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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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Organized Crime In El Salvador: Its Homegrown and Transnational Dimensions¹

By Douglas Farah, Senior Fellow, International Assessment and Strategy Center for the Woodrow Wilson International Center for Scholars

Introduction

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

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

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

Yet today El Salvador is a crucial part of a transnational "pipeline" or series of overlapping, recombinant chains of actors and routes that transnational criminal organizations use to move illicit products, money, weapons, personnel, and goods. The results are devastating and wide-ranging in the Massachusetts-sized country,

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

² José Miguel Cruz, "The Peace Accords Ten Years Later: A Citizens' Perspective," in Cynthia J. Arnson, ed., *El Salvador's Democratic Transition Ten Years After the Peace Accord*, Woodrow Wilson International Center for Scholars, 2003, p. 14.

and are a key part of the crisis of governance and rule of law crippling the Central American region and Mexico.

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

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

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

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

In one recent incident that demonstrates the amount of money moving through the country, in September 2010 police investigators found two plastic barrels full of \$100 bills and Euro notes on a small farm outside the town of Zacatecoluca, in central El Salvador. The first barrel was reported to contain \$7,196,850 in U.S. dollars and 1,684,500 Euros, and the second barrel had a similar amount.⁷

³ Los Angeles Times Staff Report, "Salvadoran Leader Speaks of Criminal Gangs' Links to Drug Cartels," *Los Angeles Times*, September 11, 2010.

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

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

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

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

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

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

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

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

⁸ There are multiple studies on the number of homicides in the region, which vary slightly in the exact numbers but arrive at the same general number. These studies show the homicide rate in El Salvador almost doubling from about 37 per 100,000 to about 71 per 100,000 in 2009. For official National Police statistics see: "Número de Víctimas y Tasas de Homicidios Dolosos en El Salvador (1999-2006)," Observatorio Centroamericano Sobre Violencia, accessed at: http://www.ocavi.com/docs_files/file_386.pdf, September 3, 2010. Also see: Edith Portillo, "Gestión de Saca Acumula 16 mil homicidios," *El Faro*, December 29, 2008; and "Crime and Instability: Case Studies of Transnational Threats," United Nations Office of Drugs and Crime, United Nations, February 2010. The figure on homicides among young people was taken from: Canwest News Service, "Latin America Has the Highest Homicide Rate for Young Adults in the World," November 26, 2008.

⁹ United Nations Development Program, "Central America: Respect for the rule of law is most effective remedy against violence," October 20, 2009, accessed January 25, 2011 at: <http://content.undp.org/go/newsroom/> The report concluded that Central America as a region averaged 33 homicides per 100,000 people in 2008, making it the region of the world with the highest levels of non-political crime. See: UNDP, "Abrir Espacios a la Seguridad Ciudadana y el Desarrollo Humano," *Informe sobre Desarrollo Humano Para América Central 2009-2010*, pp. 68-70, accessed January 25, 2011 at: http://economiccluster-lac.org/index.php?option=com_content&view=article&id=170&Itemid=56&lang=es

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

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

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

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

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

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

¹⁰ Alex Renderos, "16 Killed in Salvador Bus Attacks," Los Angeles Times, June 21, 2010.

¹¹ EFE News Agency, "Salvadoran Signs Tough Anti-Gang Measure Into Law," September 10, 2010.

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

¹³ Opening Remarks of Rep. James P. McGovern at the Woodrow Wilson International Center for Scholars for the forum "The Funes Administration: The First Year in Office," June 25, 2010.

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

The Enduring Transnational Pipelines and the Role of Geography

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

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

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

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

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

¹⁶ Author interviews with members of the Communist Party and active members of the Posada Carriles group, El Salvador, March and August 2010. For a more complete look at the PC structure left intact see: José de Cordoba, “The Man Behind the Man,” *Poder 360 Magazine*, April 2009.

