



Honduras: Organized Crime Gaining Amid Political Crisis

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Project Description

This paper is part of the ongoing work of the Latin American Program on citizen security and organized crime in the region and their effects on democratic governance, human rights, and economic development. This work is carried out in collaboration with the Mexico Institute, which has worked extensively on security and rule of law issues in Mexico. Our goal is to understand the sub-regional dimension of organized crime, focusing on the ways in which the countries of the Andean region, Mexico, Central America, the Caribbean, the United States, and Canada play central and inter-connected roles.

This essay represents one of three papers commissioned by the Woodrow Wilson Center on the nature and dynamics of organized crime in Central America and its connections to broader criminal networks in Mexico and the Andean region.

This paper, along with the others in this series, is a working draft. It may be cited, with permission, prior to the conclusion of final revisions. The paper will be part of a Wilson Center publication planned for early 2011. Comments are welcome. If you have questions or comments related to this paper or would like to contact the author, please email Eric Olson at eric.olson@wilsoncenter.org and Cynthia Arnson at cynthia.arnson@wilsoncenter.org.

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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 this year, 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 1970's, 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 Ramoìn Matta Ballesteros ran a key organization trafficking cocaine in the early 1980's between Colombia and Mexico.² At times in the late 1980's and 1990's, Colombian groups such as Pablo Escobar's Medellin Cartel or the *Fuerzas Armadas Revolucionarias de Colombia* (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.

¹ The best estimates by US and Honduran officials place the number between 350 and 550 tons. However, the measurements are not perfect. Public estimates range from 100 tons to 850 tons. "International Narcotics Control Strategy Report: Volume I, Drug and Chemical Control March 2010," U.S. Department of State; "Trasiego de cocaína por Honduras subió de 100 a 850 toneladas," La Tribuna, 25 October 2010; Interviews with US and Honduran officials.

² "Drug Trafficking Organizations in Central America: Transportistas, Mexican Cartels and Maras," Steven S. Dudley, Woodrow Wilson Center, May 2010. The author would like to note that Dudley's paper served as important background for this paper and thank him for his recommendations on several individuals to speak with in Honduras.

³ Transportistas refer to local Central American individuals and small organizations that transport drugs from South America to Mexico.

⁴ There are good reasons why "cartel" may not be the proper word to use when describing these organizations. Where possible, this paper tries to use "Drug Trafficking Organization" or "Criminal Organization." However, cartel is the word that has stuck and is considered part of the name for the Sinaloa Cartel.

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 UNODC reported that the province of Atlántida, which includes the port city of La Ceiba, may be among the most violent in the Western Hemisphere with 1 person out of every 1,000 killed in violence crimes. Various press rights organizations believe Honduras, along with Mexico, will be one of the two most dangerous countries for journalists this year. In the past year, 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 this process is that it serves as a key location for exchange between traffickers and 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 or only a few individuals who are trying to make a quick buck.

Honduras is often the location where the handoff is made, but a large Mexican criminal organization will control the cocaine trafficking from Honduras to Mexico, across the border into the US and increasingly the distribution inside the US. 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.⁶

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. Despite the Honduran government's efforts to halt the pseudoephedrine trade, the DTOs have pushed their meth production into Central America in response to relatively effective enforcement efforts by US 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 Olancho, Honduras have been used by Sinaloa to manufacture ecstasy and meth before shipping it to the US or Europe.

⁵ "Cada 88 minutos es asesinado un hondureño," El Heraldo, 20 October 2010.

⁶ "Mexican drug cartels bring violence with them in move to Central America," Washington Post, 27 July 2010.

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.⁷

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, will 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 organization has been operating for almost a decade. In 2004 they 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.⁸

The Sinaloa Cartel

The Sinaloa Cartel exercises most of its management authority in the Northern triangle of Central America, 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.

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 US Department of Treasury froze the assets of Agustín Reyes Garza “Don Pilo”, a member of the Sinaloa Cartel operating in Honduras.⁹

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 which recruited local operatives to continue providing security and protection for Sinaloa operations.¹⁰

⁷ Author interviews with US counter-drug analysts, October 2010.

⁸ “Nicaragua pide apoyo a Costa Rica para capturar grupo de narcotraficantes,” EFE, 24 October 2010.

