What is the nature of this market?

The history of cocaine trafficking from South America to the United States has been well documented. The flow peaked in the 1980s. During most of this time, Colombian traffickers dominated the market, and they often preferred to use the Caribbean as a transit area. Due to vigorous law enforcement, the Colombian groups were weakened in the 1990s, and Mexican groups progressively assumed control of most of the trafficking chain.

As a product of this shift, an ever-increasing share of the cocaine entering the United States did so over the southwestern land border. Initially, direct shipments to Mexico were favoured, with stopovers in Central America largely limited to refueling. After 2000, and especially after 2006, law enforcement increased the risks of shipping directly to Mexico. Consequently, Central America took on new importance as a transit and storage area, and parts of the Caribbean were reactivated.

This can be seen in the seizure figures. In the mid-1980s, over 75% of the cocaine seized between South America and the United States was taken in the Caribbean, and very little was seized in Central America. By 2010, the opposite was true: over 80% was seized in Central America, with less than 10% being taken in the Caribbean. The bulk of the cocaine seized in recent years in the Caribbean has been taken by the Dominican Republic, which is also a transit country for the European market.

How is the trafficking conducted?

Despite reductions in production, the latest cocaine signature data indicates that most of the cocaine consumed in the United States comes from Colombia. The Colombian government has been extremely successful in disassembling the larger drug trafficking organizations, and this has changed the nature of the market in the country. While large groups like the Rastrojos and the Urabeños exist, they are not powerful enough to threaten the state or eliminate all interlopers. Rather, a free market exists in which a wide range of players can source cocaine, and this is manifest in the diversity of trafficking styles and techniques.

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30 The Dominican Republic is by far the most frequent source of cocaine courier flights to European destinations, and has recently been the source of some large maritime shipments destined for Valencia, Spain.

31 United States Cocaine Signature Program
Focused law enforcement in Colombia has also reduced the number of shipments departing directly from the country. Shipments by air mostly take off just across the border, in Venezuelan territory. Shipments by sea are increasingly embarking from Ecuador on the Pacific and the Bolivarian Republic of Venezuela on the Atlantic. Until 2009, a large share of the flights were destined for the Dominican Republic, but much of this air traffic appears to have been re-routed to Honduras after 2007, particularly following the Zelaya coup in 2009. The use of aircraft, previously largely reserved for short hops to the Caribbean, has also increased. Light aircraft such as the Cessna Conquest and the Beechcraft Duke seem to be preferred, but larger aircraft have been detected. They may make several short hops between remote areas in Panama, Costa Rica, Nicaragua, Honduras, and Guatemala. These areas are often not accessible by road, and so rely on small airstrips or jetties for all contact with the outside world. Using both light aircraft and go-fast boats, cocaine can be moved northward in an endless series of combinations, touching down in areas the police rarely visit.

Panama

It is very difficult to traffic large volumes of cocaine by land from Colombia, due to the Darien Strip, a near-impassible stretch of jungle between the country and Panama. To circumvent this barrier, some traffickers make the short sea voyage to Panama from the Golf of Uraba on the Atlantic (about 55% of the detected shipments) or Jurado on the Pacific (45%). Traffickers simply wait for a break in the security patrols before making the trip, using a wide range of sea craft. On the Pacific side, this can involve rather slow artisanal boats. Loads are consolidated in Panama, often in areas inaccessible by road, before being shipped further north.

Those who ply this leg are mainly Colombians and Panamanians, transportistas handling the cargo of others. The country serves as both a storage and re-shipment zone. Authorities estimate that perhaps 5% to 10% of the cocaine entering the country is consumed locally, but although Panama has the highest adult cocaine use prevalence in Central America (reported to be 1.2% in 2003), this is difficult to believe given the huge volumes transiting the country. Authorities also say as much as a third may eventually make it to Europe, often flowing via the Dominican Republic, although local police only detected five Europe-bound shipments in 2011. The bulk proceeds northward.

Larger shipments from the Bolivarian Republic of Venezuela and Ecuador also transit Panamanian waters. Panama routinely makes some of the largest cocaine seizures in the world. Between 2007 and 2010, around 52 tons were seized.