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

These groups, often taking over the leadership of local gangs that were forming at the time, immediately provided a new level of sophistication and brutality to several other types of existing criminal activities run by the gangs and smaller criminal bands, some of which had been operational for years and had proven to be lucrative. The primary activities were human trafficking, as El Salvador was a hub not only for its own citizens seeking to enter the United States illegally, but was central to almost all regional trafficking activities. The groups also began to take over kidnapping rings, weapons trafficking operations and trafficking in stolen vehicles, giving them an economic base from which to grow.¹⁷

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

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

But further investigations showed that while PC operatives carried out the abduction (and several others, including several in Brazil), the kidnapers were in fact working on behalf of wealthy right-wing businessmen who provided payment, safe houses and muscle from their own armed groups.¹⁹ The precise motive of the kidnapping remains unclear, but sources close to the case believe it was carried out for a combination of political and economic reasons. Over time these criminal

¹⁷ For example, in several cases by the mid-1990s, members of elite military and FMLN units had worked together to take over the often small-time and disorganized gangs in certain parts of San Salvador, and greatly enhanced the criminal capacity of those groups. For a full discussion of this issue see: Douglas Farah and Tod Robberson, "U.S.-Style Gangs in El Salvador," Washington Post, Aug. 28, 1995. p. A01.

¹⁸ Juan O. Tamayo, "Left-Right Distrust Festers in a 'Pacified' El Salvador, Miami Herald, November 12, 1997.

¹⁹ Author interviews with Salvadoran and U.S. investigators.

elements formed the backbone of the main organized crime groups that would come to dominate in El Salvador, controlling the trafficking of cocaine, weapons, illegal immigrants, stolen cars and other items.

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

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

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

Another important element retained by both sides of the conflict are still-functioning intelligence networks, particularly in the new police force, where both the old guard of the security forces and many of the FMLN recruits retained a loyalty to their old organizations rather than to the new institution. While the government formed a new, centralized intelligence structure after the signing of the peace accords in 1992, sources with direct involvement in the field say it has far fewer resources to work with than the private networks. Sources with direct knowledge of

²⁰ *Transportistas*, or transporters in English, generally refers to home grown organized crime groups that have specialized in transporting or moving illegal goods and contraband within and amongst Central American countries.

²¹ For a more complete look at the division of labor among the drug trafficking groups see: Steven S. Dudley, "Drug Trafficking Organizations in Central America: *Transportistas*, Mexican Cartels and Maras," Woodrow Wilson International Center For Scholars, Mexico Institute and University of San Diego Trans-Border Institute, May 2010.

intelligence operations said that the FMLN party largely relies on Cuban intelligence services for training and Venezuela for ample funding, while the old guard of the radical right maintains a sophisticated intelligence structure built on Cold War alliances. Both groups reportedly have more resources and capacity than the government agency.²²

The interconnectedness of the organized crime groups in the region was exposed in the gruesome February 2007 murder of three Salvadoran representatives to the Central American Parliament as they drove to Guatemala City to attend a meeting. The bodies of the three parliamentarians and their driver were burned, as was their vehicle, at a farm inside Guatemala, just off the main highway. Within a few days four Guatemalan policemen were arrested for the crime, which authorities said was a case of mistaken identity, where the politicians were mistaken for drug traffickers. But the Guatemalan policemen were themselves murdered inside a high security prison before they could testify.²³

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

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

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

²² Author interviews in San Salvador, El Salvador, 2010.

²³ Hector Tobar and Alex Renderos, "Guatemala Killing Inquiry Hits Snag: U.S. Officials Say the Investigation Into the Slaying of Three Salvadoran Lawmakers has Been Mishandled," *Los Angeles Times*, July 26, 2007; and Manuel Foig-Franzia, "Linked Killings Undercut Trust in Guatemala: Culture of Corruption, Impunity Exposed," *Washington Post*, March 23, 2007.

²⁴ Tobar and Renderos, op cit.

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

Groups on the far right, particularly the non-state actors, primarily moved their supplies from across the Guatemalan border, where like-minded groups operated. Like the FMLN, they built an extensive international support network with military dictatorships in Latin America and the wealthy exile communities of Nicaraguan, Cuban and Central American expatriates, mostly living in Miami.²⁵

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

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

The Rise of Gangs and the Changing Alliances

²⁵ Among the ample historic documentation of these ties, one of the most comprehensive is: Scott Anderson and Jon Lee Anderson, *Inside the League: The Shocking Expose of how Terrorists, Nazis, and Latin American Death Squads of Infiltrated the World Anti-Communist League*, Dodd Meade, 1986.

²⁶ According to multiple U.S. and Colombian government reports and international studies, the FARC produces more than half of the world's cocaine, and is the primary supplier of cocaine to the U.S. market. See: Federal Bureau of Investigation, "Top FARC Associate Sentenced to 29 Years in Prison for Conspiring to Import Tons of Cocaine to the United States," U.S. Department of Justice, August 17, 2010.