⁹ Department of Treasury Press release 14 December 2009.

¹⁰ That cartel member, Edgar Valdez Villarreal, alias La Barbie, would later defect from the Sinaloa cartel and join the Beltran Leyva Cartel. He was arrested by Mexican authorities in August 2010. “La Barbie formó escuela de sicarios en Honduras,” La Prensa, 1 September 2010.

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.¹¹ While rumors of 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.¹²

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 that he visited with significant levels of personal security 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 90’s and have continued to search for him passing through their territory.¹³

The Honduran government promised that if they were to capture Guzmán or any other top cartel leaders they would extradite him immediately to Mexico.¹⁴ 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.¹⁵ 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 and did not report it to their superiors.

¹¹ “The Last Narco,” Malcolm Beith, September 2010

¹² Opponents of President Zelaya would later use this incident and others to accuse him of having a secret arrangement with the Sinaloa Cartel. However, public evidence of that arrangement beyond the accusations is limited and political motivated.

¹³ “El Espíritu, refugio de “El Chapo” Guzmán,” La Prensa, 27 August 2008.

¹⁴ “Peligro de seguridad nacional que el “Chapo” Guzmán esté en Honduras,” La Tribuna, 23 February 2010.

¹⁵ “Éxtasis” iban a fabricar en laboratorio de Naco,” La Tribuna, 10 November 2009.

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.¹⁶ 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 considered the event that caused the Sinaloa Cartel to assassinate the counter-narcotics director was the seizure of a shipment of illicit psudophedrine 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.¹⁷

Minister of Security Oscar Alvarez has warned that the Sinaloa Cartel is attempting to buy off mayors and municipal officials while corrupting police officers. In that way, they are trying to create "parallel government structures" at local levels that will allow them a greater freedom to operate.

Reporting on the Sinaloa cartel's activities, particularly their corruption of government officials, has become dangerous for Honduran reporters. Journalist Nahun Palacios of Radio Tocoa and Canal 5 in Colon 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.¹⁸

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 break, the Gulf Cartel maintains operations in Central America, but tends to traffic through and around Honduras with less infrastructure or personnel within Honduras as compared to Sinaloa or Zetas, according to local officials. 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*

¹⁶ "Behind the Murder of Honduras' Drug Czar," Time Magazine, 17 December 2009.

¹⁷ "El Chapo Guzmán tenía centro de operaciones internacional en Santa Bárbara," La Tribuna, 24 February 2010.

¹⁸ "Journalist murders spotlight Honduran government failures," Committee to Protect Journalists, 27 July 2010.

groups.¹⁹ They maintain some Honduran *sicarios*, some of which they use in Nicaragua and Costa Rica.

In early 2010, Security Minister Alvarez said that the Zetas had placed a price on his head for his efforts to crack down on organized crime.²⁰ 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, authorities said some of the Zeta leadership from Mexico may have been using spots in Copán as hiding locations for personnel and staging locations for drug trafficking operations. However, they were unable to confirm those rumors.²¹

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.²²

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.²³ 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 US. Women have been forced into prostitution and sexually assaulted by the criminals trafficking them. 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 the kidnapping and extortion of

¹⁹ Author interviews with local and foreign counterdrug agents, Tegucigalpa, Honduras, September 2010.

²⁰ "Desbaratan plan para ultimar a Oscar Álvarez," La Tribuna 18 February 2010.

²¹ "Desbaratan plan para ultimar a Oscar Álvarez," La Tribuna, 18 February 2010.

²² Interview within Southern Pulse Network, September 2010.

²³ "Detectan 300 Zetas cerca de Honduras," El Heraldo, 17 October 2008; Interviews with Honduran official and Honduran NGO analyst.

migrants.²⁴ 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.²⁵ 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 both by raw numbers and per capita. A 2005 estimate by the UNODC said that the number of gang members in Honduras is about 36,000.²⁶ The gangs cause 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 *mara* landscape, authorities in Honduras estimate 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

²⁴ "Ex policías hondureños comandan "Zetas" en México," La Tribuna, 22 February 2010.

²⁵ Author interviews with local and foreign counterdrug agents, Tegucigalpa, Honduras, September 2010.