Cocaine from South America to the United States

per year—an average of a ton a week. Seizures in 2011 were about 35 tons, but given that United States consumption requirements are perhaps three times this, Panama’s seizures alone continue to represent a significant source of supply reduction. The loads also appear to have diminished in size recently, from tons to a few hundred kilograms, perhaps because traffickers can no longer afford losses that were previously acceptable.

**Costa Rica**

The next country on the journey north is Costa Rica. The number of direct shipments to Costa Rica has increased remarkably in recent years, and between 2006 and 2010, the country seized an average of 20 tons of cocaine per year, compared to five tons between 2000 and 2005. More recently, seizures have declined, but remain higher than before 2006. The decline in seizures is difficult to explain, as there does not appear to have been a commensurate reduction in the number of direct shipments to the country.

Drugs making landfall in Costa Rica are reshipped by land, sea, and air, with air becoming the predominant means in recent years. There have also been significant recent seizures (of amounts up to 300 kg) along the Panamanian Highway. Large seizures have been made in Peñas Blancas, the main border crossing point with Nicaragua in the northwestern part of the country. In the south, the strategic zone of El Golfito (the bay bordering Panama) and the border crossing point of Paso Canos are also used as storage points for shipments heading north.

In addition to the northward traffic, Costa Rica has long been a significant source of cocaine couriers on commercial flights to Europe. This prominence seems to have decreased in recent years, however.

Costa Rican coasts, both Pacific and Atlantic, are used by traffickers to transport larger quantities of cocaine, through...
go-fast boats coming from Colombian sea ports, or medium-sized boats (40 feet or less) and fishing vessels for shorter trips. The Gulf of Punta Arenas and Puerto Quepos on the Pacific coast are used as refueling stops for shipments coming from Colombia and Panama. Seizures have been made on the Atlantic coast at Puerto Limón, but they are fewer in number than on the Pacific coast. Talamanca, a remote area at the border with Nicaragua (and the region where 80% of Costa Rica’s cannabis is produced\textsuperscript{33}) is also believed to be used for trafficking smaller quantities of cocaine, with the involvement of indigenous communities.


**Figure 25:** Cocaine seizures in Costa Rica (kg), 2000-2011

**Figure 26:** Means of moving cocaine into Costa Rica (in percent of detected incidents), 2007-2010

Source: UNODC, elaborated from interviews in the region
Nicaragua

While Nicaragua seizes impressive amounts of cocaine, most of these seizures are made along the coasts, stretches of which (particularly the Región Autónoma del Atlántico Sur-RAAS/Región Autónoma del Atlántico Norte-RAAN areas) are under-developed. The country remains primarily a re-fuelling stop, and Nicaraguan traffickers are rarely encountered outside their home country. Coastal communities, including indigenous groups, provide logistic support to traffickers, one of the few sources of income in these isolated areas. Some may have a formal arrangement with a particular transportista network, while others may simply be capitalizing opportunistically from their geographic location.

Many of these more remote areas are serviced by small airstrips, since travel by road is impractical. These small strips, combined with those in similar areas in Honduras, allow cocaine to be moved northward in an almost endless set of combinations of air, land, and sea transport. Although most of the traffic is coastal, there does appear to be some inland flow along the rivers, some of which transit more than half the breadth of the isthmus.

The peripheral role Nicaragua plays in the trafficking is reminiscent of the role formerly played by Central America as a whole, and this has reduced the impact of the flow on the country. Crime hardly plays a role in the political life of Nicaragua, and its citizens are far more satisfied with their country’s security posture than those in neighbouring countries. Murder levels, though elevated, are stable.

El Salvador

El Salvador remains something of a puzzle. The authorities claim that very little cocaine transits their country, because they lack an Atlantic coast and pose few advantages over countries further north. It is also true that El Salvador is the most densely settled country in the region, reducing the opportunities for clandestine airstrips and remote maritime landings. Radar data suggest very few shipments from South America proceed directly to El Salvador. Still, given the fact that it borders both Honduras and Guatemala, it seems likely that more cocaine passes through the country than is sometimes claimed. This is suggested by the September 2011 addition of El Salvador to the list of Major Illicit Drug Transit countries by the United States Government.34

34 By Presidential Memorandum (Presidential Determination No. 2011-16) dated 15 September 2011.
Cocaine seizures are typically among the lowest in the region, certainly on a per capita basis. The anti-narcotics division seized less than seven kilograms in 2011, while the United States estimates that four tons of cocaine transited the country that year. This is a product of the fact that large seizures are rare, and that seizures of any size are made rarely – less than 130 seizures were made in 2010. The police report that only “ant traffic” passes through the country, with most shipments smaller than two kilograms. Many of these seizures are made at El Amatillo, where the Panamerican Highway crosses from Honduras into El Salvador, the single best-controlled border crossing in the country. At other border points, the police admit seizures occur only with “flagrant” violations.

