmán, a member of Congress from Huehuetenango, says that the Sinaloa Cartel dominates the area.²⁰¹ In contrast, the office of the special prosecutor for counter-narcotics contends that the Zetas dominate the northern part of Huehuetenango and use it as their main entry point into Guatemala.²⁰²

By mid-2009, Special Prosecutor for Counter-narcotics Leonel Ruiz said that the Zetas' stronghold was Alta Verapaz, but that they operated in 75 percent of the country.²⁰³ President Colom also acknowledged that the Zetas have "strong presence" in Alta Verapaz.²⁰⁴

After *Juancho's* murder, authorities traced the steps of a group of Zetas between December 2007 and March 2008. It was discovered that one man had stayed at the Pan American Hotel in Zone 1 of Guatemala City, two blocks away from the National Palace and the presidential residence, while another stayed in the Intercontinental Hotel in Zone 10, proving Ruiz's point about the ease with which they moved around in Guatemala. Their visit to the capital was linked to the purchase of vehicles in Zone 10, and the rental of two houses in Zone 18 to plan *Juancho's* assassination, according to the Public Ministry investigation. In tracing their movements, prosecutors discovered that the Zetas are able to move with ease and keep a low profile in most of the country.

In 2009, the prosecutor's office estimated there were between 300 and 500 Zetas in Guatemala, one third of whom were Mexican. By 2010, military and police intelligence sources estimated the total number at 800, with the same ratio between Guatemalan and Mexican members. The final severing of the ties between the Zetas and the Gulf Cartel in 2010 could have contributed to the Zetas' increased presence in Guatemala. By that time, Heriberto "El Lazca" Lazcano Lazcano had become the Zetas' leader in Mexico, and his second in command was Miguel Treviño Morales, a.k.a. Zeta 40 or *Comandante* Forty.

The Mexican press reports that the split between the Zetas and the Gulf Cartel was prompted by the January 10, 2010, assassination of one of Treviño's close associates, Víctor Peña Mendoza (also known as El Concord 3). The hit on Peña reportedly was ordered by Eduardo "El Coss" Costilla, the security chief of the Gulf Cartel. This cartel was led by Antonio Ezequiel Cárdenas Guillén (also known as Tony Tormenta) until he was killed on November 5, 2010.²⁰⁵ Treviño had demanded that his associate's killer be turned over to him; when El Coss refused, Treviño and "El Lazca" declared war on the Gulf Cartel²⁰⁶ and allegedly took control of their *plazas*, including Guatemala.

Treviño is a deserter from the Mexican army's elite Airborne Special Forces Group (known by its acronym, GAFE) that was also trained to conduct counter-narcotics operations. Initially, he was in charge of the Gulf cartel *plazas* in Nuevo Laredo and Veracruz, Mexico. According to a retired U.S. federal agent, Treviño later established himself as head of the Zeta organization in Guatemala, settling in Alta Verapaz and locating his headquarters there. In Alta Verapaz, one of his main local contacts was "El Loco" Turcios). Treviño's presence in Guatemala was also confirmed by a top executive branch official who claimed that the Zeta 40 "was the number one Zeta in Guatemala" and that he was "almost arrested" in a February 2010 police and military operation.²⁰⁷ The Mexican press reported that Treviño also escaped a shootout with the police in Tamaulipas in April 2010 and evaded authorities altogether in Puebla and Veracruz, in October of the same year.²⁰⁸

On another front, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) has linked the Lorenzana family to the Sinaloa Cartel's leader, Joaquín "El Chapo" Guzmán²⁰⁹—despite unofficial information also linking the Lorenzanas to the Gulf cartel. The Lorenzanas' operations included the transportation of drugs from El Salvador to Guatemala by go-fast boats, as recorded in a Guatemalan press report that quotes an indictment describing operations from 1990 to 2003. OFAC also traced operations between Colombians and the Sinaloa Cartel, with the Lorenzanas as a vital link for the transport of cocaine to Guatemala's north coast, a typical Gulf Cartel route in more recent years.²¹⁰

Mexican press accounts, citing the DEA, indicate that the Zetas' consolidation as an independent group has led to alliances between the

Sinaloa and Gulf cartels' structures. The Lorenzanas' position vis-à-vis these new alliances is still unclear, particularly after the April 2011 arrest of their patriarch, Waldemar Lorenzana Lima. Will the Lorenzanas remain loyal to the Gulf and Sinaloa cartels? Or, will the Lorenzanas choose to be loyal to the Zetas, the Gulf and Sinaloa cartels' rivals? According to the Public Ministry, it is still unclear whether the Zetas will demand 100 percent loyalty from the Lorenzanas, or will see them as a liability due to their partnership with the Gulf and Sinaloa cartels. Several questions remain: Will the equilibrium between the Lorenzanas and Mexican cartels last in Zacapa? What role will the Mendozas play in Petén and Izabal? And, will there be a large scale dispute for territorial control between the Zetas and the Sinaloa-Gulf alliance like in Mexico?

One key element is whether the Gulf Cartel will maintain its strength after the death of its leader, Ezequiel Cárdenas, in November 2010. Questions also abound regarding the Sinaloa Cartel's strength in Guatemala given the arrests of three of its most important associates: Ramírez, Ortíz and Lorenzana,²¹¹ and whether or not "El Chapo" Guzmán's alleged presence in Guatemala—as suggested by Minister Menocal to the Mexican magazine *Proceso* and confirmed by President Colom²¹²— means that his associates are receiving additional support from the main Sinaloa structure.

So far, the Zetas have demonstrated no restraint in conveying the message that crossing them—whether by stealing or seizing their drug shipments and/or killing their leaders— will result in quick retribution in Mexico or Guatemala. The strength of the Guatemalan Sinaloa structure is bound to decline; this could tip the balance in favor of the Zetas, depending on whether Guatemalan security forces target key Zeta players. Among the 74 Zeta suspects arrested between 2010 and 2011 were 11 Mexicans, 2 Hondurans, 1 Nicaraguan; the rest are Guatemalans. Yet, none has surfaced as a key player in the organization. Rather, they so far have been identified as hit men, enforcers, or body guards.

Zeta leader Treviño's name is still to be mentioned in public by the authorities. Up until April 2011, the Public Ministry had not acknowledged his presence in the country, despite the assertion by an executive branch official that an attempt to arrest Treviño had failed. This may suggest that military forces acted alone in attempting to arrest

him. There is an international arrest warrant for Treviño stemming from at least four indictments for homicide in Texas, and one for drug trafficking in New York. If Treviño is arrested in Guatemala, there could be enough legal clout to extradite him to the United States. Both Treviño and Lazcano, along with other Zeta members, are the target of coordinated enforcement action by the U.S. Justice, State, and Treasury Departments.²¹³

“Otto” Turcios was arrested on October 27, 2010, in Belmopan, Belize. He was extradited to the United States to be tried before a New York court along with Paredes.²¹⁴ In the meantime, an extradition process for Ramírez is underway in Guatemala. Ramírez’s lawyers have rejected the charges brought against him by the Tampa court and claim that he is only a plantain grower.

Although *Juancho*’s killing is also believed to have been an attempt by the Zetas to take over his drug transportation route, information released by local authorities indicates that the Zetas were unsuccessful. *Juancho*’s route allegedly was taken over by Yovani España. Intelligence sources have revealed that the Lorenzanas gave *Juancho* permission to operate in Zacapa, and España had inherited that concession. España was gunned down and killed in late June 2010.

Press accounts indicate that España was replaced by Esduin Javier, the legal representative of a construction company that was owned by España and that had US\$7 million worth of contracts with the government. Javier was ambushed by unidentified armed men in September 2010 but survived the attack. The PNC has investigated Javier in connection with España’s death and for possible links with organized crime and money laundering activities. Javier was arrested both after España’s murder and after his September 2010 attack, but on both occasions was promptly released due to lack of evidence—even though in the latter case he was carrying heavy weaponry that is unauthorized for civilian use.²¹⁵

Other press reports indicate that España was killed over a drug shipment he allegedly stole from the Zetas. However, the Zetas presumably did not recover the drugs until several months later, when a caravan of some 20 vehicles loaded with an estimated 60 people entered the Petén in search of the shipment. The caravan arrived at a property belonging to España’s widow in El Naranjo, and the drugs were allegedly recovered. During the course of the operation, the caravan lost its way, accidentally detoured

to the Mayan Tikal Park, and engaged in gunfire with the police and the army, after having identified themselves as “Zetas” and firing warning shots. Authorities arrested two men and seized 11 vehicles, one of which contained two male corpses which are as yet to be identified. The rest of the caravan continued on to the west toward Mexico,²¹⁶ a country sharing some 700 unofficial border crossings with Guatemala.

A top administration official in Guatemala has said that the caravan came through Belize and entered Petén in early October, reaching the El Naranjo property from east to west. Some three weeks later, “Otto” Turcios was arrested in Belmopan, Belize. His purported links to the Zetas could indicate that he facilitated part of the operation. Turcios owns at least one transportation company and is familiar with the Belize-Guatemala border area.

Military and civilian intelligence information suggests that a new *capo* from Mexico is coming to Guatemala to establish order, and that the Lorenzanas are being harassed to force them to lower their profile and enthrone this yet unknown drug baron.²¹⁷ This new *capo* has reportedly been profiled as the main coordinator of all the Mexican cartels in Guatemala and could foreshadow efforts to target the Mendozas to confirm the dominance of Mexican cartels in Guatemala.