²⁶ "Gangs in Central America," Congressional Research Service (CRS), 4 December 2009.

which leaders of the networks subcontract specific tasks to the *maras*.²⁷ 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 Junta Internacional de Fiscalización de Estupefacientes (JIFE) suggested that most transnational drug trafficking organizations in Central America are using local gangs primarily for security protection.²⁸

Analysts will at times note 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 US and Honduran officials interviewed for this paper, the gangs aren’t coordinated or trustworthy enough to be offered a major part in the regional trafficking process.²⁹ 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 to 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."³⁰

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.³¹ 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 more off extortion of local control of drug distribution networks and local extortion crimes than they do from organized criminal networks trafficking drugs through

²⁷ "The Merida Initiative and Central America: The Challenges of Containing Public Insecurity and Criminal Violence," Diana Villiers Negroponete, Brookings, May 2009.

²⁸ Honduras JIFE 2009 Annual Report.

²⁹ Author interviews with local and foreign counterdrug agents, Tegucigalpa, Honduras, September 2010.

³⁰ "Honduras: Mexican Cartels Work Closely with Street Gangs," Borderland Beat, 29 November 2010.

³¹ "World Drug Report 2010" United Nations Office on Drugs and Crime. Statistics on drug consumption are collected by the Honduran government.

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 and huffing paint along with some legal drug and marijuana abuse. Officials also indicate they are seeing a rise of traffickers paid with product, something they say was once discouraged among the gangs and *transportistas*.³²

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 execute 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.³³ Approximately 90 percent of cocaine going to the US 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 1980's and throughout the 1990's, 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 FARC, *Ejército de Liberación Nacional* (ELN), *Autodefensas Unidas de Colombia* (AUC), Norte de Valle Cartel and now the emerging criminal bands (Bandas Criminales or Bacrim) formed in part by former paramilitaries³⁴.

Mexican DTOs began strengthening and moving southward during the early to mid-90's. 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 fifteen years, as described above, they have solidified their control of Honduran DTOs in

³² Author interviews with local and foreign counterdrug agents, Tegucigalpa, Honduras, September 2010.

³³ Traveling by land through the Darien Gap in Panama is not a popular route, though it does occur.

³⁴ Colombia's paramilitaries formed in the 1980's and 90's as a way for land owners to counter the influence of the FARC. The Colombian government was widely accused by human rights groups of working with paramilitary groups or not prosecuting them to the fullest extent of the law. Like the FARC, the paramilitary organizations became involved in drug trafficking to finance their violence. Many of the groups unified into the AUC in the 1990s, then demobilized under a government-sponsored program in the 00's. However, some of the demobilized have joined new groups, the Bacrim.

the last five 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, Bacrim and various micro-cartels, still play an important role in trafficking cocaine to Central America. Notably, the Bacrim groups, Los Rastrojos, managed a number of illicit plane routes from the Colombia-Venezuela border to Honduras during 2009. Additionally, during 2009 and 2010 there has been a rise of Venezuelan-based DTOs that have begun to replace the Colombian groups on some routes by air and sea going to Honduras.³⁵

By Air

In 2005, the Honduran government recorded zero illicit flights, though their ability to fully monitor that activity means that some flights may have landed on Honduran territory.³⁶ 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 three 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.³⁷ 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 Atlantica provinces. There are reports that Mexico's Sinaloa cartel has constructed landing areas.³⁸ 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.³⁹ Other local officials interviewed indicate that some landowners receive little or no payment and are simply glad to escape unharmed.⁴⁰ 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

³⁵ “¿El fin del santuario?,” *Semana Magazine*, 10 July 2010.

³⁶ “Honduras since the coup: Drug Traffickers’ Paradise,” Marco Antonio Martínez García, CIP Americas, 31 August 2010.

³⁷ Author interviews with local and foreign counterdrug agents, Tegucigalpa, Honduras, September 2010.

³⁸ Dudley, *opcit.*, media reports

³⁹ Dudley, *opcit.*

⁴⁰ Author interviews with local and foreign counterdrug agents, Tegucigalpa, Honduras, September 2010.