Given these conditions, it is not surprising that several prominent transportista networks have been uncovered. The Perrones network ran cocaine from one end of the country to the other, with separate groups handling trafficking in the east and west of the country. Although no seizures were ever linked back directly to Reynerio Flores, it is unlikely he dealt in quantities of less than two kilograms.

The Texis investigation, reported by journalists from the on-line periodical El Faro, revealed a route whereby cocaine is flown to rural Honduras or Nicaragua, and then flown deeper into Honduras. It is then driven by road to El Salvador, where Salvadoran traffickers bring it across the northwestern corner of the country into Guatemala. This flow, protected by high-level corruption and without direct connections to violence, may have been tolerated for years, and there does not appear to be an active investigation today.

36 ARQ 2010

Source: UNODC, elaborated from interviews in the region
The cocaine that enters the domestic market is believed to be the product of “in kind” payment to transportista networks. Many seizures of small amounts of crack are evidence of this domestic market. Police claim that there is a cocaine shortage in El Salvador, and that cocaine actually travels back into the country from Guatemala. This is demonstrated by the fact that prices for cocaine are often higher in El Salvador than in Guatemala, although there does not appear to be systematic price data collection.

The case of Juan María Medrano Fuentes (aka “Juan Colorado”) demonstrates that commercial air couriering also takes place. Until 2009, he ran a network of people travelling three or four times a week carrying “nostalgia” items to the Salvadoran expatriate community in the United States, such as local cheese and bread. They were also reportedly carrying cocaine.¹³⁷

There are also patterns of violence that are difficult to explain except in terms of the drug trade. The violence is particularly intense in the west of the country, especially along several transportation routes radiating from the coast and the borders. This concentration is suspicious, especially given that it affects some lightly populated areas with relatively low crime rates overall.

Cocaine as well as methamphetamine precursor chemicals have been detected entering at the port of Acajutla on their way to Guatemala, which is a short drive away through an under-manned border crossing. This port is ideally situated for traffickers looking to import discretely and cross an international border quickly to evade detection. It is also one of the more violent areas of the country, and one of the few areas where it is alleged that certain mara members are involved in cocaine trafficking.

Honduras

Today, Honduras represents the single most popular point of entry for cocaine headed northward into Guatemala.

Honduras has a long history as a transit country, including during the Civil Wars of the 1970s and 1980s, when it represented a relatively safe means of getting cocaine to Mexico through a dangerous region. Its use has waxed and waned over time, but it is greater today than ever before.

Direct cocaine flows to Honduras grew significantly after 2006, and strongly increased after the 2009 coup. In particular, air traffic from the Venezuelan/Colombian border, much of which was previously directed to Hispaniola, was redirected to airstrips in central Honduras. According to the United States government, roughly 65 of the 80 tons of cocaine transported by air toward the United States lands in Honduras, representing 15% of United States-bound cocaine flow.³⁸ Almost as much is moved to

the country by sea. It takes just six hours by go-fast boat to cross from Colombia to Honduras, and the brevity of this route also allows the use of submarines. In the last year, at least four submarines were detected around Honduras, and seizures from just two of them amounted to about 14 tons of cocaine.

Flights depart from the Venezuelan/Colombian border heading north, before banking sharply and heading for Honduras. Maritime shipments may unload at Puerto Lempira, or another remote area of Honduras or northern Nicaragua, before being flown further north in small aircraft to other coastal areas, islands, or the provinces of Olancho and Colón, or even into Guatemala. Once on land, the drugs cross the border at both formal and informal crossing points, although the formal crossings are generally more convenient for the larger loads.