In April 2010, the U.S. Treasury's Office of Foreign Assets Control added the Lorenzanas to its list of Specially Designated Narcotics Traffickers under the Foreign Narcotics Kingpin Designation Act. The warrants for their arrest and extradition are being legally disputed by the defendants' attorneys,²¹⁸ even after Waldemar Lorenzana Lima was captured. Arrest warrants are still pending for his sons Haroldo, Eliú and Waldemar Lorenzana Cerdón, as well as for Carlos Andrés Alvarenga Mejía (the husband of one of the Lorenzana sisters) and Gonzalo López Cabrera, who were in charge of local operations and drug transportation from El Salvador to Guatemala ten years ago.²¹⁹

Analyst Rosada explains that the premise that a cartel occupies a specific zone is no longer applicable. “These are zones of transshipment and mobilization that can be used by several actors linked with the same cartel,” he says. “The traffickers' job is to protect the transshipment, their warehouses, and to generate secure conditions to move the drugs toward the U.S. border.”²²⁰

Rosada has warned that maps indicating areas dominated by certain cartels are tricky because they allow only a broad, general view of the situation and complicate a more nuanced understanding. For instance, the “boss” who controls a territory can grant permission or right of way, as long as a division of routes has been previously established and is respected. Rosada explained that transshipment by other groups are permitted in the zone traditionally used by the Gulf Cartel. “This doesn’t mean that the main hegemonic presence isn’t the Sinaloa or the Gulf Cartel, but moving drugs is complicated, so a number of situations arise in a territory that seemed rock-solid and then becomes porous, and other people get through.”²²¹

THE COCAINE FLIGHTS

The number of narco-flights from different areas in Colombia to Guatemala declined considerably between 2008 and May 2010, as shown on maps that display aerial routes from South to Central America. These maps display the number of flights made by cocaine-laden planes, and they were produced with radar intelligence gathered by the DEA, according to an administration official working with the Ministry of Interior.²²²

President Colom said that in 2008, between 30 and 40 planes loaded with cocaine landed in Guatemala, each one carrying from 300 to 500 kilos of drugs.²²³ A conservative estimate would indicate that nearly 9 tons of cocaine were transported to the country by air alone. Additional information released by Minister Menocal indicates that that same year a total of 68 planes landed in Central America, while another 80 landed in the Dominican Republic.²²⁴

Until the end of 2008, the small planes landed mostly in the Laguna del Tigre area on the northwestern border of Guatemalan with Mexico, close to the central-western border with Mexico (the Franja Transversal del Norte, FTN) and along the southwestern coast. The maps displaying the flights’ information show clusters of planes landing in Petén and on the southern coast of Guatemala. A few also landed on Honduras’ northeastern coast bordering Nicaragua, and along Nicaragua’s northern coast.

The 2009 map indicates that 61 clandestine flights landed in Central America, most of them on Honduras' Atlantic coast, a few in Nicaragua, and 12 in Guatemala (4 on the southern coast and 8 in Petén). However, in 2011, Minister Menocal showed what he described as a DEA map indicating that at least 92 flights were bound for Honduras in 2009.²²⁵ President Colom explained that after the army was sent back to patrol the Petén area, the problem shifted to Honduras. "Now the planes land in Honduras and the drugs are transported to Guatemala by land," he said.²²⁶ There are some 400 unofficial crossing points between Honduras and Guatemala, according to Minister Menocal.²²⁷

Between January and May 2010, a total of 77 flights were detected between Colombia and Central America. Of these, Ministry of Interior maps suggest that 21 flights landing in Haiti, which may have been the result of traffickers' capitalizing on the January 2010 Haiti earthquake and the chaotic conditions that followed. Only 3 flights landed in Guatemala (two in Petén, one on the south coast). Of the remaining 53 flights, most landed in Honduras (perhaps the effect of political changes in Honduras' security systems) and just a few went to Nicaragua.

A Ministry of Interior official revealed that both the Zetas and the Sinaloa Cartel transport drugs by plane from South America to Honduras, and use Nicaragua as a safe place to store drug money.

A prosecutor in the Special Office for Counter-narcotics Prosecutions said that fewer narco-flights are detected in Honduras. "They don't have too many controls over there," he maintained. "The entry points are under less strict surveillance."²²⁸

Press reports disclosed information about a narco-flight that landed in June 2010 along Guatemala's southern coast and about another flight in October 2010 that crashed in Costa Rica after taking off from San José with 173 kilos of cocaine and two Guatemalan passengers on board.

The Strategic Studies Institute report from May 2010 indicated that Guatemala had 490 clandestine landing strips.²²⁹ Interior Minister Menocal considers this number to be an "exaggeration" and claims that the number of flights detected is inconsistent with such a high number of landing strips. He does not rule out the possibility that the landing strips might exist and have not been used.²³⁰ Special Counter-narcotics Prosecutor Esteban García said in August 2010 that surveillance flights between May and June of that year located 15 clandestine landing strips,

mostly in Petén, and 13 were destroyed.²³¹ Others were spotted in Izabal, where in early August 2010, in the village of El Cejá, authorities arrested a man in possession of US\$45,000, the origin of which he could not explain. A landing strip on his property is believed to have been used for narco-flights.

Other counter-narcotics detectives believe that the reported number of landing strips—and their destruction—is irrelevant because organized crime groups have been landing planes on paved roads since 2004. Additionally, there are alternatives to air transportation.

In 2010, two submarine-type vessels were seized on the Pacific coast; four Colombians and one Costa Rican were arrested as a result of these operations. The Public Ministry estimates that each of these vessels had a capacity for at least five tons of drugs. In the last four years, according to information released by Minister Menocal, at least 600 submarines have been traced by U.S. government agencies leaving South American coasts, bound for the Pacific or Atlantic coasts of Central America and the Caribbean.²³²

“Go-fast” boats also are used to transport large amounts of drugs to both the Atlantic and Pacific coasts of Guatemala. And according to the 2010 International Narcotics Control Strategy Report (INCSR), “land transit of cocaine and heroin from Colombia is typically along the Pan-American Highway,” and “most land transit consists of drugs carried in the luggage of a commercial bus, or in hidden compartments of commercial tractor-trailers traveling to Guatemala.”²³³

In 2011, Guatemalan authorities, including Minister Menocal, noted a new trend, involving the smuggling of smaller amounts of drugs, as suggested by the seizure of a 40-kilo load in early June. The unofficial crossings between Guatemala and Honduras and between Guatemala and El Salvador (nearly 200) play a key role in this context.²³⁴

Small amounts of heroin have also been seized. Official police statistics indicate that only five kilos of heroin were seized between 2008 and 2009, compared with none between January and August of 2010.

METHAMPHETAMINES

One former director of the counter-narcotics police said that the investigations into pseudoephedrine trafficking and methamphetamine production usually go nowhere as there are no trails to follow.²³⁵ The detective says the names and addresses of senders and recipients on the seized shipments are fake. No one claims the shipments, which are usually seized in the cargo area of La Aurora International Airport in Guatemala City.

For instance, no suspects have been apprehended in the 26 cases registered between October 2007 and May 2010. In 12 of these cases, the sending address was in Bangladesh; the remaining senders were from Singapore, India, Paraguay, Colombia, Ecuador, Panama, Honduras, Belize, and Sweden. A Public Ministry investigator explained that the other countries are usually detours (from Bangladesh) for the shipments destined for Guatemala. The detective said that the difficulty in establishing working links with Bangladeshi authorities has been a major roadblock in following the trail of the drugs.

“So far, there has only been one case in which we identified those suspected of running a lab designed to isolate the (pseudoephedrine) component from other ingredients in imported medicines,” says a Public Ministry official. “The case dates back from February 2009. One Guatemalan and one Mexican, with an arrest warrant in Mexico on drug charges, remain at large.”²³⁶

On June 11, 2011, authorities discovered a lab that was used to produce synthetic drugs (Ecstasy and meth) in Pajapita, San Marcos, a few kilometers from the border with Mexico. No one was found at the property, but prosecutor Brenda Muñoz said that the case represented the first time a lab like this had been discovered. Previously, only warehouses containing basic components or the finished product had been found. Some press reports indicate that the value of the drug components and equipment seized amounted to US\$390,000. Others quote the value as US\$7 million.²³⁷

The office of the special prosecutor for counter-narcotics revealed that there were more cases involving synthetic drugs before July 2009. After that, a new law regulating the contents of pharmaceuticals, which

established pseudoephedrine as an illegal component, helped reduce the number of cases.

In 2009, authorities seized 22.6 million tablets of pseudoephedrine valued at Q340 million (US\$42.5 million). Between January and August 2010, they seized 1.3 million tablets valued at Q19.8 million (US\$2.4 million). Based on these statistics, each tablet would cost Q15 (US\$1.80). However, according to the Public Ministry, once the drug is processed and methamphetamine is produced, each tablet can cost up to Q200 (US\$25). The cost alone, the investigators say, indicates that the local market is not the target and that most of the drugs are intended for Mexico, the United States, and Europe.

Mexican Ambassador to Guatemala Eduardo Ibarrola said that the strengthening of Guatemala's legislation to combat meth is good news. "We have a very intense working relationship with Guatemala in terms of cooperation," Ibarrola says. "There is information exchange, but we must double our efforts."²³⁸

Despite assertions by the police that the shipments are hard to trace, Interior Minister Menocal has said that one of the Zetas arrested in October 2010 is the brother of a leader in the meth business, but he could not identify him with any cartel in particular.²³⁹

In December 2008, the DEA released a report indicating that the Gulf Cartel was responsible for transporting multiple tons of methamphetamine, among other drugs, from Colombia, Guatemala, Panama, and Mexico to the United States, and for distributing the drugs on U.S. soil.²⁴⁰ However, given the severed ties between the Gulf Cartel and the Zetas in January 2010 and the Zetas' control over old Gulf Cartel positions in Guatemala, it is possible that—as Minister Menocal noted—the Zetas have taken over at least part of the methamphetamine transportation business through the country.²⁴¹

Press reports indicate that the Sinaloa Cartel also shares the drug business in Central America with smaller organizations like *La Familia* Michoacana. In Honduras, criminal investigation and counter-narcotics authorities link pseudoephedrine trafficking to the Sinaloa organization.²⁴² In January 2011 two Guatemalan men were arrested for producing pseudoephedrine and methamphetamines on behalf of *La Familia* and of conspiring to traffic the drugs into Mexico and the United

States.²⁴³ Also, the meth and Ecstasy lab discovered on June 11, 2011, was discovered on Sinaloa Cartel turf in San Marcos.