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.⁴¹

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 to land. One official noted that the government lacks the technological capabilities to know how many illicit flights are coming in.⁴² 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 Atlantica.

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's airports in Tegucigalpa and San Pedro Sula have occurred.⁴³

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.⁴⁴ 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.⁴⁵ As Honduras's Pacific Coast is very small and only has one major

⁴¹ Author interviews with local and foreign counterdrug agents, Tegucigalpa, Honduras, September 2010.

⁴² One official claimed that he personally had seen two crash-landings in La Mosquitia, hinting that there may be many more flights occurring than the government knows. Interviews with Honduran counter-narcotics officials in Tegucigalpa, September 2010.

⁴³ In one daring recent incident, armed men invaded the Air Force base at the San Pedro Sula international airport and flew off with a plane that had previously been seized. Government officials believe it was an inside job and fired a number of airmen working at the base. "At Least 19 Soldiers Implicated in Theft of Plane in Honduras," EFE, 3 November 2010.

⁴⁴ "El Espíritu, refugio de "El Chapo" Guzmán," La Prensa, 27 August 2008.

⁴⁵ There may have been a brief period during the Micheletti government in 2009 when the air routes surpassed the sea routes according to author interviews. However, solid statistics are not available.

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 1-2 days every few months to supplement their income.

When cocaine is seized at or near sea, the teams moving the cocaine are generally Colombians, Nicaraguan or Honduran. According to officials, the heavy Colombian presence among those arrested suggests that Colombian organizations maintain control over these routes for the time being.⁴⁶ 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 US 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 the 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.

Fuel smuggling and logistics

A related industry in fuel purchase, 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 bouy 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.¹ Many recent arrests have included a GPS device among the seized items from the traffickers.

¹ Interview with US counter-narcotics official, August 2010.

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

⁴⁶ Interviews with Honduran counter-narcotics officials in Tegucigalpa, September 2010.

Honduras. However, authorities in Honduras said their statistics, while not perfect, do not indicate an increase in that method.⁴⁷

Several organizations run vehicles up the pan-American highway from Panama or Costa Rica to northern Guatemala, as a recent arrest of the Gulf Cartel highlighted. They often pass through Honduras only stopping 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.⁴⁸ In many of these countries, that's about a month's wage for a single job that takes 3-4 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 also serving as mules - sometimes voluntarily and sometimes forced - to pay their way. The increase 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 sort 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 is large amounts of bulk US cash smuggled through the country. Since exchanging a large amount of US dollars into Honduran currency (Lempiras) is not particularly easy, most criminals and their related networks functioning in the gray and legal market prefer

⁴⁷ Interviews with US counter-drug analysts, August and October 2010; Interviews with Honduran counter-narcotics officials in Tegucigalpa, September 2010.

⁴⁸ Interviews with Honduran and Nicaraguan journalists, Tegucigalpa and Managua, September 2010.

to work in US dollars in Honduras. With limited government capacity to investigate financial crimes, criminals rarely feel the need to launder the money .⁴⁹

Bulk cash smuggling is largely done over land routes or through air smuggling, 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 and another two Colombians with \$20,000.⁵⁰ Another arrest in Guatemala late this year suggested mules were being paid \$400 to traffic money in their cars from Guatemala to Panama⁵¹. 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 of arms trafficking into the country in early 2009.⁵² 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.⁵³

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 for 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.⁵⁴ 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 1980's conflicts in Nicaragua and El Salvador making their way to Mexico through Honduras.⁵⁵ Honduran authorities report that firearms including grenade-launchers have been lost or stolen from Honduran military bases and found in Mexico and Colombia.⁵⁶

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 this year. Meanwhile, the Mexican Institute of Migration estimates that 400,000 people cross illegally into Mexico each year

⁴⁹ Author interview with Honduran investigator, Tegucigalpa, Honduras, September 2010.

⁵⁰ "Capturan a 2 colombianas con casi 20,000 dólares," El Heraldo, 14 October 2010

⁵¹ EFE, 24 September 2010.

⁵² "Tráfico de drogas se incrementó repentinamente en Honduras," La Tribuna, 6 July 2009.

⁵³ "De Guatemala y México ingresan armas para "Narcos"," La Tribuna, 23 February 2010.