Figure 28: Clandestine airstrips detected in Honduras, February-March 2012

<table>
<thead>
<tr>
<th>Olancho</th>
<th>Colón</th>
<th>Gracias a Dios</th>
<th>El Paraiso</th>
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<tbody>
<tr>
<td>25</td>
<td>15</td>
<td>12</td>
<td>10</td>
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Source: Armed Forces of Honduras

The new “plazas”

Some of the most dangerous places in Central America lie in a swath running between the northwestern coast of Honduras and southwestern coast of Guatemala. There are hundreds of informal border crossing points between the two countries, but, due to corruption and complicity, it appears that most cocaine crosses at the official checkpoints, such as Copán Ruinas/El Florido (CA-11). Municipalities on both sides of the border are afflicted with very high murder rates, which is peculiar given that these are mostly rural areas. Given the competition between groups allied to the Zetas and the Cartel del Pacífico, it is highly likely that these deaths are attributable to disputes over contraband and trafficking routes.

Map 7: Cocaine trafficking routes in Honduras

Source: UNODC, elaborated from interviews in the region and national police data

*Selected among the municipalities with highest homicide rates (<100 homicides per 100,000 population)

Map 8: Cocaine trafficking routes in Guatemala

Source: UNODC, elaborated from interviews in the region and national police data

*Selected among the municipalities with highest homicide rates (<100 homicides per 100,000 population)
Guatemala

When it comes to Central American cocaine trafficking, all roads lead to Guatemala.

Traditionally, the country has been divided cleanly between supply routes to the Cartel del Pacífico, which remains close to the Pacific coast and departs the country primarily from San Marcos, and those that supply the other groups, which skirt the north of the country and leave through Petén.

Three seismic shifts appear to have precipitated the present crisis. One is downward pressure from the Mexican security strategy, which has virtually suspended direct shipments to Mexico and forced as much as 90% of the cocaine flow into the bottleneck of Guatemala. The second was the breakaway of the Zetas from its parent, the Gulf Cartel. And the third was the massive increase in direct shipments to Honduras.

Suddenly, dramatically increased volumes of cocaine were crossing the border between Honduras and Guatemala, greatly increasing the importance of the reigning crime families there. As discussed above, the Mendoza crime family in the north is currently aligned to the Cartel del Pacífico and the Lorenzanas in the south are aligned to the Zetas, which could create considerable friction as trafficking routes intersect. The situation is complicated by the geography of Guatemala, which does not allow a road directly north from the Honduran border. Between the border and Petén lies the Parque Nacional Sierra de la Minas and Lake Izabal. To continue northward, one must go east or west along CA-9:

- To the west, through Cobán, Alta Verapaz
- To the east, passing close to Morales, Izabal

The Zetas worked with local allies to secure control over Cobán, causing the President to declare a state of emergency in 2011. This temporary pressure may have encouraged the Zetas to try the eastern route, but this runs directly into Mendoza territory, turning northward not far from their family home in Morales. All this seems to have contributed to making the border area one of the most violent areas in the world.

Belize and the Caribbean

Belize has long been a secondary route for cocaine, and has diminished in popularity since 2006. The country has participated in some important seizures, but most years, the annual take is limited to some tens of kilograms. While the country is highly vulnerable to trafficking groups with access to resources exceeding national GDP, northward movement is limited essentially to one road, with bottlenecks at Belize City and Orange Walk. It is believed that the Zetas are active in Belize, and seizures close to the border in Mexico indicate increased trafficking. Some of this cocaine may be entering from Guatemala in the north of the country, crossing at Melchor de Mencos to Belize City.

Opium poppy – Guatemala’s drug crop

While methamphetamine looms as a possible second, at present the only drug produced in Central America for export is opium poppy grown in western Guatemala. The United Nations has never conducted a survey of the extent of opium poppy cultivation in the area, but eradication reported by the government suggest a growing problem. Between 2007 and 2011, poppy eradication in Guatemala tripled, from less than 500 hectares eradicated in 2007 to more than 1500 hectares in 2011. Eradication is concentrated in two departments and four municipalities in the western part of the country: San Marcos (Ishiguán, Sibinal, Tajumulco) and Huehuetenango (Cuilco). The Cartel del Pacífico is the group most associated with heroin trafficking, and San Marcos is home to its ally, Los Chamales.