The extent of the Sinaloa Cartel's cooperation with the Gulf Cartel in Mexico²⁴⁴ will determine whether or not the Sinaloa Cartel supports the Gulf Cartel operations in Guatemala. The 94 percent reduction in pseudoephedrine seizures from 2009 to 2010 could be a sign of important changes within the criminal networks that transport this drug. The reduction could also indicate that fewer trafficking routes include Guatemala, or—given the June 2011 discovery of the San Marcos lab—that the drugs are being smuggled more discretely, making it more difficult for authorities to seize them.

CAUSE AND EFFECT OF NEIGHBORING ORGANIZED CRIME ACTIVITY

Guatemala's serious problems with crime are sometimes blamed on its proximity to Mexico. Such a conclusion ignores the basic nature of OC in Guatemala and places blame only on foreign criminal structures. As discussed earlier in this paper, OC cannot exist in a void and, like a vine, needs a structure and base on which to develop.

In Mexico as in Guatemala and Colombia, the local *capos* emerged from local crime and forged alliances with local authorities. Both local *capos* and local authorities, in turn, expanded their reach via foreign OC and served the interests of foreign OC. In Mexico, since the mid-1930s, local criminal groups forged a business alliance with Mexican municipal police and politicians. In Guatemala during the armed conflict, criminal structures developed alliances with the army. In the postwar period, some criminal structures have sought to expand their contacts to the police while maintaining relations with the military.

Even if the reach of Mexican OC had not been so extensive, Guatemalan OC would have continued to evolve on its own until the mid-1990s, when the presence of Colombian cartels flourished. The nature and extent of illegal activities in Guatemala during that decade would have developed in the same manner because most of the main criminal groups were local and home grown, relying, like their Mexican

counterparts, on a partially corrupt government system. The conflict and post-conflict dynamics, as well as the nature of civil-military relations, would remain unchanged even if Mexican organized crime were absent from Guatemala. The criminal conditions were already set, with or without Mexico's drug war.

Criminal activity in neighboring countries did not cause rising violence and crime in Guatemala, but it certainly exacerbated and thrived on existing crime and violence in the country. Guatemala is situated along an important pathway for human and drug trafficking from South to North America, and for the trafficking of weapons and cash from North to South America. These trafficking routes were bound to have an effect on the Central American region, especially in a country such as Guatemala where corruption, impunity, and weak state institutions facilitate illegality and thwart the rule of law, in turn furthering local and foreign OC activity.

STRATEGIES TO CONFRONT CHALLENGES POSED BY ORGANIZED CRIME

One of the strategies in place to fight OC is a collective approach through the Central American Integration System (known by its Spanish acronym, SICA). "It's a coherent response, for the first time, in terms of security," says Minister Menocal. One of the benefits of this approach is greater continuity in policy; at the time of a presidential transition, each country team is to remain the same, with the exception of the minister. SICA provides a meeting ground for the sharing of intelligence resources, the cross-checking of information, and the mapping of the main OC networks to be targeted in the Central American region.²⁴⁵ "The idea of using SICA is that it's not necessary to create something new; it already exists," Menocal said.²⁴⁶ In fact, SICA coordinated the "International Conference in Support of the Central America Security Strategy," aimed at forging agreement on a 22-point regional security plan and at improving donor coordination. All seven Central American presidents, along with senior officials from donor nations, including U.S. Secretary of State Hillary Clinton, and multilateral banks participated in the meeting. Although SICA was founded in 1993, the June 2011

meeting represented the first time that the region's Ministers of Interior met under the SICA umbrella to discuss the region's security crisis. Previous efforts through the region's Foreign Relations ministries had mostly produced written reports of limited practical value.²⁴⁷

Another component of Guatemala's strategy involves recovering significant portions of the country's territory from OC; this means installing army garrisons and stepping up patrols, not only in the areas where narcotics and contraband trafficking is prevalent, but also in environmental reserves where traffickers prey upon protected animal species as well as precious woods. Minister Menocal said that seven mobile military patrols already have been sent to the Petén and the FTN (a trucking route in northwestern Guatemala). "We are in the process of sending more troops, but we still only have two thirds of the number of soldiers that used to guard the area in 2004," he warned.²⁴⁸ The lack of sufficient military personnel has become a handicap. The state of siege in Alta Verapaz, for instance, could not be extended simultaneously to other areas of the country due to lack of resources, including troops and weaponry.²⁴⁹ Nevertheless, a state of siege was declared in the Petén in May 2011 following the massacre described in the introduction to this report. The cost was nearly US\$250,000 per day, an amount not budgeted for this purpose.

The government had a police force of 25,000 by July 2011, exceeding initial expectations. However, former Vice President Eduardo Stein has noted that President Colom's efforts to build-up the number of troops has not led to a reduction in violence. The amount of drugs seized is miniscule in comparison to the estimated tons of drugs being transported through the country en route to Mexico and the United States. Nor has Guatemala's homicide rate declined significantly (8 percent, according to official numbers). Nonetheless, Colom maintained that the armed forces have recovered control of the FTN area, and that by the end of 2010, they will have gained complete control of northeast Petén and the Laguna del Tigre area, where planes abandoned by organized crime frequently appear.

Meanwhile, events in the Petén in October 2010—the Zeta incursion that led to a prolonged shoot-out with the police and army—caused the area to be seen abroad as having turned into no man's land, into "Guatemala's latest calamity," according to a McClatchy newspaper

published later that month.²⁵⁰ One Guatemalan counter-narcotics prosecutor agreed. That said, Héctor Rosada pointed out that the Petén has been a no man's land since the 1960s. "First the smugglers were there, then the looters looking for precious woods and archeological treasures, and now it's the drug traffickers."²⁵¹ In fact, in 2009 the Petén had the highest homicide rate in the country—98 per every 100,000 inhabitants, as opposed to the national average of 45 per 100,000.²⁵² These numbers did not escalate overnight.

The Colom government is aiming for results over the long term; these results will only be possible, however, if current policies and programs are continued. There are numerous obstacles to continuity, including the limited budget. Overall tax revenues are insufficient to support the security as well as other aspects of the budget, yet important sectors of Guatemalan society continue to oppose tax reform. Another problem is that the government sabotages itself and its effort to secure higher taxes via corruption scandals.

Efforts by the police to recover national territory from organized crime have been expensive. While the Portillo administration trained 1,250 new police officers and the Berger administration trained 2,500, the Colom administration had trained 6,700 by October 2010. The size of the police force has reached 20,000, a level it was projected to reach 10 years ago. "It's taking Q240 million (US\$30 million) to arm, clothe, and pay them, and it has taken a toll on the budget," said Menocal. "We have reached a limit, financially speaking."²⁵³

To increase the force to 50,000—the goal established in the police reform proposal—the Guatemalan government would need a minimum annual budget increase for the police alone of Q500 million (some US\$62.5 million). "And yet, the tendency is to reduce the budget, instead of increasing, and punish the police," said Police Reform Commissioner Helen Mack. "What we have is a rapid increase in the numbers of police without the minimum resources that the police need to carry out their mission."²⁵⁴

Funding problems aside, some changes have been possible due to the presence of the CICIG in Guatemala. In April 2010, when asked if he saw Guatemala as a glass half full or half empty, former CICIG Commissioner Castresana said that the glass was almost empty, but that a small corner of the problem had been fixed. "Of 20,000 police officers,

the commission works with 100; of 2,300 prosecutors, it's working with 16; of nearly 1,500 judges, it's been working with six," Castresana said. "If we demonstrate that this corner can work at its finest, that is the sample experience that must be reproduced in the rest of the country."²⁵⁵

Mack still regards the state's efforts as insufficient. She suggests that more local police officers, investigators, prosecutors, and judges should have been trained by the CICIG, to hone investigative techniques including the use of scientific evidence and testimonial evidence to build criminal cases. "The state has not done its part in learning as these programs progress. The prosecutorial system in particular has not benefited as it should have, because institutional strengthening has not been a priority," Mack said. Yet, despite the small number of local officials who have been trained by the CICIG, the results have been significant. Whether this trend will continue will depend on future administrations.

For example, despite the initial failed arrest attempt that led to the September 15, 2010, shootout at the Tikal Futura Mall, Mauro Salomón Ramírez's case led to a landmark arrest. There was coordination between the Interior and Defense Ministries and the Public Ministry. "The result was important," said Colom. "It was the first operation of this type that had this degree of success without the accompaniment of CICIG. We couldn't give up; we kept arresting Mauro's people until we cornered him. This hadn't happened before. We either arrested a guy for good, or he was gone for good. Now there is more capacity for follow-up."²⁵⁶ According to Minister Menocal, strengthening the criminal investigation capabilities of the police has been the priority to date.

In the Ramírez case, the fact that there was a pending arrest warrant in a U.S. federal court prompted Guatemalan officials to step up their efforts to detain him. This represented a qualitative change in Guatemala. Until then, major drug traffickers tended to be arrested in other countries. As noted by Ambassador McFarland, "Extradition is very important, and we've seen it work that way in other countries...We think it could work here, but for it to work you have to have a judicial system that is fairly effective, efficient, as well as honest, and we'll see, but we certainly notice there [is] change since the CICIG came [to Guatemala]."²⁵⁷

The model precinct in Villa Nueva, on the outskirts of Guatemala City, has had good results. The U.S. government focused financial and

technical resources in Villa Nueva to train police to arrest entire gangs and dismantle their operations. However, there is resistance to change within the police, and it may not be possible to replicate this program in other locations. The U.S. ambassador has recognized that there are no guarantees that the results in Villa Nueva will multiply over time. “The model precinct has shown results in Villa Nueva,” said McFarland.