⁵⁴ New York Times, 9 August 2009.

⁵⁵ "Mexican drug cartels' newest weapon: Cold War-era grenades made in U.S.," The Washington Post, 17 July 2010.

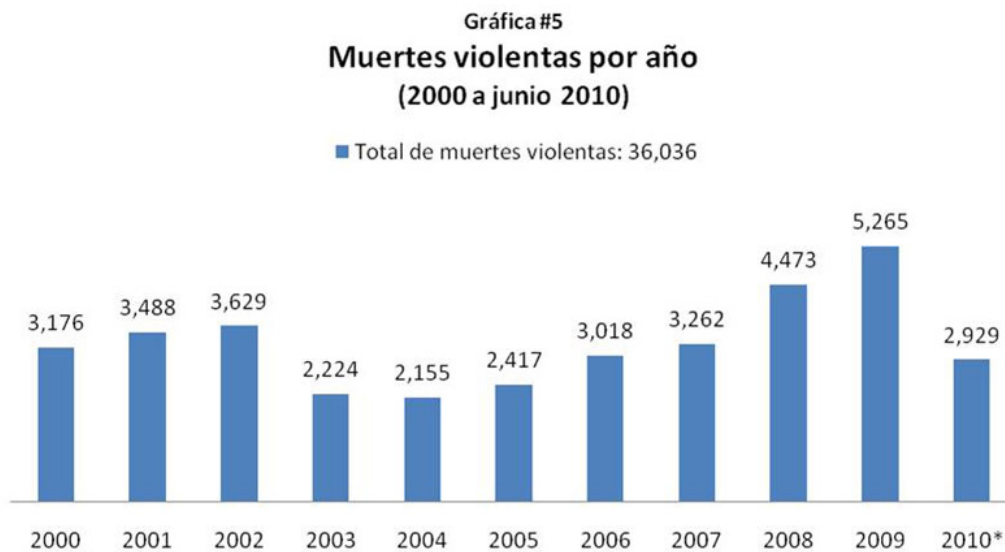
⁵⁶ Author interviews; "De Guatemala y México ingresan armas para "Narcos"," La Tribuna, 23 February 2010.

and many of them are from points south of Honduras, suggesting they pass through Honduras at some point on their way to Mexico.⁵⁷

Animal trafficking occurs from Honduras’s 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 US. Similarly, hardwoods from Honduras and Nicaragua are trafficked illegally to Mexico, the United States and Europe, often through corruption of customs officials. The criminals committing this type of trafficking are usually different than those trafficking illicit drugs. However, it is worth noting that in the 1980’s and 90’s, the non-drug smugglers became some of the key regional *transportistas* for drugs.⁵⁸

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.



* Enero a junio de 2010

Fuente: Años 2000 – 2004 Policía Nacional
2005 a junio 2010 Observatorio de la Violencia

Graphic of murder statistics in Honduras from Comisionado Nacional de los Derechos Humanos (CONADEH) report to Congress⁵⁹, October 2010.

⁵⁷ "Crime Wars: Gangs, Cartels and U.S. National Security," Bob Killebrew and Jennifer Bernal, Center for a New American Security, September 2010.

⁵⁸ Dudley, opcit, noted that drug trafficker Jose Natividad “Chepe” Luna got his start finding creative ways to smuggle cheese across Central American borders.

⁵⁹ "La Seguridad Pública : Una Prioridad en la Agenda Nacional." Informe Especial del Comisionado Nacional de los Derechos Humanos sobre la Prevención y la Investigación del Delito, CONADEH, October 2010.

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 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.⁶⁰

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.⁶¹ 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.⁶² Authorities suspect the number of mayors who receive a “plato o plomo” [silver or lead] style threat from the cartels is growing.⁶³

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.”⁶⁴

⁶⁰ Interview with Honduran police official, September 2010.

⁶¹ Ávila was killed in prison a few months after his arrest. “Captura de diputados muestra infiltraciones,” *La Prensa*, 27 August 2008.

⁶² “Soy el Rey del Pueblo,” *La Prensa*, 27 October 2010; Dudley, *opcit.*

⁶³ Author interviews with local and foreign counterdrug agents, Tegucigalpa, Honduras, September 2010

⁶⁴ “Journalist murders spotlight Honduran government failures,” Committee to Protect Journalists, 27 July 2010.