²⁷ Author interview in San Salvador, August 11, 2010.

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

While there are many dozens of gangs that have tens of thousands of members, the largest two by far, responsible for the vast majority of the violence as well as ties to organized criminal organizations are the *Mara Salvatrucha* (MS 13) and the *Calle 18* gangs. Their power derives in part from their ruthlessness but also because of their truly transnational reach, operating not only in El Salvador, Guatemala and Honduras, but across hundreds of cities in the United States. The FBI estimates that just the MS 13 operates in 42 states and has 6,000 to 10,000 active members in the United States.²⁹

²⁸ In this paper I will use the model of gangs developed by John Sullivan of First, Second and Third Generations. First generation gangs are defined as turf organizations that "engage in opportunistic crimes, and are more market-focused." Second generation gangs expand on that, but expand to a national level and occasionally engage with transnational criminal groups. Third generation gangs are "internationalized, networked and complicated structures that sometimes evolve political aims" and work with transnational criminal organizations. Definitions and quotes taken from: John P. Sullivan and Adam Elkus, "Global Cities, Global Gangs," Open Society Net, December 2, 2009, accessed at: <http://www.opendemocracy.net/printpdf/49300> on September 6, 2010.

²⁹ Federal Bureau of Investigation, "The MS-13 Threat: A National Assessment," January 14, 2009, accessed at: http://www.fbi.gov/news/stories/2008/january/ms13_011408.



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

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

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

In this time period, the primary function of the gangs was to protect cocaine shipments from Colombian drug trafficking organizations as they traveled by land across Central America. Often the Mexican drug traffickers accept the handover of

³⁰ For a more comprehensive look at how the gangs developed, see: Ana Arana, "How Street Gangs Took Central America," *Foreign Affairs*, May/June 2005; and: Clare M. Ribando, "Gangs in Central America," Congressional Research Service, August 2, 2007.

the cocaine in El Salvador, and then move the product north through Guatemala, Mexico and into the United States. The gangs often also exchanged weapons left over from the war, or stolen cars, with the different cartels in exchange for a small percentage of the cocaine.³¹

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

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

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

President Funes acknowledged this transformation, saying

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

³¹ Farah and Robberson, op cit.

³² U.S. Agency for International Development, "Central America and Mexico Gang Assessment," USAID Bureau for Latin American and Caribbean Affairs, Office of Regional Sustainable Development, April 2006.

³³ Los Angeles Times Staff Writers, op cit.

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

The Perrones and the Penetration of the Political Structures

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

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

Ecuador is an increasingly important production center for HCL (refined cocaine), particularly the HCL produced by the FARC, which operates extensively along the Colombia-Ecuador border in the Putumayo-Sucumbíos region. In addition to the FARC, other smaller organizations also have important HCL laboratories in the area. Because of the relative ease of accessing the Pacific coast routes from Ecuador, the Mexican cartels are increasingly picking up the HCL in Ecuador and moving it up the Pacific coast to El Salvador and elsewhere.³⁶

³⁴ While there is broad agreement that the transnational gangs work closely with Mexican and other multinational drug trafficking organizations, the characterization of that relationship is the subject of much debate. The USAID study (USAID, op. cit.) characterizes the senior gang membership as working directly with Mexican drug trafficking organizations in an integrated, organic way, the conclusion supported by my field research. However, other respected investigators say the intersection of interests and a working relationship does not constitute an organic link. See, for example: Jaime Marínez Ventura, "Maras En El Salvador y Su Relación con el Crimen Organizado Transnacional," Programa de Cooperación en Seguridad Regional, Friedrich Ebert Stiftung, Policy Paper 31, November 2010.

³⁵ Nick Miroff and William Booth, "Mexican Cartels Bring Violence With Them in Move to Central America," *Washington Post*, July 27, 2010, p. A01.

³⁶ This information was obtained in interviews with senior police officials and Central American intelligence officials, as well as in a confidential Salvadoran police analysis obtained by the author. For a detailed look at the drug trafficking operations through Ecuador see: Douglas Farah and Glenn

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

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

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

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

"They (*Perrones*) have become very economically powerful and now, in parts of the country, the political system is relying on them," said one senior police official who has investigated the group. "They are trying to become mini Mexican cartels. Culturally, they are very close to the Mexicans."³⁸

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

The trafficking of drugs represented in many ways an easy expansion of these long-time illicit transportation pipelines, where the protection of customs officials and

Simpson, "Ecuador at Risk: Drugs, Thugs, Guerrillas and the Citizen's Revolution," International Assessment and Strategy Center, February 2010.