“We have encouraged Guatemalans to do the same in Mixco [a precinct near the capital]. It’s a very good program, and it should be copied in the rest of the country [and] in other districts here in the capital. [Yet] there is a certain resistance to it. The other problem is that it requires vetted and trained people in those precincts, and they are in very short supply. We are really pressing the Interior Ministry and the police to assign promising new officers to the model precincts, but there are other people in the police who would prefer to send them elsewhere; so it’s a constant back and forth.”²⁵⁸

In early December 2010, press reports revealed that Ambassador McFarland managed to persuade Guatemalan authorities to assign new police recruits to the Mixco model precinct and to remove officers accused of corruption, by conditioning a US\$1 million grant on acceptance of these provisions. In a public event on June 7, 2011, Ambassador McFarland confirmed that the Mixco precinct had succeeded in reducing violence in the area.

Despite differences of opinion on how best to reorganize the police, U.S. authorities believe that Mack’s appointment to head of the Police Reform Commission was a good decision. Her involvement has brought credibility to the police reform effort. Mack herself has stated that she works for the state and not for any political party, and hopes that any governing party will adopt the same perspective and continue police reform over the long term. The proposed police reform package envisions immediate actions to take place over an eight-month period but is intended to last over a 13-year period and over the course of three different administrations.

The Colom administration’s strategy for police reform has involved training new police officers and cleansing the police force as a whole, from top to bottom. “Expelling two top commanders of the police force

and arresting them was a strong blow for the government, but it had to be done,” said Colom. “The Public Ministry is also working with the accompaniment of CICIG, [and without it]. It’s doing its job.”²⁵⁹

The ability to penetrate the Véliz Palomo group illustrates the strides that the Public Ministry has made under the tutelage of the CICIG. In this instance, wiretaps—a tool the legalization of which was pushed forward by the CICIG—allowed the Public Ministry to uncover the assistant prosecutor who was an accomplice to the suspects. What began as an investigation of a local extortion ring led to the dismantling of a money laundering organization that stretched from Guatemala to Panama.²⁶⁰

The effort to confront organized crime also includes the promotion of a National Accord for the Advancement of Security and Justice, signed in April 2009. The Accord has yielded limited results so far, but the Colom administration has argued that long-term results will be forthcoming. The Accord addresses the fight against corruption and impunity, as well as the strengthening of the judicial system and security forces to fight crime more efficiently.

The objectives of the Accord address the CICIG’s request for congressional approval of an assets seizure law, due to go into effect in July 2011, and which allows a broader use of assets seized from OC to fight crime; a plea-bargaining law, which allows defendants to testify against crime bosses in exchange for reduced sentences; and, the establishment of High-Impact Courts, which have more resources in terms of personnel and security to try highly-sensitive cases that put judges and prosecutors’ lives at risk. The Accord also provides a space for petitions and proposals from civil society and the business elite to strengthen laws such as the Arms and Munitions Law, intended to disarm criminals and limit the number of guns in the streets; and the Law on Organized Crime, which provides the legal framework for tougher sentences.

From a law-enforcement perspective, previous governments as well as the current one have opted to deploy joint army and police patrols in the streets while more new police officers are being trained and until more funds—local or foreign—become available. This strategy has been both hailed and criticized.

On the one hand, the army is thought to elicit more respect or fear. This might apply to common criminals but not to individuals with

well-honed criminal careers like the Zetas, whose training, military background, and weaponry make them a lethal force. On the other hand, areas of the country hard-hit by the conflict and by human rights violations perpetrated by the army do not welcome a return of military patrols—although Colom has said that in some of these areas crime has increased to the point that communities have asked for the army to return.

In some areas where the police presence is minimal, families have been forced to migrate. In Zacapa, for example, eight families left their homes due to the increasing number of homicides and others are also trying to relocate. Although the deaths are recorded, local police claim that no one has requested additional security in the area, while residents claim they are afraid to voice their complaints.²⁶¹ There are no official numbers on how many Guatemalan families have been internally displaced due to the violence, a phenomenon that mirrors, albeit it on a more limited scale, the internal displacements during the armed conflict.

Former Vice President Eduardo Stein has said that the army has not been as effective as expected in helping to reduce violence. Retired Colonel Mérida points out that sending soldiers to “walk the streets along with the police” represents a misuse of a valuable resource. Mérida believes that the army should be withdrawn from the streets, retrained, and sent on missions to secure the border. Such an approach would have prevented the Zetas from carrying out the attack in Petén in early October 2010. What happened instead was that some of the soldiers who faced the Zetas’ gunfire allegedly asked to be discharged after the shootout because they were so shaken up.²⁶²

Mérida would prefer to see a larger force of at least one thousand soldiers in the FTN area, strategically distributed as during the armed conflict, so that areas patrolled intersect and the whole area is covered. This approach, in fact, allowed for the detection of the first narco-flights.

According to Colom, “the problem, as always, is the financial limitations,” referring to the funds needed to better train and equip the army and the police and increase their numbers. The lack of resources has limited efforts to expand the investigative capabilities of the police and the justice system. “I would like to have 40 or 50 special prosecutors, but right now we don’t have the kind of money we need for that,” he said.²⁶³ In March 2010, at Colom’s request, the U.N. Office on Drugs

and Crime (UNODC) signed a memorandum of understanding with the CICIG to strengthen the fight against OC in Guatemala by providing additional resources.²⁶⁴

If the Seized Assets Law were in effect, the government could use part of the money and assets confiscated in the first five months of 2011 (Q24.3 billion, or US\$3 billion) to fund at least seven new counter-narcotics prosecution offices, according to Minister Menocal.²⁶⁵ Meanwhile, the government is working to open a Special Counter-narcotics Office on the Pacific coast to monitor and curtail drug trafficking in the area. This office is slated to operate with a team of 80.

There is also a joint effort between the Interior Ministry and the U.S. and Colombian governments to form a Counter Narcotics Agency that would take over and expand the duties of the current counter-narcotics police. The new agency would have three branches: one to gather intelligence on a regional level, one for operations, and one to implement preventive policies.

Colom explained that a more comprehensive strategy is needed to go beyond law enforcement, drug seizures, and eradication of poppy plantations. Poppies are eradicated early in the year, but by September new crops have been produced and must be destroyed again. “The problem is lack of development [employment and income sources] in the area where eradication takes place,” according to Colom.²⁶⁶

The Colom government’s Social Cohesion program, run by First Lady Sandra Torres,²⁶⁷ comprises part of the government’s development strategy; but the program has generated strong criticism that it is a political tool to help the governing party win reelection in 2011. The program’s basic provisions—like other cash transfer programs in Latin America—consist of distributing subsidies to low-income families in exchange for a commitment to send their children to school (as opposed to having them work) and to a government-run local clinic for regular medical checkups. The program also includes the distribution of food in poverty-stricken communities and weekend public school programs (with extracurricular activities like English, dancing, and computer courses) in violence-prone areas. Critics question the government’s allocation of public funds for activities that appear to have a political motive. Indeed, press reports indicate that in some communities, beneficiaries of the Social Cohesion

program have been required to show their UNE (the governing party) membership ID card before receiving assistance.

In theory, the Social Cohesion program helps prevent violence by keeping children and teenagers from joining gangs, creates educational opportunities, and stimulates the local economy by stimulating consumption. In practice, however, there have been a number of problems. The education and health care systems have been inadequately prepared to respond to the increased demand for services. And there is not enough monitoring to determine whether the subsidies are reaching the families most in need.

The government refused to disclose the names of the beneficiaries of the program as a means to ensure that public funds are not being misused. The government argued that, if released, the information could be subject to political manipulation by the opposition. Most of the public, however, appears to want greater accountability.

Resources, or the lack thereof, constitute a sensitive subject for the Colom administration. Some in the political opposition and in civil society agree that a more comprehensive anti-poverty strategy is needed that would provide educational and employment opportunities to people who might otherwise opt to join criminal networks. At the same time, they question the executive's methods and the efficacy of the Social Cohesion program. Some even believe that the funds for the Social Cohesion program should be allocated to the police instead. The political divide over this issued increased as the September 2011 elections approached.

THE ROLE OF THE CICIG

The establishment of the CICIG has constituted the cornerstone of Guatemala's anti-OC policy. The CICIG's contributions have been significant in the eyes of many, including the U.S. Embassy, which has been a vocal supporter of and an important donor to the U.N. commission.

“Cases have been investigated much better than they ever were before; cases have advanced much further in the court system than they ever were before, including very sensitive cases—which are the kind of cases CICIG takes on—involving official corruption in past

administrations. So that's good," said Ambassador McFarland. "I think there has been significant progress. It's not irreversible progress, but it's certainly progress."²⁶⁸

On October 18, 2010, the U.S. government pledged US\$4 million to the CICIG to support its continued work. An additional US\$15 million was raised from the international community for CICIG and its mandate has been extended to 2013. There is concern that the justice system will not pursue cases with the same thoroughness—or receive enough funding—after the CICIG's mandate expires in August 2013. Nevertheless, the current head of the commission, Costa Rican prosecutor Francisco Dall'Anese, has warned that the CICIG is not "the fairy godmother with a magic wand," able to fix all that ails Guatemala. He has pushed for local justice and security institutions to assume their leading roles in fighting crime, corruption, impunity, and collusion with OC, taking on a higher profile than the CICIG.

The CICIG has had a high profile, particularly in cases that have garnered broad national attention. The Rodrigo Rosenberg case and the indictment of former Minister of the Interior Carlos Vielman for allegedly masterminding several extra-judicial executions in 2006 are two examples. However, the acquittal of former president Portillo and two of his former cabinet members was a major blow to the CICIG, which has appealed the decision.