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. These communities, long ignored and marginalized by the national governments, are able to receive a level of cash for social services that they were never able to get before. Roberto Orozco, an investigator with the Institute for Strategic Studies and Public Policy, a Nicaraguan think tank, said organized crime's biggest weapon is "their ability to pay in cash for services."⁶⁵

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 simply 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.⁶⁶

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.⁶⁷

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

⁶⁵ "Taller sobre Crimen Organizado y Gestión Local y Regional de la Seguridad Transfronteriza," IEEPP, July 2010.

⁶⁶ "Narco-comunidades se reparten la droga," La Prensa (Nicaragua), 4 June 2003.

⁶⁷ "Gangs in Central America," Congressional Research Service (CRS), 4 December 2009.

President 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.⁶⁸

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. 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.⁶⁹

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's murder and crime rates continued to rise.⁷⁰

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 US government figures.⁷¹ 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.

⁶⁸ One local political analyst suggested to the author that Lobo's intense focus on security in the 2006 campaign led to some weakness on economic issues in the minds of voters.

⁶⁹ Author interviews with local political officials, Tegucigalpa, Honduras, September 2010.

⁷⁰ The Merida Initiative and Central America: The Challenges of Containing Public Insecurity and Criminal Violence," Diana Villiers Negroponte, Brookings, May 2009.

⁷¹ "Honduras, pista perfecta para narcoavionetas," El Herald, 2 June 2009; Author interviews with local and foreign counterdrug agents, Tegucigalpa, Honduras, September 2010.

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 were 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's 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.⁷² 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.⁷³ 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. The political causes of the coup, which have been widely debated elsewhere, were the main reason the military unconstitutionally overthrew President Zelaya.

⁷² The Honduran military is required by the constitution to assist with elections.

⁷³ Honduran Vice President Elvin Santos had resigned his post to run for the scheduled presidential elections. He had beaten Micheletti in the Liberal Party primary vote earlier in 2009.

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 Honduras's military, they 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 Aristides told Reuters at the time that the Micheletti government didn't even have a strategy to fight organized crime.⁷⁴

The number of illicit flights with cocaine entering Honduran airspace, already quite high under the Zelaya administration, skyrocketed once Micheletti was named interim president.⁷⁵ 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.⁷⁶ 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.⁷⁷

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 1-2 per day.⁷⁸ 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 they 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 meant to place political and economic pressure on the interim government, cut resources for the fight against organized crime and gave the

⁷⁴ "Honduras cocaine flights leap after coup," Reuters, 13 October 2009.

⁷⁵ "Honduras since the coup: Drug Traffickers' Paradise," Marco Antonio Martínez García, CIP Americas, 31 August 2010; "Honduras cocaine flights leap after coup," Reuters, 13 October 2009.

⁷⁶ Author interviews with local and foreign counterdrug agents, Tegucigalpa, Honduras, September 2010.

⁷⁷ Local counterdrug officials interviewed in September 2010 suggested that the traffickers recently returned to their previous pattern of destroying the planes and hiding the remains rather than risking multiple runs with the same plane.

⁷⁸ Author interviews with local and foreign counterdrug agents, Tegucigalpa, Honduras, September 2010.

transnational criminal organizations free reign to operate. Investigators within the Fiscalía 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 Guzman through their territory.⁷⁹

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.⁸⁰

In 2009, the US cut off \$32.7 million in assistance to Honduras, including \$11 million in security assistance due to the coup.⁸¹ The US military, which maintains about 600 military personnel at the Soto Cano Air Force Base, cut off joint military activities and some military assistance. However, they 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 US cancelled the planned use of Soto Cano for the Panamax 2009 military exercises, which led to the Hondurans withdrawing from the event.⁸²

The cutoff of US 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 drug trafficker movements between Honduras and its neighbors as well as Honduras and the US was reduced. Officials commenting from both the US 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 info that did not run through the formal channels that were cut off by the events in June 2009.⁸³

US 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.

⁷⁹ "Peligro de seguridad nacional que el "Chapo" Guzmán esté en Honduras," La Tribuna, 23 February 2010.