³⁷ Author interviews in El Salvador, March and August 2010.

³⁸ Author interview in El Salvador, April 29, 2010.

local law enforcement was already established. The addition of cocaine to the pipeline added orders of magnitude to the profits for all involved but represented relatively little risk to the transporters.

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

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

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

In one case that became public, the attorney general's office said the owner of a large car sale business in San Miguel gave cars to a PCN member of the National Assembly that were used to bribe at least 10 local mayors and other officials. Investigators said they found the business claimed to have done \$13.2 million worth

³⁹ "Confirman Captura de Jefe de los Perrones," *ContraPunto*, May 6, 2009, accessed at: http://www.contrapunto.com.sv/index.php?option=com_content&view=arti...ra-de-jefe-de-qlos-perronesq&catid=47:politica-nacionales&Itemid=57

⁴⁰ Godofredo Miranda was also named by Rep. James McGovern (D-Mass) as a possible accomplice in the April 1999 murder and rape of a 9-year-old girl, Katya Miranda, who also requested that President Funes investigate the *Perrones* for possible involvement in the November 2004 murder of U.S. Teamster labor organizer Gilberto Soto. McGovern's June 8, 2009, private letter to Funes requesting further investigations into these cases was leaked to the Salvadoran press and reported widely but not released by McGovern. According to Salvadoran investigators, Soto, who was organizing truck drivers in and around the port of Usulután, was killed because he stumbled on the *Perrones* drug operations in the port warehouses and their use of tractor trailer trucks to move cocaine. For more on the ongoing investigation into Miranda, see: Equipo de Nación, "Inspectoría Continúa Indagando a Ex-Jefe DAN," *La Prensa Gráfica*, August 31, 2010. The PNC has failed in numerous past attempts to build effective anti-drug units and has undergone several major reorganizations in an effort to end corruption and increase effectiveness.

⁴¹ Confidential internal police report in possession of the author.

of business but could only account for about \$30,000 of that amount.⁴² The flow of funds was allegedly used to bribe officials to allow the unmolested transport of drugs through their regions as well as to launder the proceeds.

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

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

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

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

However, there are indications that the upper level gang leadership is being targeted for recruitment by the *Zetas* because of their ruthlessness and their usefulness as enforcers. In addition, they provide a web of contacts, markets and security arrangements on the U.S. side of the Mexico-U.S. border to which the *Zetas* would not otherwise have access. Intelligence officials said the *Zetas* have not

⁴² Equipo de Nación, "FGR: Los Perrones Dieron Autos a Silva Para Pagar Sobornos," *La Prensa Gráfica*, May 28, 2010.

⁴³ "Confirman Captura de Jefe de los Perrones," op. cit., and Dudley, op. cit.

⁴⁴ "Los Perrones Habrían Lavado Dinero de Narcos Mexicanos," *El Diario de Hoy*, May 3, 2009.

⁴⁵ See for example: "Juez Libera a Acusados Vinculados a Los Perrones," *El Salvador Ahora Periódico Digital*, August 31, 2010, accessed at: <http://www.elsalvadorahora.net/2009/12/20/el-salvador-juez-libera-a-acusados-vinculados-con-los-perrones/>

established a permanent presence in El Salvador but have key people in Guatemala that they send in regularly.⁴⁶

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

Moving the Drugs and Money

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

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

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

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

⁴⁶ Author interviews with Salvadoran and Mexican intelligence officials, 2010.

⁴⁷ Author interviews. See also: "Investigan a ex-captián Ligado a Los Zetas y Pandillas," *El Diario de Hoy* (El Salvador), October 11, 2010, which describes the activities of a special forces captain who recruits for the *Zetas*.

⁴⁸ Author interviews with Colombian, Mexican, and Salvadoran intelligence officials, 2010.

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



Figure 2: Semi-Submersible Detected by U.S. Coast Guard

Admiral James Stavridis, when he was head of the U.S. Southern Command, responsible for Latin America, described semi-submersibles as

....a new and dangerous threat technology, vessels that can carry drugs, terrorists or weapons of mass destruction to our shores.