Rosenberg was killed on May 10, 2009. After his death, a video that he had recorded days prior to his death surfaced in which he accused President Colom and First Lady Sandra Torres of ordering his assassination; this was in connection with a corruption case with which Rosenberg was allegedly familiar. The CICIG proved that Rosenberg had planned his own death, but continues to investigate the corruption case alluded to by the slain attorney. The Rosenberg case was one of the cases in which the Plea-Bargaining Law, approved by Congress at the request and insistence of the CICIG, helped to identify the defendants and reach a conviction.

After the Rosenberg case went to trial in June 2010, a judge hearing the case said that "never in the history of Guatemala has an investigation developed to such a point as to clarify a criminal act, using scientific and technical investigative tools, with positive results to find the truth, which was possible thanks to the work done by the CICIG."²⁶⁹ Nine

people were convicted in July 2010 and, as of this writing in July 2011, two more are awaiting trial as the intellectual authors of the crime.

The investigation led to the dismantling of two OC networks, one operating in Escuintla (southern Guatemala) and another in the department of Guatemala (where the capital is located). The networks were comprised of active and retired police officers, assassins for hire, and retired military officers.

The Vielman case (in which the former director of the prison system, Alejandro Giamattei, was acquitted) also brought unwanted attention to the CICIG. Former Vice President Eduardo Stein criticized what he said were a lack of due process guarantees and a presumption of innocence. He questioned the CICIG's handling of information about the case with the press and called for a tighter supervision from the United Nations, specifically in terms of periodic evaluations. The kinds of actions criticized by the former vice president took place during the tenure of CICIG commissioner Carlos Castresana. When he resigned, he attributed his departure to the growing criticism against him and its negative impact on the cases the commission was handling. However, in late October 2010, he told the Spanish newspaper *El País* that his departure from Guatemala resulted from the discovery of a plot against his life.²⁷⁰

Another key case among the 27 the Commission has been investigating since 2008 involved the murder of Víctor Rivera, a Venezuelan who was advising the Guatemalan government on security matters. Rivera was killed on April 7, 2008, after his contract was rescinded by Colom's administration. The Rivera case is linked to that of former Minister Vielman and has led to several convictions. In another important case in 2011, the CICIG appealed a lower court's ruling in the Portillo case; meanwhile, the former president remained imprisoned at the Mariscal Zavala military base, awaiting a decision on his extradition to the United States on money laundering charges, which he has disputed.

STRIKING A BALANCE: POLITICAL ALLIANCES VERSUS POLITICAL WILL

Helen Mack has said that police reform can become a new opportunity for Guatemala, but she warned that framing the issue in electoral terms in the run-up to the September 2011 elections risked detracting from its importance. “Political and corrupt considerations trump technical ones at a time when reform should be viewed as the state’s responsibility to provide security,” she says. “The [political] immediacy from all the active political forces in the country—and I am referring to the economic sector, the government, and organized civil society—has prevented us from embarking together on a policy that could allow us to fight for the same goal. There could be differences in format, but not of substance, and agreements on substance are what we have never ever had in Guatemala.”²⁷¹

The success of the new plan for police reform depends not only on resources but on political will to implement it over the long term. It remains unclear whether or not the reforms will be fully implemented.

“Will all this come together and be long-lasting? Don’t know,” Ambassador McFarland admits. “I think that with police reform there is a qualitative change between what previous governments did and what this government has begun to do, and would like to do, which is to thoroughly vet senior officers for senior positions in the police.”²⁷²

From Mack’s perspective, there are many good policemen who want to change things but remain skeptical because most programs lack continuity. In addition, police wages are low—some earn as little as US\$580 a month. Police earn less than prosecutors and judges and tend to be viewed as having less authority. “In light of this situation, you cannot expect (the police) to increase their morale by just telling them ‘Chin up! Increase your self-esteem’ if they don’t see concrete changes. That’s why we are pushing for improvements in police officers’ well-being,” Mack explained.²⁷³

Financial support from the international community for the Commission for Police Reform was minimal until late August 2010. Up until that time the Commission had only received one donation of 40,000 Euros from the German organization PCOE-G&Z, which was used to draft a police reform plan and to evaluate police capacities in

different areas.²⁷⁴ The costs for the first phase of police reform, an 18-month period that began in September 2010, were not large and were estimated to be about US\$2 million. An additional Q40 million (\$5 million) was needed for improvements in police welfare. (Ironically, this is the same amount that was allegedly embezzled by the previous interior minister, Raúl Velásquez). According to Mack, “both the President and the Minister of Interior have the needed will, but it cannot shine through due to the different pressure points out there, and I am referring directly to the budget...Police reform without additional budgetary investment is impossible.”²⁷⁵

International donors made sizeable commitments to Central America at the June 22-23, 2011, SICA conference on security issues in Antigua, Guatemala. These pledges included US\$1.2 billion in development and security assistance from the European Union, part of an aid program that began in 2007 and will end in 2013, and that also includes funding for the CICIG. The World Bank offered US\$200 million for similar purposes, along with US\$1 billion in loans for the region. The United States will have provided US\$240 million between 2010 and 2011, and Canada offered US\$5 million to Interpol in the region, for police training and optimizing communications, and to support the CICIG in Guatemala. Before the funds are allocated, international donors and the Central American countries must decide the areas of greatest need. In addition, in Guatemala the Congress must approve any foreign loan before the government can receive it.²⁷⁶ In 2011, several proposed loans were not finalized after the Congress disapproved an increase in the country's debt.

President Colom understood that foreign aid was unlikely to increase substantially unless the country assumed more responsibility for financing its own security; donor countries do not want to use their tax revenue to help another country whose citizens pay little or no taxes. A clamp-down on government corruption and tighter control on tax evasion could increase the resources available. According to Ambassador McFarland, for the United States to continue to invest in Guatemala's security and judicial system, it needs to have the confidence that Guatemala is making an effort to select the right people to lead reform efforts in the judiciary, the Public Ministry, and the police.

Guatemala has the second lowest tax burden relative to GDP in all of Latin America;²⁷⁷ but its financial difficulties since 2008 have been exacerbated by three crises: the steep increase in international oil prices, the rise in global food prices, and the world recession. While other countries in the region endured the same crises, UNDP adviser Ricardo Stein noted that Guatemala's vulnerability was heightened due to the increase in organized crime, a scenario from which the previous Berger administration barely escaped.

"The fiscal weakness of the country affects the whole security system," Stein said. "The police have no capacity to process the information they have and...cannot pay a large body of detectives" to gather information. The lack of funds also impairs investigations. For example, the Public Ministry has difficulty in funding its own witness protection program. In October 2010, the CICIG had to cover the expenses of two families who were flown out of the country after testifying in high profile cases.

THE ROLE OF POLITICAL ALLIANCES

The complexity of dealing with the Guatemalan Congress explains why it is difficult to secure passage of crucial laws for the advancement of justice and security. Although the government is seen abroad as unable to approve key legislation, the number of political forces with which the executive branch must negotiate explains why the legislative process is full of roadblocks.

The country has had a democratic system since 1986, with few restrictions on the formation of political parties and few parties lasting in the Congress for more than two or three administrations. There are currently 23 political parties in Guatemala, 14 of which have representation in the Congress. During their terms, members of Congress can change parties at will or declare themselves independent of any party. This has become a trend that makes it very hard to influence the Congress, inside or out. Even Manuel Baldizón—the main leader in the Congress from the governing party at the beginning of Colom's administration—left the ruling party to form his own political party.

“Some time ago, it was said that the president could control the political parties in the Congress. Now I can assure you as President that it’s impossible to control them,” said Colom. “When I say ‘control’ I refer specifically to the fact that at least once a week we tell them, ‘these are the laws that are a priority.’”²⁷⁸

For these reasons, the Seized Assets Law was the subject of much discussion and friction between the executive and the legislature. The executive pressed for passage of the law because it would allow the government to use assets seized to fund security measures. However, the legislative branch faced private sector demands to toughen laws, such as the Arms and Munitions Law and the Organized Crime Law, to limit the number of arms, weapons, and ammunition in the streets, and curtail the rise of crime and violence. The Illicit Enrichment Law was also plagued by major roadblocks.

The Seized Assets Law, scheduled to go into effect in July 2011, could help weaken OC financially and strengthen the fight against crime. For instance, had the law been approved in October 2010, the Q23.3 million (\$2.9 million) seized during the last two weeks of the month could have covered one year’s salary for 325 police officers, the purchase of 125 police cars, and the tripling of wiretapping operations.²⁷⁹ After the law goes into effect, Minister Menocal has plans for some of the 558 vehicles seized from criminals between 2008 and the first half of 2011. At least 35 percent of the bullet-proof vehicles, valued at US\$103,000 to US\$260,000 each, will be assigned to authorities handling highly sensitive cases.²⁸⁰ For their part, some opposition parties claim the law contains too many discretionary powers and question whether Menocal’s plan will go forward.

Ambassador McFarland maintained that it is important to engage all political parties in the policy-making process due to the shifting composition of the legislature. “For policies to have continuity and political strength, they need to have support from a number of different parties and broader sectors of society,” he said. “They have to believe it’s worth it. I think that political will happens when people reach the point when they realize they have to transcend some pretty big differences in order to survive.”²⁸¹

Some Guatemalan decision-makers, apparently, have not yet reached this point.

One year before Castresana resigned as head of the CICIG, he touted the National Accord for the Advancement of Security and Justice (signed in April 2009) as a road map for Guatemala to ensure continuity in the reform process. The accord—signed by the executive, legislative, and judicial branches and supported by the Catholic Church, Protestant Churches, the Human Rights Ombudsman's Office, and San Carlos University (a public but autonomous university)—provided a framework for the all three branches of government to pursue several major objectives, including institutional strengthening, improving criminal investigation, increasing transparency and reducing corruption and impunity.