Since 2007, Guatemala has surpassed Colombia with regards to opium poppy eradication and is now second only to Mexico. According to the Ministerio de Gobernación, the eradication only represents 10% of the cultivation, which would suggest a total area of cultivation of approximately 15,000 hectares, close to the estimated opium poppy-growing area in Mexico. Lack of clarity around the cultivation area, yields, and quality makes any estimate highly dubious. It is also unclear where this output would be consumed. In the past, opium was trafficked across the border for processing, as evinced by the seizure of opium poppy capsules in transit. But today, it seems likely that some heroin is made in Guatemala, particularly given the increased seizures of precursor chemicals.
The Caribbean used to be the primary conduit for cocaine trafficking to the United States, and there is always the risk that it could become so again. Enhanced monitoring of both air and sea traffic along the United States coastline has made this more difficult than in the past, however. The Caribbean does play a role in trafficking to Europe, but much of this flow is maritime, and the drugs never need make landfall on Caribbean soil.

Hispaniola, and the Dominican Republic in particular, saw a resurgence in popularity as transshipment points between 2006 and 2009, in the period between the implementation of the new security strategy in Mexico and the coup in Honduras. Opportunities in Central America, teamed with stronger enforcement in the Dominican Republic, have caused this flow to dwindle over the last two years. Seizure figures were up in 2009 and 2010, but this appears to represent a higher rate of interdiction, not a greater flow.

Dominican traffickers have long been close partners of the Colombians in moving cocaine to the United States and in distributing it in the northeast of the country. The Dominican Republic is also a popular destination for tourists from Europe and a large European expatriate community resides there. These factors placed Dominican traffickers in a favourable position when cocaine use in Europe began to grow during the 2000s.

Today, the Dominican Republic is the primary source in the region of cocaine smuggled on commercial air flights to Europe. The number of air couriers detected on flights from the region in one European airport database quadrupled between 2006 and 2011.39 This does not necessarily indicate an increase in flow, since the amounts trafficked by this means are small. Dominican citizens are also the most prominent nationality in the region among those arrested for cocaine trafficking in Europe.

Jamaica was once a key transit country for both the United States and the United Kingdom but has declined considerably in importance since its heyday. The Jamaican example illustrates that the removal of a drug flow can be as destabilizing as its inception. Estimates of the cocaine flow through Jamaica dropped from 11% of the United States supply in 2000 to 2% in 2005 and 1% in 2007.40 This is reflected in declining seizures in Jamaica and declining arrests and convictions of Jamaican drug traffickers in the United States.41 The impact of this decline in flow is discussed in the final sections of this report.

Both the Dutch Caribbean and the French Caribbean have become important conduits for cocaine destined for Europe. During the early 2000s, huge numbers of couriers

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39 IDEAS database. The IDEAS database is a product of voluntary information sharing between a number of European airports. It is not a representative sampling of all European airports.


41 In 2000, the United States federal authorities convicted 79 Jamaicans for cocaine trafficking. In 2008, they arrested just 35. In 2010, not one was arrested.
landed at Schiphol airport, overwhelming the capacity of the Dutch legal system to process them. Recognizing that the couriers were much less important to the traffickers than the drugs, the Dutch began seizing the drugs from all suspected couriers and sent them home with blacklisted passports. The intervention worked, and the airflow diminished remarkably.\textsuperscript{42}

The French Caribbean only really became an issue after Francophone West Africa became part of the cocaine trafficking chain. France itself consumes relatively little cocaine, so it did not become an important port of entry until cocaine landed in West Africa, and the main commercial air routes happened to be linked to France. Today, the French overseas departments are some of the main sources of air couriers detected in Europe. Located in South America but with cultural connections to Europe, “the Guayanas” (Guyana, French Guiana, and Suriname) are also important in the European flow, but much less so to the United States.

Who are the traffickers?

Most of those arrested for drug trafficking in Central America are citizens of the country in which they were arrested. Globally, this is not always the case, and suggests that each country has its own network of traffickers and transportistas, carrying the drug from one border to another. But the type of people involved in trafficking varies sharply between countries. As the drugs move northward, the range of alternative routes narrows, and the competition becomes more fierce. As a result, Honduran and Guatemalan groups compete to control territory, while those further south are primarily transportistas and their foes.