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

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

*and generally unobserved at less than ten knots toward designated drop-off points.*⁵⁰

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

The cocaine is dropped in different safe havens along the Pacific coast, including Panama, Nicaragua, Costa Rica and El Salvador. Eventually the product is funneled into Guatemala and then Mexico. This has led to the lucrative trade in transporting the cocaine. For example, drivers carrying loads of cocaine from Nicaragua to Guatemala are reportedly paid about \$15,000 a trip by the Mexican organizations, and those who recruit the drivers are often given bonuses of \$5,000 per recruit. Each of the Mexican groups maintains its own group of drivers across Central America.⁵¹

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

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

The Communist Party and the FARC

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

The most notorious was the safe bunker holding thousands of false documents and other materiel operated by the PC and FPL factions of the FMLN in Managua,

⁵⁰ Admiral James Stavridis, "Semi-Submersibles: An Emerging Threat in the Americas," *Air & Space Power Journal*, July 1, 2008.

⁵¹ Elizabeth Romero, "Narcos Poseían Su Propia Red de Choferes," *La Prensa* (Nicaragua), August 17, 2010.

⁵² Author interviews with PC members, intelligence and law enforcement officials, in San Salvador in March and August 2010.

Nicaragua after the war ended and all sides were supposed to have demobilized. The bunker, hidden under a car mechanic's garage, was exposed when ammunition inside it exploded, ripping the top off.⁵³

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

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

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

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

⁵³ For details of this event see: "Managua Blast Rips Lid Off Secret Salvadoran Rebel Cache," The Washington Post, July 14, 1993, p. A01. Among the terrorists granted citizenship by the Sandinista government in 1990, just before losing the presidential elections, was Alessio Casimirri, who ran a popular Italian restaurant, Magica Roma, in Managua, despite being tied to the 1978 murder of Italian Prime Minister Aldo Moro. Several members of the Spanish ETA organization were deported, but several others who were most of those granted citizenship remain there.

⁵⁴ Author interviews with PC members in El Salvador, demobilized FARC combatants in Colombia and Sandinista members in Nicaragua.

⁵⁵ FARC Terrorist Indicted for 2003 Grenade Attack on Americans in Colombia," Department of Justice Press Release, September 7, 2004. accessed at:

http://www.usdoj.gov/opa/pr/2004/September/04_crm_599.htm;

Official Journal of the European Union, Council Decision of Dec. 21, 2005, accessed at:

<http://europa.eu.int/eurllex/>

[lex/LexUriServ/site/en/oj/2005/l_340/l_34020051223en00640066.pdf](http://europa.eu.int/eurllex/LexUriServ/site/en/oj/2005/l_340/l_34020051223en00640066.pdf).

⁵⁶ Although the authenticity of the documents captured has been publicly questioned by Venezuelan President Hugo Chávez, INTERPOL, the international police agency, examined the hard drives and found them to be authentic and untampered with by Colombian authorities. See: Juan Forero, "FARC Documents Authentic Interpol Finds," *Washington Post*, May 16, 2008.

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

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

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

During the war Merino commanded an elite urban commando unit that carried out several spectacular hits, including the 1989 assassination of attorney general Roberto García Alvarado. The assassination was carried out by men on a motorcycle who strapped an explosive to the roof of García's car, killing him while the assassins sped away unhurt.⁵⁹ The Salvadoran Truth Commission, which investigated the worst human rights abuses of the civil war as part of the peace agreements, did not name Merino but concluded the assassination was carried out by the armed branch of the PC.⁶⁰

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

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

⁵⁷ José de Córdoba, "Chávez Ally May Have Aided Colombian Guerrillas: Emails Seem to Tie Figure to a Weapons Deal," *The Wall Street Journal*, August 28, 2008.