Six months after the accord was signed, the government maintained that it had made progress in areas such as police reform, planning for the creation of a Ministry of Security that would not be constrained by administrative tasks unrelated to security, improving anti-crime policies, and drafting a plan to reform the penitentiary system by increasing salaries and improving infrastructure. But by September 2010, the information on any additional progress was limited, and Minister Menocal argued that most of the objectives would be achieved only over the long term.²⁸² Attaining some of the objectives involves congressional approval of laws to fight OC and corruption, a potentially lengthy process.

In an effort to revive the accord, the CICIG worked with President Colom and the resident coordinator of the U.N. system in Guatemala. They proposed a series of actions that include re-launching the accord with the participation of all political parties and prioritizing ten out of its the 101 points. Amongst these are provisions to carry out any pending commitments stemming from the 1996 peace agreements, to establish a long-term anti-crime policy along with a long-term policy agenda with concrete actions, dates, and areas of responsibility for fighting OC.²⁸³

In Guatemala there are several precedents for consensus-building on sensitive political matters. Although the establishment of the CICIG is the highest profile example, Guatemalan political parties have also united in support of establishing a wiretap unit within the PNC, approving legislation to create High-Impact Courts that process highly sensitive cases, and approving the Plea-Bargaining Law. Ambassador McFarland acknowledged that a national plan that “cuts across sectors”

was difficult to achieve but “essential for doing something about impunity and insecurity.”²⁸⁴

Guatemala’s private sector is very critical of government corruption. It has also been hard hit by violence. It tends to rely on private firms, not government institutions, to provide security. It is common for business owners to pay US\$5,000 a month—or more—for private security. Government corruption scandals have undermined the government’s credibility with the private sector with respect to tax reform and increased tax collection.

President Colom claims his administration has been forthcoming in recognizing corruption cases in government agencies. “There might be an exception here and there, but all of the major accusations of corruption that have surfaced during this administration have been announced by the government,” said Colom.²⁸⁵ The president appeared to suggest that, more than conditioning foreign and domestic financing on results, the country needs financing to produce better results, thereby avoiding the sending of police officers equipped with small arms to confront criminals brandishing AK-47 machine guns.

THE MÉRIDA INITIATIVE AND THE ROLE AND ROLE OF FOREIGN ASSISTANCE

As part of the Mérida Initiative between the United States and Mexico, Central America was initially slated to receive US\$65 million of a projected \$1.5 billion security program. The initial allocation for Guatemala was US\$16 million. An additional \$100 million in each of two subsequent fiscal years (FY 2011 and FY 2012) were to go to Central America under region-wide Central America Regional Security Initiative, known as CARSI.²⁸⁶ The amounts were to be paid in several annual disbursements. The Mérida Initiative’s initial purpose was to create a framework for the United States to support Mexican efforts to combat organized crime. U.S. support for Central America was added to the Initiative later. The principal strategic priorities envisioned in this framework were to strengthen the capacity of Mexican armed forces and law enforcement to effectively confront organized crime, reduce the violence and coercive influence associated with criminal organizations enhancing the capacity of law enforcement

institutions to uphold the rule of law, and, ultimately, to reduce the flow of drugs through the Mexico–Central America corridor.

Funding for Guatemala initially supported drug consumption prevention programs; but Minister Menocal and others insisted that more support was needed instead to train and better equip civilian security forces that fight drug trafficking. For its part, the State Department maintains that some of the Mérida Initiative funding helps train law-enforcement officials and helps enforce anti-crime policies. The current government of Guatemala agreed with the U.S. Department of State that the initiative must become more comprehensive in terms of preventing addiction, targeting criminal networks, and launching development programs in poor communities.

Other kinds of assistance have been made available, including four helicopters on loan from the U.S. Narcotics Affairs Service (NAS) for counter-narcotics operations. President Colom admitted that coordination efforts within the Guatemalan security and military forces had to improve, to reduce the time between a request for a helicopter and its actual arrival, especially in unforeseen situations such as the detection of a large illicit transaction or an armed attack in a remote area of the country that is not easily accessible. “This is a fight that is not going to last one or two years—but several,” admitted Colom. “There is good coordination with U.S. agencies, but sometimes events develop quickly and it’s not possible to respond in a timely manner. We need to have better coordination amongst the Guatemalan agencies.”²⁸⁷

Nevertheless, there is some evidence that coordination within Guatemala is improving. The 2010 International Narcotics Control Strategy Report (INCSR) documented an increase in drug seizures in Guatemala, including a doubling of the amount of cocaine seized from 2008 (2,214 kilos) to 2009 (6,936 kilos). The report attributed these results to better trained police and “improved Guatemalan interagency cooperation” through the Aviation Support Program (ASP), to the Guatemalan Air Interdiction Joint Task Force (FIAAT) and the wire interception program. In 2009, a total of 41 intercepts were conducted.²⁸⁸

Minister Menocal also acknowledged that financial and technical help from the United States had been instrumental in setting up a fingerprint lab, honing investigative techniques, improving the penitentiary system, and inaugurating the PNC’s Counter-narcotics Unit in the Pacific

coast region, as well as in building a new armored drug warehouse.²⁸⁹ Intelligence-sharing has also been helpful in identifying and investigating the main leaders of organized crime structures.

Guatemala also received significant technical support from Mexico on the use of polygraphs. Polygraph tests are now a part of the process to fully vet police officers for high-level positions, such as the PNC director and deputy director and the chiefs of key precincts. This process was used to select current PNC Director Jaime Leonel Otzín, named in June 2010. Of the seven officers who were vying for the position, he was the only one who passed a battery of tests, including the polygraph. “The result was painful but hopeful,” concluded Colom.²⁹⁰ The salary earned by the PNC director is Q24,195 monthly (US\$3,142).

Continuing to work on institutional strengthening of the judicial and security sectors constitutes the next priority for foreign assistance, particularly that of the United States and the European Union. The focus needs to be on increasing the capabilities of personnel in these sectors, helping them make significant arrests, carrying out successful criminal investigations according to the rule of law, and continuing support for the CICIG. “From our perspective, the counter-narcotics and the anti-organized crime struggles fall under a broader effort to try to reduce impunity and to improve rule of law institutions,” stated Ambassador McFarland. “If you don’t have a functioning court system, if you don’t have good prosecutors for that matter, if you don’t have decent prisons, then it doesn’t matter who you arrest, and what you seize, it’s just going to be replaced.”²⁹¹ From the ambassador’s perspective, the ability to dismantle OC networks will also make it possible for government officials to resist the efforts of these organizations to have political influence.

Mexican Ambassador Eduardo Ibarrola stressed that high rates of impunity are a central driver of crime in Mexico and Central America. Governments in this region face a triple challenge because they must respond to youth gangs (*maras*) along with organized and common crime. Ibarrola expressed his conviction that greater cooperation with Central America is needed to fight criminal organizations.

Mexico has begun to implement a strategy that has a direct impact on Guatemala. It involves increasing the nation’s capacity to process a larger number of travelers and merchants through legal border crossings. “The

point of the program is to facilitate compliance with immigration laws for border residents and crossers,” Ambassador Ibarrola said.²⁹²

Surveillance of the entire Mexico-Guatemala border is difficult due to the nature of the terrain, which includes jungle, forests, and rivers. Closing or legalizing the unsupervised (sometimes called blind) crossing points is out of the question. However, Mexico is already exercising tighter control of its main roads near the border because they are points of convergence for those who cross the border illegally.

Samuel Logan, regional manager for the Americas at iJet Intelligent Risk Systems, a risk management consulting firm in Maryland, warned that “if Guatemala goes down the drain, then Mexico is dealing with its northern and its southern borders. A major failure of democracy in Guatemala is going to directly impact Mexico City—resources, political capital, time, energy, human resources, everything—and that negatively affects the United States.”²⁹³

The U.S. Ambassador maintained that the relationship with Guatemala is not about trying to tell Guatemalans what to do to help the United States, but about trying to encourage Guatemala to do the things that both countries consider necessary to address common problems. These common problems have consequences for the whole region, and the failure of democracy in one country has a direct impact on its neighbors.

Retired Colonel Mérida believes that Guatemala should be pushing for the establishment of a trilateral office with Mexico and the United States. This office would gather and process a variety of information on OC networks from identifying their area of operation to profiling its members. This information would be made available to and could be used by any of the three countries. Nevertheless, for this to happen, Guatemala must have a solid justice system.

“What’s critical right now is strengthening current efforts to reform the courts and to strengthen the Public Ministry, as well as police reform,” said McFarland. “If they are successful, there will be a surge behind them that will give them a good chance to continue. But these things take time, and the full results of any reforms enacted now won’t be evident for a few years.”²⁹⁴ He cautioned, however, against unrealistic expectations. “It’s human nature to expect things will happen more quickly than they can be delivered, or to hope that there is some kind of magical solution out there that can help you,” reflected McFarland.²⁹⁵

Despite the lack of a silver bullet, crime statistics provide some measure of hope. A radio program on October 29, 2010, quoted Minister Menocal as saying that there were 430 fewer violent deaths between January and September 2010 than there were in the same period in 2009; and that in 2010, 16 violent deaths were reported daily in Guatemala, as opposed to 18 in 2009 and 20 in 2008.²⁹⁶

Statistics can mask the names of victims, such as 15-year old Patricia Velásquez, a street vendor, and 28-year old Jennifer Prentice, recent recipient of a Ph.D, both of whom were killed on October 16, 2010, in the attack on the Zona Viva restaurant of Guatemala City. Their deaths bring to mind a statement by leading Guatemalan sociologist Edelberto Torres-Rivas: referring to the 150,000 killed during the armed conflict, Torres-Rivas recalled Stalin's "cynical remark" that the murder of one person is a crime, but the murder of many is just a statistic.²⁹⁷ If, like McFarland says, political will is achievable when people realize that they need to overcome differences to survive, hopefully Guatemala is close to reaching the point where survival means that one more victim is one too many.