⁸⁰ Comisionado Nacional de los Derechos Humanos (CONADEH) report to Congress, October 2010.

⁸¹ "Honduran-U.S. Relations," by Peter J. Meyer and Mark P. Sullivan, Congressional Research Service, 18 June 2010.

⁸² Author interview with USSOUTHCOM Public Affairs Office, 2009.

⁸³ Author interviews with local and foreign counterdrug agents, Tegucigalpa, Honduras, September 2010; Author phone interviews with US military and counter-drug officials, September 2010.

Cooperation and information sharing between Honduran authorities and their counterparts in neighboring countries was also significantly reduced. Many officials previously in contact collaborate on counter-drug missions or investigations into organized crime were officially cut off from those communications. Investigations that required officials from both countries were halted, and time and momentum was lost.⁸⁴

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, have 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.⁸⁵ The Minister of Security, Oscar Alvarez, served

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. While not the only reason, 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 each other in Honduras and the transnational criminal organizations benefited.

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

Isolating anti-democratic governments, while it may place pressure on those regimes, 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 actions without also hurting the hemispheric fight against organized crime.

⁸⁴ Author interviews with local and foreign counterdrug agents, Tegucigalpa, Honduras, September 2010.

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 state, 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 they've 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 US 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.⁸⁶ According to interviews with police in the capital, the government's initial statistics, scheduled to release 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.⁸⁷

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 regarding military actions in a civilian government. Furthermore, some of the government's opponents worry 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 Aguan. During the Lobo government, the Movimiento de Campesinos del Valle del Aguán (MUCA), made up of about 3,000 families, has demanded their 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

⁸⁵ Author interviews with local and foreign counterdrug agents, Tegucigalpa, Honduras, September 2010.

⁸⁶ “Nuevo Gobierno Honduras busca aplacar violencia ligada al narco,” Reuters, January 28, 2010.

⁸⁷ Author interviews with Honduran police officials, Tegucigalpa, Honduras, September 2010.

very troubled by allegations the military had committed abuses in the region, and human rights groups denounced insinuations that landless groups were violent.⁸⁸

Beyond the human rights concerns common in Latin America where military have been tasked with functions usually reserved for civilian police⁸⁹, the recent coup in Honduras raises additional red flags for local civil society groups who are concerned the military operations against organized crime are at times targeting the political opposition or resistance.

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."

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. 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.⁹⁰ 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, creating 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 US 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

⁸⁸ "Preliminary Observations of the Inter-American Commission on Human Rights on its visit to Honduras," 15-18 May 2010.

⁸⁹ For more information on these criticisms, see "Preach What You Practice," WOLA, November 2010.

⁹⁰ <http://www.conadeh.hn/>

out all the bureaucratic difficulties of who receives financial or political credit for seizures or who can use or sell the items seized.⁹¹ 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.⁹²

Cooperation within the Honduran interagency bureaucracy is absolutely necessary, according to both Honduran and US officials interviewed. While Honduran officials were very positive about their ability to cooperate with each other, US 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 they have the equipment that civilian agencies including local police departments lack. However, this also raises questions into 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 Fiscalia investigators. They said the Navy's base in the Mosquitia region is the only permanent government presence and has an impact in deterring the trafficking by both sea and air in that area.⁹³ The Navy captures go-fast boats at sea and in 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 back 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.⁹⁴ The attorneys general in each country also want to unify investigations to avoid the situations in which gang members commit crimes in one country and flee to another country.

In mid 2010, President 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".⁹⁵ President Chinchilla of Costa Rica has also been vocal asking the US to create and fund a separate Central American counter-drug strategy. However, it's worth noting that efforts to coordinate counter-gang efforts

⁹¹ "Nueva ley de Bienes Incautados sigue inaplicable," La Tribuna, 28 July 2010.

⁹² Southern Pulse Network, 12 October 2010

⁹³ A 2007 budget document cited by Just the Facts suggests the US government helped fund the creation of a Honduran naval base in Mosquitia.

⁹⁴ "Security Tops Agenda at Central American Summit," AS-COA website, 20 July 2010.