⁵⁸ De Córdoba, *Ibid.*

⁵⁹ For details of Merino's alleged ties, see: José de Córdoba, "The Man Behind the Man," *Poder 360 Magazine*, April 2009; Douglas Farah, "The FARC's International Relations: A Network of Deception," NEFA Foundation, September 22, 2008; José de Córdoba, "Chávez Ally May Have Aided Colombian Guerrillas: Emails Seem to Tie Figure to a Weapons Deal," *op. cit.*

⁶⁰ Belisario Betancur et al, "From Madness to Hope: The 12-year War in El Salvador," Report of the Commission on the Truth for El Salvador, March 15, 1993, accessed January 26, 2011 at: <http://www.usip.org/files/file/ElSalvador-Report.pdf>

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

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

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

- 1) Yesterday I met two Australians who were brought here by Tino, thanks to the contact made by Ramiro (Salvador). We have been talking to them (the Australians) since last year.*
- 2) They offer very favorable prices for everything we need: rifles, PKM machine guns, Russian Dragunovs with scopes for snipers, multiple grenade launchers, different munitions...RPGs (rocket propelled grenades), .50 machine guns, and the missiles. All are made in Russia and China.*
- 3) For transportation, they have a ship, with all its documents in order, and the cargo comes in containers. The crew is Filipino and does not know the contents, with the exception of the captain and first mate. They only need a secure port to land at.*
- 4) They gave us a list of prices from last month, including transportation. They offer refurbished Chinese AKs that appear as used, but in reality are new, and were not distributed to the Chinese army, which developed a new line of weapons, for \$175. AK 101 and 102, completely new, for \$350. Dragunovs, new with scopes, \$1,200. RPG launchers for \$3,000 and grenades for \$80. They say they have a thermobaric grenade that destroys everything in closed spaces (like the bombs the gringos use against Al Qaeda (sic) hideouts) for \$800. Chinese missiles (which they say are the most up-to-date at this time) with a 97 percent effective rate, \$93,000, and 15,000 for the launchers. They say it is very easy to use, and they guarantee the training. If one of these missiles were identified inside Colombia it would cause them a lot of problems, but if, on the side they include old Russian SA-7 (shoulder-fired surface-to-air missiles) it would serve to confuse, mislead or at least give the impression that the guerrillas have weapons of different types, not just Chinese. The ammunition for AKs is 21 cents a round, but if we buy more than 3 million rounds, the price drops to 9 cents a unit.*
- 4) (sic) They promised to give us an exact price on other material. Two months ago they sent me a price list (very favorable, for example, a used .50 machine gun for*

⁶¹ José de Córdoba, "The Man Behind the Man," op. cit.

\$400, new for \$3,000), but I didn't take the list to the meeting place.

5) They do the purchasing without the need of a down payment, but when the merchandise is on the ship, they want 50 percent. When it is delivered they collect the other 50 percent. The money moves through a bank in the Pacific, in an independent country where they can move money without any questions being asked. Once the cargo is shipped it can take one month, or a month and a half to arrive in Venezuela. They said we could have a representative, it doesn't matter what nationality, on board the ship while it sails to its final destination.⁶²

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

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

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

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

The State Response and Human Rights Challenges

Since the 1990s different Salvadoran administrations have wrestled with how to control gang violence within the rule of law. Different versions of "*mano dura*," or "iron fist," policies have consistently failed to stem the rise in homicides, robberies and police corruption. President Funes, as noted earlier, recently criminalized the

⁶² The Reyes documents cited are in possession of the author.

⁶³ United States Department of State, *Country Reports on Terrorism 2008: Nicaragua*, April 30, 2009, accessed at: <http://www.unhcr.org/refworld/docid/49fac6b5c.html> and author interviews.

act of belonging to a gang and has deployed the military to help police regain control of the streets of the capital and other major cities, and expanded the military's powers to carry out searches and arrests. During his presidential campaign Funes and the FMLN had condemned similar policies proposed by ARENA. The military deployment was authorized to last until June 2011, at a cost of some \$10 million.⁶⁴

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

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

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

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

*Substantial corruption in the judicial system contributed to a high level of impunity, undermining the rule of law and the public's respect for the judiciary. Inadequate government funding of the PNC, combined with intimidation and killing of victims and witnesses, made it difficult to identify, arrest, and prosecute perpetrators of human rights abuses and other crimes, thus diminishing public confidence in the justice system.*⁶⁷

Much of the criticism has centered on the office of attorney general, (*Fiscalía General de la República-FGR*), long a stronghold of the conservative ARENA party. The *fiscal* is named by the National Assembly, usually after much political negotiation, because to be named, the nominee must receive two-thirds (56 of 84) votes. Because of the

⁶⁴ Sonja Wolf, "Public Security Challenges for El Salvador's First Leftist Government," *North American Congress on Latin America*, July 17, 2010.