In Guatemala and Honduras, the territorial nature of drug trafficking has given special importance to land ownership, and many large landholders, including commercial farmers and ranchers, are prominent among the trafficcers. Plantations and ranches provide ground for clandestine landing strips and cocaine storage facilities. They also provide sites for training and deploying armed groups, and plausible cover for large groups of men operating in remote areas of these countries. Guatemalan landholders have long employed “private security companies” to oversee their agricultural labourers, so the sight of armed men in pick-up trucks is not unusual. Profits from drug trafficking can be passed off as the proceeds of productive farms and ranches. These groups are also more likely to invest in buying political influence beyond paying off the local border guards.

Outside of Guatemala and Honduras, most of those involved in the cocaine trade appear to be transportistas or tumbadores. In Panama, the tumbador problem is particularly acute, but it is also an issue in Honduras and Guatemala. Tumbadores tend to strike when the drugs are on land, especially in the urban areas they dominate.

Panama

Transportista groups in Panama are primarily comprised of Panamanian and Colombian nationals. In addition to cocaine lost to the state, these transportistas also lose an unknown share to tumbadores. There are perhaps 40 to 50 tumbador factions (though some sources place the number much higher), each with about a dozen men. Some charismatic leaders have managed to unify several gangs into larger units, but more often these groups are locked in conflict over trafficking areas.

One of the most notorious tumbador groups is under the leadership of “Cholo Chorrillo” (“El Cholo”), who managed to merge three juvenile local gangs into one organization, dedicated to drug theft and extortion from other trafficking groups.\textsuperscript{43} Much of the violence in Panama City is caused by a conflict between two opposing tumbador groups from different areas of the city – one led by a famous tumbador called “Moi” and the other one by his rival “Matagago”.

Costa Rica and Nicaragua

Most of the cocaine touching Costa Rica and Nicaragua tends to do so along the periphery, so domestic groups are not a big issue. In Costa Rica, several transportistas from Guatemala and Nicaragua have been recently arrested at border points with Nicaragua, in particular in Peñas Blancas on the Panamerican Highway, carrying consignments of several hundred kilograms. All evidence suggests, though, that transportation along the southern portions of the Panamerican Highway is a relatively minor trafficking route.

It would require an attenuated definition of “organization” to include the many people who provide support to the traffickers along the coasts. Many of these communities are


43 The groups were Bagdad from Chorrillo; El Pentágono from Santa Ana; and “El MOM (Mitar or Moris)” from Caranolid.
indigenous, and are simply providing food and fuel to some well-heeled visitors. But there are others who are fully cognizant of what is going on, and provide both security and information to the transportistas. They may even provide offloading and storage services if required.

Cocaine trafficking arrests in Costa Rica have increased significantly in recent years. The majority of those arrested for cocaine trafficking were Costa Rican, but only just. A significant number of Mexicans and Colombians were detected. For example, in January 2011, Costa Rican authorities dismantled an organization of five Colombians and one Costa Rican in charge of coordinating maritime shipments of cocaine from Colombia and Ecuador to Guatemala and Mexico. In February 2011, three Mexicans were arrested in El Guarco (south of San José) with more than 300 kg of cocaine.

**El Salvador**

Much has been made of the ongoing activities of the Perrones transportista network, a group that the state claims to have dismantled some time ago. In 2007 and 2008, a number of high profile members were targeted, including dozens of police officers from the Anti-Narcotics Division. The arrest of the putative leader of the Perrones, Reynier de Jesús Flores Lazo, in 2009 was considered by many to be the decisive blow to the organization, but others contend that it continues to operate in the country. The investigation of the *Cartel de Texis* uncovered high-level corruption, and opens the possibility that there are other such networks operating undetected in the country.

But there have been no claims that territory-dominating groups are present in El Salvador. There have been claims of *mara* involvement in moving some medium sized shipments in the southwest of the country, but all other known groups are mere transportistas. As a result, El Salvador’s sustained high levels of violence cannot easily be tied to transnational drug trafficking.

**Honduras**

In Honduras, several territorial groups are working for Colombian (in Atlántida) and Mexican (in Olancho, La Ceiba, and Copán) drug trafficking organizations. Some *tumbador*-style groups, known as “los señores,” have also been reported in the country, in particular in the area of La Ceiba.

As in Guatemala, land-owners and “rancheros” are involved in trafficking activities, particularly in border areas that they control. Some municipalities in the northwest part of the country (in Copán, Ocotepeque, Santa Bárbara) are completely under the control of complex networks of mayors, businessmen and land owners (“los señores”) dedicated to cocaine trafficking. “El Chapo” Guzmán has also been reported to be travelling to this part of the country (Copán), so groups here may be connected to the *Cartel del Pacífico*, but the violence in this area suggests that control is contested.