CONCLUSION

Guatemala is indeed on the threshold of a new opportunity with the recent police reform. Police reform might not be the solution to all of Guatemala's problems, but it could be the beginning of a solution, a fresh start after the country lost its way following the peace accords. Standing in the way are old habits such as the lack of commitment to developing and implementing policies over the long term. While building consensus around long-term security plans amongst all political parties might be the appropriate antidote to the lack of policy continuity, such efforts have been complicated by the September 2011 elections.

Security remained the principal issue for electoral candidates. The solutions offered and the plans drafted by candidates may be better suited for winning office than for governing. As the Colom government experienced since 2008, security plans that are not based on "inside" information will not be successful. Although at the heart of the problem continues to be a lack of continuity in security policies and programs

and insufficient resources, several factors have contributed to the current situation of insecurity in the country.

The strengthening of political parties has had consequences for security. Simplified rules for the formation of political parties gave rise to a plethora of political organizations. While this can be viewed as positive, it becomes a liability when most parties are not strong enough to maintain representation in Congress beyond the span of two or three presidential administrations. As a result, initiatives crumble as parties fold or proponents of reform must look for new partners. The fact that congressional representatives can easily switch political parties further complicates the situation, not only for the governing party but for the success of different initiatives. Indeed, many parties form when consensus is not reached and a party leader decides to leave an existing party and form a new one.

If political parties had more staying power and party loyalty was stronger inside and outside of the Congress, the participation of political parties in important state policy decisions could become an advantage. For example, stronger political parties that endure over time and participate in discussions about policy reform are likely to produce eventual candidates for public office; if elected, these individuals can carry out the policy reforms their party supported. By contrast, elected officials belonging to a young party that did not participate in these discussions (or belonging to an older party with a high rate of turnover) will have less incentive to execute agreed-upon reforms. Weak political parties are thus a handicap for the political system and the survival of the reform process, including the kinds of commitments made in the National Accord for the Advancement of Security and Justice.

Improving the Law for Civil Service would permit the creation of a more professional and permanent workforce and prevent the appointment of public servants as payment for political favors, even if the individuals are not qualified for the positions they occupy. Such innovation could help create more permanent state policies on security, as opposed to the current practice of quickly wiping away policies whenever a new official takes over, whether at a presidential or cabinet level. In such a situation, continuity and long-term results could become possible, allowing Guatemala to pick up where it left off after signing the peace accords 15 years ago.

ENDNOTES

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2 “Ex esposa de presunto capo Ramírez apela prisión preventiva,” *Prensa Libre*, September 30, 2010, found at: http://www.prensalibre.com.gt/noticias/justicia/Ex-esposa-Ramirez-prision-preventiva_0_344965665.html; “Capturan a colombiana, esposa de capo Ramírez Barrios,” *Prensa Libre*, September 30, 2010, found at: http://www.prensalibre.com.gt/noticias/justicia/Capturan-esposa-capo-Ramirez-Barrios_0_344965662.html; “Envían al Preventivo de la zona 18 al hermano del capo Ramírez,” *Prensa Libre*, October 3, 2010, found at: http://www.prensalibre.com.gt/noticias/justicia/Capturan-Mauro-Salomon-Ramirez-Quetzaltenango_0_346765369.html; “Capturan a Mauro Salomón Ramírez en Suchitepéquez,” Agencia Guatemalteca de Noticias, October 2, 2010, found at: http://agn.gob.gt/agn/index.php?option=com_content&view=article&id=1182%3Acapturan-a-mauro-salomon-ramirez&catid=86%3Aactualidad&Itemid=71; “Localizan dinero en auto del capo Mauro Salomón Ramírez,” *Prensa Libre*, September 18, 2010, found at: http://www.prensalibre.com.gt/noticias/justicia/Localizan-dinero-auto-capo_0_337766394.html.

3 “Policías se apropian de dinero durante operativo en Tikal Futura,” *Prensa Libre*, October 12, 2010, found at: http://www.prensalibre.com/noticias/Policias-apropian-dinero-narcos_0_352164795.html; Fernández, Dina, “Policías sin ton ni son,” *El Periódico*, September 20, 2010, found at: <http://www.elperiodico.com.gt/es/20100920/opinion/175513>.

4 Author interview with former police detective, Guatemala City, Guatemala, September 27, 2010.

5 “Indignación por ataque asesino en la Zona Viva,” *Prensa Libre*, October 17, 2010, found at: http://www.prensalibre.com/noticias/justicia/Indignacion-ataque-asesino-Zona-Viva_0_355164504.html.

6 “Capturan a capo del narcotráfico Juan Ortiz, alias ‘Chanalé’,” *Prensa Libre*, March 30, 2011, found at: http://www.prensalibre.com/noticias/justicia/xela-narcotrafico-operativos_0_453554789.html.

7 “Capturan a Waldemar Lorenzana a petición de EE.UU.,” *Prensa Libre*, April 26, 2011; found at: http://www.prensalibre.com/noticias/justicia/Capturan-Waldemar-Lorenzana-Lima-Progreso_0_469753244.html.

8 “Petén vive horas de terror a causa de explosiones y la matanza,” *Prensa Libre*, May 16, 2011; found at: http://www.prensalibre.com/noticias/justicia/peten-terror-narcotrafico-zetas-explosiones_0_481752036.html.

9 “Matan a auxiliar fiscal de Cobán, Allan Stowlinsky Vidaurre,” *Prensa Libre*, May 24, 2011; found at: http://www.prensalibre.com/noticias/justicia/descuatizado-coban-cadaver-fiscal_0_486551435.html.

10 The CICIG was established in 2007 at the request of the Guatemalan government, through an accord between the government and the United Nations. The CICIG investigates corrupt state structures linked to OC.

11 Author interviews with Ricardo Stein; Guatemala City, Guatemala, 6 and 29 September 2010. Stein was the Technical Secretary for Peace between 1997 and 1998, responsible for the implementation and technical coordination of compliance with the Peace Accords, and, in that capacity, advisor to the president, member of the Political Cabinet and the Political Council for Peace, secretary of the Accompanying Commission for the Implementation, Compliance and Verification of the Peace Accords, and government representative to other peace commissions. During 1996 he acted as chief of staff of the Office of the Presidency. Stein passed away in May 2011.

12 Ibid.

13 “SIB revela estructura para lavado de dinero,” *Prensa Libre*, September 3, 2010, found at: http://www.prensalibre.com/noticias/SIB-revela-estructurapara-lavado-dinero_0_328767160.html.

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18 Author interview with Minister of Interior Carlos Menocal; Guatemala City, Guatemala, September 6, 2010.

19 Trafficking Victims Protection Act; Minimum Standards for the Elimination of Trafficking in Persons: Trafficking Victims Protection Act of 2000, Div. A of PL No. 106-386, § 108, as amended (enforced by the Office to Monitor and Combat Trafficking in Persons in the U.S. Department of State). See: <http://www.state.gov/g/tip/rls/tiprpt/2010/142765.htm>.

20 Annual Trafficking in Persons Report 2010; U.S. Department of State found at: <http://guatemala.usembassy.gov/tipguate2010.html>.

21 Ricardo Stein, 2010.

22 Author interview with retired Colonel Mario Mérida, former Vice minister of Defense and Director of Military Intelligence. Guatemala City, Guatemala, October 15, 2010.

23 Author interview with Mauro Guzmán, president of the Migrants Commission at the Guatemalan Congress, Guatemala City, Guatemala, October 7, 2010.

24 The Zetas were a group of assassins and bodyguards working for the Mexican Gulf Cartel before they became an independent trafficking group in 2010.

25 “Arrestan a policías por plagio de migrantes”. *Prensa Libre*, September 23, 2010. See: http://prensalibre.com.gt/internacionales/Arrestan-policias-plagio-migrantes_0_340765979.html. “EU no deben esperar masacres para aprobar reforma”. September 1, 2010. See: <http://noticias.univision.com/inmigracion/reforma-migratoria/article/2010-09-01/reforma-migratoria-masacre>.

26 Author interview with Héctor Rosada, former peace process negotiator and expert on civic-military relations. Guatemala City, Guatemala, October 22, 2010.

27 Ibid.

28 Mérida, 2010.

29 Author interviews with former police detective; Guatemala City, Guatemala, February-June 2009. “Justicia sin colmillo contra el narcotráfico,” *El Diario La Prensa*, Nueva York, October 15, 2009, found at: <http://www.impre.com/noticias/2009/10/15/justicia-sin-colmillo-contra-e-154273-1.html>.

30 Rosada, 2010.

31 Ibid, and Mérida, 2010. Colonel Mérida, now a researcher on security issues, says that such findings led to the strengthening of internal controls within military intelligence. Mérida doesn't rule out guerrilla contact with traffickers, but the scope would have been small as compared to that of the army.

32 Ibid.

33 Domingo García Samayoa was Minister of Defense between December 1991 and June 1993.

34 Rosada, 2010.

35 Ibid.

36 Ibid.

37 Case 03-CR-987. Document 147 – 8485BERA. U.S. District Court of the Southern District of New York.

38 Mérida, 2010.

39 General Francisco Ortega Menaldo, the chief of the military Presidential Chief of Staff (*Estado Mayor Presidencial*), prompted Serrano to step down. Ortega was urged to do so by Minister of Defense in 1993, Domingo García Samayoa, The minister did not want to risk his position within the army given the popular outcry against Serrano's political decisions. General Otto Pérez Molina, who was then head of Military Intelligence (G-2), and other military officials had been approaching and siding with the business sector, as well

as some political circles, that were against Serrano's regime. See: Centro de Estudios y Documentación Internacionales de Barcelona (CIDOB); September 4, 2009 http://www.cidob.org/es/documentacio/biografias_lideres_politicos/america_central_y_caribe/guatemala/jorge_serrano_elias. Oficina de Derechos Humanos del Arzobispado, Informe "Guatemala: Nunca más"; April 1998, Volume 3, Chapter 7, <http://www.odhag.org.gt/html/TOMO3C7.HTM>. Información y Análisis de América Latina. Undated document consulted on March 3, 2011 at <http://www.infolatam.com/2007/09/10/biografia-otto-perez-molina-el-general-de-la-paz-y-de-la-mano-dura/>.