⁶⁵ Amnesty International, "Amnesty International Criticizes El Salvador for Using Anti-Terrorism Laws to Punish Social Protesters," July 18, 2007.

⁶⁶ Wolf, *op. cit.*

⁶⁷ United States Department of State, *2009 Country Report on Human Rights: El Salvador*, March 11, 2010.

delicate balancing act that leads to the deals for the naming of the *fiscal* it is almost impossible to remove the official without time consuming and difficult horse trading.

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

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

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

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

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

⁶⁸ Author interviews, March and August 2010.

⁶⁹ Opening Remarks of Rep. James P. McGovern at the Woodrow Wilson International Center for Scholars, op. cit.

⁷⁰ Blanca Abarca, "Inspectoría de PNC Reporta 167 Agentes Detenidos por Diferentes Delitos," *La Prensa Gráfica* (El Salvador), August 30, 2010.

⁷¹ Gerardo Arbaiza, "Cotto: 'El CortoPlacismo No Es lo que va a Privar Con Nosotros,'" *ContraPunto*, June 17, 2009.

The Mérida Initiative and the Central America Regional Security Initiative (CARSI)

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

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

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

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

- Create vetted police units to work with the U.S. Drug Enforcement (DEA) in complex, multinational investigations into drug trafficking and money laundering cases. The aid includes investigative equipment and training for the unit.
- Improved Policing/Police Equipment program to address basic transportation and communications needs, along with computer, and narcotics detection equipment.
- Enhance the Transnational Anti-Gang Initiative (TAG) by providing technical expertise and specialized equipment such as computers, software, protective gear, radios, and vehicles to law enforcement agencies. The funding will support the deployment of FBI agents not only to El Salvador but also to Guatemala and Honduras;
- Support the International Law Enforcement Academy (ILEA) in El Salvador, which provides training and technical assistance, supports institution building and enforcement capability, and fosters relationships of American law enforcement agencies with their counterparts in the Central American region.

⁷² Government Accountability Office, "Mérida Initiative: The United States Has Provided Counternarcotics and Anticrime Support but Needs Better Performance Measures," GAO-10-837, July 2010. The seven countries are Guatemala, Belize, El Salvador, Honduras, Costa Rica, Panama and Nicaragua.

⁷³ Author interviews, San Salvador, March and August 2010.

- A program to improve Salvadoran prison management, considered a crucial vulnerability in establishing the rule of law, given the endemic corruption in the prison system that allows detained gang leaders to continue to run their operations while serving time.⁷⁴

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

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

Police officials and senior government officials said that, while the CARSI money was an important symbolic gesture, it was a virtual drop in the bucket when compared to the needs. Several expressed the unlikely hope that aid levels would be significantly increased in coming years.

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

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

The Reyes documents and multiple ongoing investigations indicate that remnants of one-time revolutionary movements have formed a new alliance to engage in criminal activities that pass through El Salvador, using long-established clandestine networks. The *Perrones* case shows that other criminal organizations with close ties to the Mexican drug cartels have gained significant access to the traditional political

⁷⁴ United States Department of State, "The Mérida Initiative: Project Descriptions in El Salvador," Embassy of the United States in El Salvador, November 2009, accessed at: <http://sansalvador.usembassy.gov/news/2009/special/merida/pro> on August 31, 2010.

⁷⁵ Author interviews and Wolf, op. cit.

power structure in El Salvador controlled by the right, as well as the police and the judiciary. The structures, with political protection across the political spectrum, traffic not just in cocaine, but in human beings, weapons, stolen cars, exotic animals, bulk cash and many other projects.

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

Given the current level of penetration of organized crime in the political, judicial and law enforcement structures of El Salvador, the situation is unlikely to improve in the short term. As Mexican cartels, under pressure at home, push further south from their traditional homes, the local groups will likely gain resources and strength, as well as added incentive to wage warfare among themselves for added territory.

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

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

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

El Salvador's transnational organized criminal phenomenon and collateral local crime and gang-related violence pose a significant threat to the nation's democratic

⁷⁶ See SICA website; <http://www.sica.int/>

governance and state legitimacy. The overwhelming problems must be faced at the state level, but also within the deteriorating regional context. The criminal structures in Mexico, Honduras, and Guatemala all have a significant impact on El Salvador, as El Salvador's structures have an impact on the other nations.

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