**Guatemala**

Traditionally, much of Guatemala has been governed locally, with few services provided by the central state. In its place, large landholders and other local authorities saw to the provision of basic civic services and were allowed to operate with relatively little interference. When civil war broke out in the 1960s, the situation changed, with the military eventually extending state authority to every corner of the country and every aspect of political and economic life.

In the more remote areas of the country, the liaison between the military units and local community was a civilian official known as a “Military Commissioner”. Drawn from the local community, these Commissioners wielded tremendous power, acting as the eyes, ears, and right hand of the military commanders. Large-scale cocaine trafficking began to pass through Guatemala in the 1980s, at the peak of military control. The Commissioners were clearly complicit in that traffic.

Under the peace accords, the military was downsized considerably, and the more remote areas reverted back to their traditional ways. Many retired officers began to focus on business interests they had developed during the war. These officials had strong ties to the government and their former colleagues in the military, allowing them to operate with impunity. And the former Commissioners, who continued to wield power in their home areas, read like a who’s who list of drug trafficking: Juancho León, Waldemar Lorenzana, and Juan “Chamale” Ortiz.44

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44 Espach, R. J., Melendez Quinonez, D. Haering, and M. Castillo Giron, *Criminal Organizations and Illicit Trafficking in Guatemala’s Border Communities*. Alexandria: Center for Naval Analyses, December 2011, p. 12.
Belize and the Caribbean

Belize has been cited many times as a possible refuge for Guatemalan traffickers on the run, and some have been apprehended there. Still, the navigable territory for drug trafficking is limited. The country is, however, a site for money laundering and, as it has not ratified the Convention on Psychotropic Substances of 1971, the import of precursor chemicals.

In the Caribbean, Dominican traffickers appear to be the single most active national group. There are significant Dominican communities in Spain and the Northeastern United States, and a good number of Dominicans have been arrested in both countries for drug trafficking. Jamaican traffickers used to be much more prominent than they are today.

How big is the flow?

The United States has recently generated detailed estimates of the amount of cocaine that transited the landmass of each Central American country in 2010. Cocaine proceeds by air and sea, and the amount making final landfall grows as the flow moves northward. The exceptions are El Salvador and Belize, which, according to the United States, are mainly circumvented because the northward land flow proceeds through Honduras and Guatemala. According to these estimates, 330 tons of cocaine left Guatemala and entered Mexico in 2010, with 267 tons of this having previously transited Honduras, and so on down the line.

Converted to wholesale values at local prices, the values of these flows range from more than US$4 billion in Guatemala to just US$60 million in El Salvador. Relative to the local economy, this flow represents a remarkable 14% of the GDP of Nicaragua, while representing a rather small amount relative to the sizes of the economies of Panama and El Salvador.

Implications for responses

The discussion above has highlighted several points about the mechanics of the cocaine flow that are relevant when formulating policy:

- Though diminishing, the value of this flow is still very large in proportion to the economies of the countries through which it flows. For example, the wholesale value of the cocaine passing through Guatemala, if sold on local markets, would be over US$4 billion, more than the US$3 billion the entire region spent on the fight against crime in 2010. Not all of this accrues to traffickers in Central America, but if even one-tenth of the local wholesale value remained in the region, the impact would be enormous. Disproportionate economic power gives traffickers great leverage in both sowing corruption and fomenting violence.

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The flow is fluid, adapting with ease to any blockages encountered. This is illustrated by the extremely rapid manner in which traffickers took advantage of the post-coup chaos in Honduras, re-routing their shipments virtually overnight to take advantage of the opportunity. They predictably take the path of least resistance, and local allies appear to be easily replaced.

Despite the ability of traffickers to adapt to sudden changes, shifts in the flow can be devastating for the transit areas, both those abandoned and those newly involved. Violent contests for access to cocaine revenues are predictable whenever trafficking patterns change, whatever the reason for the change.

Much of the flow, particularly in the southern states of Central America, proceeds by air and sea between areas not connected by road to the major population centers. On the one hand, this is a good thing – the use of remote stopover points minimizes the impact of the drug flow on the countries affected. On the other, this technique makes enforcement challenging, because law enforcement agencies rarely visit the areas where the drugs are transiting.