40 "The surrender of the heads of the Cali Cartel in 1995 marked the end of the era of the Medellín and Cali cartels' domination of the cocaine business." Fundación Razón Pública. Digital magazine Razón Pública. Week February 28 – March 1. February 21, 2011. Online edition: http://www.razonpublica.com/index.php?option=com_content&view=article&id=1821:carteles-de-la-droga-de-medellin-a-sinaloa&catid=21:conflicto-drogas-y-paz&Itemid=30.

41 Author interview with former police detective; Guatemala City, Guatemala, September 27, 2010. According to case file 03CR987, in the Southern District Court of New York (document #147), Berganza's brother in law was a military official.

42 Ibid.

43 Case 03-CR-987. Documents 69, 147 – 567EBERH. U.S. District Court of the Southern District of New York.

44 "Ruta de narcotráfico opera sobre área de bases militares clausuradas". *El Periódico*; February 1, 2007. Online edition: <http://www.elperiodico.com.gt/es/20070202/actualidad/36351/?tpl=54>.

45 The Lorenzana and Mendoza families are identified as drug cartels in a U.S. Department of Justice press release dated October 27, 2009, in Nashville, Tennessee. The press release announces the indictment of four Guatemalans and a police officer by a federal grand jury "on charges of smuggling firearms to Guatemala" to the Lorenzanas and Mendozas.

46 Southern District Court of New York. Case file 03CR987, documents #60 and #69.

47 Rosada, 2010.

48 Ibid.

49 Mérida, 2010.

50 Lt. Colonel Carlos Ochoa Ruiz was said to be Mayor Arnoldo Vargas' trafficking counterpart on the Pacific coast. Although Ochoa was arrested, the U.S. Department of Justice was unsuccessful in its efforts to extradite him to the United States. See: Smyth, Frank; "Genocide, and drug-trafficking too." March 5, 1999, found at: <http://www.salon.com/news/feature/1999/03/05/news>.

51 Mérida, 2010.

52 Ibid. Military counter intelligence, an internal affairs-type office, had kept tabs on military officials until then. "During the armed conflict, control was more

precise and demanding, particularly after the operations plan for [what was known as] Campaign 83 was found in a guerrilla hideout during a search and raid military operation,” said Mérida. “From then on, supervision and control were tougher for the military because we thought that the guerrilla had the ability to infiltrate us up to that level.”

53 Rosada, 2010.

54 Mérida, 2010.

55 When Mario Mérida was vice minister of the interior, he was convicted to a 10-year prison term, for complicity in the death of a university student after a confrontation with the police during a demonstration. Upon appeal, he was acquitted because he was not found responsible of directly supervising the police officer who attacked the student.

56 Author interview with Gustavo Porras; Guatemala City, Guatemala, October 5, 2010.

57 Ibid. The existence of the National Police Archives had been consistently denied, even by President Arzú.

58 Rosada, 2010.

59 Goepfert, Paul; *The International Commission Against Impunity in Guatemala, Undoing the Legacy of Violence and Corruption, ReVista*, Harvard Review of Latin America; David Rockefeller Center for Latin American Studies: Cambridge, 2010; Volume X, No. 1; 43. Also see: “Lo peor fue ese silencio por años,” *Prensa Libre*, October 27, 2010, found at: http://www.prensalibre.com/noticias/peor-silencios-0_361163899.html.

60 “Tercer Año de Labores.” Comisión Internacional Contra la Impunidad en Guatemala (CICIG): Guatemala City, 22 September 2010; pages 4-5. Also see: Susan Peacock and Adriana Beltrán, *Poderes Ocultos: Grupos ilegales armados en la Guatemala post conflicto y las fuerzas detrás de ellos*, (Washington, D.C.: Washington Office on Latin America, 2006), 1-7.

61 Author interview with Helen Mack; Guatemala City, Guatemala, September 24, 2010. Mack is a specialist on human rights matters. Her sister, anthropologist and human rights activist Myrna Mack, was stabbed to death by a military officer in September 1990, under orders from the Presidential Chief of Staff, as proven in court. Helen Mack heads the Myrna Mack Foundation, which focuses on human rights, security and democracy studies.

62 Author interviews with Ricardo Stein, 2010; also see: CICIG, 2010, footnote 1, page 4. Of a sample of 600,000 cases from 2009, only 300,000 were denounced and registered by the Judiciary, and there were formal indictments only in 11,000 (1.8 percent of the cases).

63 Ricardo Stein, 2010.

64 “La paz a pesar de todo,” Guatemala: Nunca más, Tomo 3: Mecanismos del terror (capítulo 8); Oficina de Derechos Humanos del Arzobispado: Guatemala, 1998, found at: <http://www.odhag.org.gt/html/TOMO3C8.HTM>.

65 Military officials have a record from the day they enter the Adolfo V. Hall military academy; then, when they attend the military Polytechnic School, when they graduate and until the day they are discharged, according to retired Colonel Mario Mérida. The Polytechnic School's records date back to its founding in 1873.

66 Author interview with President Álvaro Colom; Guatemala City, Guatemala, October 8, 2010.

67 Mack, 2010.

68 Mérida, 2010.

69 Hernández Pico, Juan; "Primeros seis meses: ¿Bombero más que Presidente?" *Revista Envío*, Número 269; Universidad Centroamericana UCA: Managua, August 2004; found at: <http://www.envio.org.ni/articulo/2191>.

70 "Guatemala: Squeezed between Crime and Impunity." Crisis Group Latin America Report No. 33. June 22, 2010. Page 16. The Zetas were originally formed as an enforcement arm of the Gulf Cartel by one of its leaders, Osiel Cárdenas Guillén (imprisoned in the United States since 2007), who did not trust his own security detail and surrounded himself with his contacts in the military instead. The Zetas' earliest members belonged to the Mexican Special Forces Airmobile Group (GAFE) and Special Forces Amphibian Group (GANFE), among other units. Also see: Ravelo, op. cit., 136, 144.

71 According to a former Kaibil officer, despite the Kaibiles' specialized combat training, they were discharged with no economic compensation. Author interview with former Kaibil officer. Guatemala City, Guatemala. June 2, 2011.

72 The theft of \$8.6 million at La Aurora International Airport in 2006 led to the arrest of Francisco Arana, a captain discharged from the army and in charge of security at the airport. The money, from national banks, was bound for the U.S. Federal Reserve, allegedly under a high level of concealment. Arana implicated other top officials in the Ministry of Interior and the PNC. Prosecutors had proof that Arana's family had bought 10 houses in the months following the theft. Two civilians indicted, who had worked as independent contractors at the airport, were acquitted in October 2010. "Capitán Arana lanza acusaciones sobre robo millonario de dólares," *El Periódico*, November 5, 2009, found at: <http://www.elperiodico.com.gt/es/20091105/pais/123052>. Arana received a 15-year jail sentence in 2011. "Quince años de prisión para Francisco Arana," *El Periódico*, March 8, 2011, found at: <http://www.elperiodico.com.gt/es/20110308/pais/192064/>.

73 Rosada, 2010.

74 "Saqueo en la Defensa involucra a 32 militares," *Prensa Libre*, August 20, 2010, found at: http://www.prensalibre.com/noticias/Saqueo-Defensa-involucra-militares_0_320367989.html.

75 "Tribunal absuelve a Portillo y a ex ministros de Defensa y Finanzas," *Prensa Libre*, May 9, 2011, found at: http://www.prensalibre.com/noticias/justicia/Condenan-Portillo-ministros-Defensa-Finanzas_0_477552479.html. The Public Ministry and the CICIG have appealed the acquittal. Only Portillo remains in jail

as he is wanted on extradition charges by the New York Southern District Court on money laundering charges.

76 Mérida, 2010.

77 Menocal, 2010. Special witness, Armando Llor, testified in the Portillo Trial on February 24, 2011.

78 Goepfert, 43.

79 Ricardo Stein, 2010.

80 Porras, 2010.

81 Ibid.

82 Mérida, 2010. The guerrillas were identified as the URNG, the Spanish acronym for Guatemalan National Revolutionary Unity.

83 Author interviews with former peace negotiator; Guatemala City, Guatemala, September-October 2010.

84 “Guatemala: Squeezed between Crime and Impunity,” op. cit., 5.

85 Hernández Pico, Juan; “Primeros seis meses: ¿Por qué el NO en la Consulta Popular?” *Revista Envío*, Número 208; Universidad Centroamericana UCA: Managua, July 1999; found at: <http://www.envio.org.ni/articulo/950>.

86 Hugh Byrne, William Stanley, and Rachel Garst, “Rescuing Police Reform: A Challenge for the New Guatemalan Government,” Washington Office on Latin America, January 2000. Found at: http://www.wola.org/publications/pub_security_country_guate_rescuingreform_execsum_jan00.pdf. Also see: Hugh Byrne, *The Guatemalan Peace Accords: Assessment and Implications for the Future* (Washington, DC: Washington Office on Latin America, 1997).

87 “Justicia sin colmillo contra el narcotráfico,” *El Diario La Prensa*, Nueva York, October 15, 2009, found at: <http://www.impre.com/noticias/2009/10/15/justicia-sin-colmillo-contra-e-154273-3.html>.

88 Mérida, 2010.

89 Rosada, 2010.

90 Mack, 2010.

91 Porras, 2010.

92 Ibid.

93 Mack, 2010.

94 Porras, 2010.

95 Mérida, 2010.

96 Menocal, 2010.

97 Mérida, 2010.

98 Author email exchange with Eduardo Stein, October 26, 2010.

99 Ibid.

100 Eduardo Stein, 2010.

101 Mérida, 2010.

102 Eduardo Stein, 2010.

103 Rosada, 2010.

104 Porras, 2010.

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