⁹⁵ While the government of Mexico often avoids language that paints organized crime as a stability threat or insurgency, the governments of the northern triangle have been more willing to admit that the criminals threaten their governments at a very basic level.

have been on the table in Central America for several years and have 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.⁹⁶ 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.⁹⁷ Officials suggest that Colombia and the US 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 the creation of 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 issues related to the coup from both sides, but more leaning from the coup supporters than detractors, threaten to derail the idea of this organization before it begins.

The head of the CICIG has suggested that he is open to the idea of installing a similar organization in Honduras or El Salvador⁹⁸. However, he notes that the Guatemala situation is relatively unique and what works in Guatemala may not work in other countries, particularly as they are hesitant to hand over the authorities necessary. He also notes 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.

⁹⁶ Nicaragua did not attend the meeting and disputes whether Honduras was reincorporated without its approval. However, the other countries of Central America consider Honduras a full member.

⁹⁷ "Honduras conformará bloque multilateral contra los narcos," *La Tribuna*, 17 October 2010.

⁹⁸ "Los cárteles mexicanos están moviendo su dinero a Centroamérica," *El Faro* (El Salvador), 11 October 2010.

US assistance to Honduras

Through the Merida Initiative, the United States provided funds for security programs in Honduras. Over the course of 2010, the US government is transitioning its support to a program called the Central America Regional Security Initiative (CARSI).⁹⁹

According to the Congressional Research Service¹⁰⁰:

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 US and Honduran governments expressed frustration at “bottlenecks” in the aid process, but both indicated that they are working to resolve the issue.¹⁰¹

There is significant concern in the US that intelligence going to security forces across Central America, including Honduras, is being leaked to the DTOs. This concern creates some difficulties for US civilian and military forces wanting to provide assistance.

From the development side, USAID funds for Merida go to five areas: Community Gang Prevention; Rehabilitation; Community Infrastructure; Vocational Education; and Community Policing.¹⁰² 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.

⁹⁹ The US also provides significant economic and development aid and is a key trade partner for Honduras.

¹⁰⁰ “Honduran-U.S. Relations,” by Peter J. Meyer and Mark P. Sullivan, Congressional Research Service, 18 June 2010.

¹⁰¹ Author interviews with local and foreign counterdrug agents, Tegucigalpa, Honduras, September 2010.

¹⁰² USAID website: <http://www.usaid.gov/hn/merida.html>

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 US. 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 US on this issue is weak.

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

Additional examples of US support:

- The FBI is providing counter-kidnapping training.
- The US government is assisting in modern crime fighting techniques, including wiretapping of phones. While not in the public space, it is likely that the US has already 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 military has also resumed support to Honduras. With the US once again recognizing the Honduran government, General Douglas Fraser, the 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.¹⁰³

In April 2010 the countries renovated the Honduran naval base in Caratasca, La Mosquitia, and the U.S. offered four fast boats, valued at US\$2.6 million. On June 8, 2010, the United States 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 US and Honduras signed an accord that allows for joint operations between Honduran and US authorities and provides guidance about the jurisdiction for suspects arrested.

While it has benefited the fight against organized crime, this normalization of military relations, without reforms within the military to remove those who participated in the coup, has bothered many human rights and democracy advocates. Within the US

¹⁰³ "Joint Task Force-Bravo supports drug interdiction in Honduras," JTF-Bravo Press Release, 29 July 2010.

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 US Congress recommended a complete cut in assistance to Honduras.

Conclusion

Asked about the recent evolution of organized crime in Honduras, one US 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.

About the Author

James Bosworth is a freelance writer and consultant based in Managua, Nicaragua. Most recently, he has written reports on Latin American security and politics, radicalization and recruitment efforts by Al Qaeda online, and cybersecurity cooperation to combat botnets. In early 2010 he spent 60 days on board the USS Carl Vinson providing strategic communications and assessments support to the Carrier Strike Group as it traveled around the Western Hemisphere. Prior to freelancing, he was Associate for Communications at The Inter-American Dialogue and Director of Research at The Rendon Group. Over the past six years, in his free time, he has written Bloggings By Boz, where he provides daily analysis and commentary on Latin American politics and US foreign policy. He has a B.A. in Political Science and History from Washington University in St. Louis.

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