The discussion above highlights the fact that two issues often amalgamated – the cocaine flow and organized crime related violence – are distinct, and need to be addressed separately. At the same time, the two problems are sufficiently interrelated that each policy line needs to take into account the other. In particular, interventions that affect cocaine trafficking can produce negative outcomes in terms of violence. These outcomes need to be planned for and buffered by all available means.

The problem today is that the flow has become concentrated in the countries least capable of dealing with its presence. Unless these areas become inhospitable, the traffickers will become entrenched, using their economic weight to deeply infiltrate communities and government structures. This slow incursion is less dramatic than the violence associated with enforcement, but it is far more devastating in the long term. Cocaine trafficking is not a problem that can be solved through passivity.

The countries of Central America do not have the resources to deal with this problem on their own, and they should not be expected to do so. The flow originates and terminates outside the region. The international community should provide these countries its full support in dealing with what is truly a transnational problem.

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### Methamphetamine

Cocaine is the primary focus of virtually every drug trafficking organization in Central America, but given the influence of the Cartel del Pacífico in San Marcos and the south of Guatemala, it is not surprising that methamphetamine has become an issue. The supply of methamphetamine to the United States has long been a specialty of the “Sinaloa Cartel” and its successors, although this dominance was interrupted when it lost the port of Lázaro Cárdenas to former ally La Familia and its splinter, the Knights Templar (Los Caballeros Templarios). Since then, there has been increasing transshipment of precursor chemicals and methamphetamine to Mexico from Guatemala.

More recently, large volumes of precursor chemicals have been found flowing the opposite direction, suggesting that methamphetamine manufacture has been relocated to Guatemala. A number of labs have been discovered in San Marcos and near the Mexican border, and hundreds of thousands of liters of precursor chemicals have been seized, especially in Puerto Barrios, in the territory of the Mendoza family, a Cartel del Pacífico ally. Major seizures of precursor chemicals have also been made in El Salvador, Honduras, Belize, and Nicaragua.

### Precursor chemical seizures in Guatemala in 2012

<table>
<thead>
<tr>
<th>Date</th>
<th>Barrels</th>
<th>Chemical</th>
<th>Location</th>
<th>Origin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 Jan</td>
<td>160 (33,264 L)</td>
<td>Dimethylmaleate</td>
<td>Puerto Barrios, Izabal</td>
<td>China</td>
</tr>
<tr>
<td>3 Jan</td>
<td>65 (13,513 L)</td>
<td>Acetone</td>
<td>La Libertad, Petén</td>
<td></td>
</tr>
<tr>
<td>5 Jan</td>
<td>761 (158,212 L)</td>
<td>Unspecified</td>
<td>Puerto Barrios, Izabal</td>
<td>China</td>
</tr>
<tr>
<td>10 Jan</td>
<td>320 (66,736 L)</td>
<td>Marked as noniphenol</td>
<td>Puerto Barrios, Izabal</td>
<td>Shanghai, China</td>
</tr>
<tr>
<td>11 Jan</td>
<td>320 (66,736 L)</td>
<td>Marked as noniphenol</td>
<td>Puerto Barrios, Izabal</td>
<td>Shanghai, China</td>
</tr>
<tr>
<td>16 Jan</td>
<td>66 (13,720 L)</td>
<td>Methylamine</td>
<td>Guatemala City</td>
<td></td>
</tr>
<tr>
<td>17 Jan</td>
<td>131 (27,240 L)</td>
<td>Methylamine</td>
<td>Guatemala City</td>
<td></td>
</tr>
<tr>
<td>17 Jan</td>
<td>240 (49,900 L)</td>
<td>Monomethylamine, ethyl phenyl acetate</td>
<td>Puerto Barrios, Izabal</td>
<td></td>
</tr>
<tr>
<td>8 Feb</td>
<td>80 (16,353 L)</td>
<td>Unspecified</td>
<td>El Caco, Puerto Barrios, Izabal</td>
<td></td>
</tr>
<tr>
<td>April</td>
<td>80,000 L</td>
<td>Unspecified</td>
<td>En route to Honduras</td>
<td>China</td>
</tr>
</tbody>
</table>

Source: National Police of Guatemala