

INSIGHT CRIME GAMECHANGERS

2017

InSight Crime takes a look back at 2017, the year when entrenched criminal and corrupt interests struck back against efforts to dismantle their networks.

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2017

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The Empire Strikes Back

By Steven Dudley and Jeremy McDermott



Supporters of Ecuador's Vice President Jorge Glas rally to support him outside the court, Ecuador
Photo by Dolores Ochoa / Associated Press

Welcome to InSight Crime's GameChangers 2017, where we highlight the most important trends in organized crime in the Americas over the course of the year. If 2015 and 2016 were the years of political upheaval due to corruption and criminal trials, 2017 was the year when some of the more corrupt regimes struck back, undermining investigations against them and even democracy itself, solidifying their grip on power. Throughout the region, the criminal landscape fragmented further. Even the largest criminal groups now work more as federations than vertically integrated structures. Amidst it all, the US government moved from bold backer of anti-corruption and anti-crime efforts to a disinterested, disengaged party, often enabling reactionary and corrupt forces.

In Guatemala, when his party was faced with charges of illicit campaign financing from drug trafficking interests among others, President Jimmy Morales attempted to expel Iván Velásquez, the head of the International Commission Against Impunity in Guatemala (Comisión Internacional Contra la Impunidad en Guatemala – CICIG). Velásquez and the CICIG, the United Nations-backed appendage of the country's

Attorney General's Office, had already leveled [corruption charges](#) against Morales' brother and his son. The political classes went to the extreme of trying [codify impunity](#) to thwart CICIG and the Attorney General's Office efforts. While that proposal was beaten back by diplomatic and street protests, the president [retained his own immunity](#), and the investigation against him stalled. The situation remains in a stalemate.

In neighboring Honduras, the government of Juan Orlando Hernández has had a decidedly more mixed record. He has pushed for police reform on the one hand and has [strengthened the military police](#) on the other. [Homicides are down](#) substantially, but questions about his own family's [relationship to crime](#) continue. Hernández survived 2017, mostly because, as the Organization of American States [pointed out](#), his party likely rigged the presidential elections in November. In security terms, Hernández's disputed election will, as we wrote, most likely result in a more "iron fist" policy.

In Brazil, the polemic President Michel Temer also soldiered through another tumultuous year. Temer took control of the government after he and his allies [ousted Dilma Rousseff](#) in August 2016. The president and his allies are now facing down [numerous investigations](#) of embezzlement and receiving kickbacks over a period of years, schemes that make parts of the government look suspiciously like a mafia. Even though Temer himself is often depicted by investigators as [the center of these criminal schemes](#), the president has beaten back these efforts, hiding behind immunity with the help of congressmen who are also under investigation, while retrenching and strategizing for the future.

SEE ALSO: [InDepth Coverage of Elites and Organized Crime](#)

Meanwhile, the Brazilian government this year officially [abandoned](#) its once-vaunted community policing efforts, replacing them with a [militarized approach](#) to deal with the conflict between the country's largest criminal factions, the First Capital Command (Primeiro Comando Capital – PCC) and the Red Command (Comando Vermelho). The PCC and Red Command, once allies, split in late 2016, as a series of [bloody battles](#) in prisons across the country early this year illustrated. The PCC appeared to have the upper hand in 2017, and is [spreading](#) to neighboring countries with alarming speed, if not agility, as evidenced by [the group's recent bloody heist](#) in Paraguay. The PCC's most prominent foreign depot is Paraguay. There, President Horacio Cartes is [a willing participant](#) in the cigarette contraband trade.

To be sure, presidents and ex-presidents [throughout the region](#) are facing down accusations of corruption and organized crime, but prosecutors are having decidedly mixed results in prosecuting them. El Salvador's ex-President Mauricio Funes was convicted of corruption, but he remained in exile in Nicaragua and his case illustrated just [how rotten the government had become](#) under his watch.

Many other mostly former executives, especially in Peru, were tied to Odebrecht, the massive Brazilian construction company that set up an office to establish kickback schemes worth billions of dollars throughout the region. Those cases also ran into obstacles; 2017 will be the acid test for many national judicial systems as they judge cases against ex-presidents.

In Venezuela, President Nicolás Maduro and his administration have swept aside any pretense of democracy and rule of law. Instead, of deploying crime-fighting units against illegal actors, they have crushed political dissent, while allowing the criminalized bureaucrats, military officials and politically connected businessmen to further assert control over the thriving underworlds, including the fuel, medicine and food trades. Politics and crime are now harder than ever to separate in this Andean nation.

The government of El Salvador has also sanctioned repressive policies, albeit in a much more complicated battle against street gangs, which has included strong allegations of extrajudicial killings and death squads. The gangs have responded by targeting off-duty police and military personnel as well as their relatives.

The tit-for-tat in El Salvador has come as the MS13 street gang became US President Donald Trump's bogeyman, the symbol of how crime and migration go hand in hand. The conflation was largely a political ploy to vilify entire Latino communities who Trump has blamed for many US problems, and one of many things the Trump administration got wrong about the gang in 2017.

Trump also vilified Mexico, which was another easy target. Mexico's attorney general resigned after less than a year in office when it came to light that he was driving a Ferrari to work. Another five ex-governors from the ruling party faced corruption and criminal charges in Mexico and the United States, one of whom was captured driving his BMW motorcycle.

This year began with the prospect of change, a potential upending of the status quo from north to south. It ended with corruption and crime more exposed but just as entrenched as ever.

Mexico also had a difficult year dealing with continued atomization of its underworld. Murder and kidnapping rates reached record levels, and killings of journalists, such as the award-winning chronicler of organized crime Javier Valdéz, put an exclamation point on the problem. Some blamed the soaring violence on the January extradition of Joaquín "El Chapo" Guzmán, which led to the partial disintegration of one of the world's largest criminal organizations, the Sinaloa Cartel. Other groups, most notably the Jalisco Cartel New Generation (Cartel Jalisco Nueva Generación – CJNG), took advantage, spreading into longtime Sinaloa Cartel strongholds. Meanwhile, traditional criminal organizations such as the Beltrán Leyva Organization, the Gulf Cartel and the Zetas continued to splinter, leading to the general degradation of security.

Colombia faced a similar dilemma. As members of the Revolutionary Armed Forces of Colombia (Fuerzas Armadas Revolucionarias de Colombia – FARC) demobilized, dissident rebel blocs emerged, and factions of a resurgent National Liberation Army (Ejército Nacional de Liberación – ELN) and the country’s so-called BACRIM, or “bandas criminales,” moved to fill the vacuum, especially in areas where production of the coca leaf is reaching record levels. For its part, the ELN was sending mixed signals -- talking peace while waging war. The country’s largest BACRIM, the Urabeños, also suffered a series of body blows with the death of two of its military commanders and some record cocaine seizures, and sought to negotiate a settlement with the government.

To compound the problem, the Colombian government has been slow to implement post-conflict economic and social programs in former FARC strongholds. The government’s missteps and the underworld’s machinations have opened the door to right-wing political criticism of the peace process. And a threat by Trump administration to decertify the country in the fight against drug trafficking marked the lowest point in US-Colombia relations in two decades.

The same might be said for the rest of the region’s relations with the United States. The Trump administration has gutted the State Department and has given little direction to those who are left. It also illustrated a disregard for the judicial institutions and the rule of law at home, which seems to be having a spillover effect on leaders such as Jimmy Morales in Guatemala.

The timing is critical. The region once seemed swept up in an effort to break the relations between elites and organized crime and may still have the enthusiasm to accept the challenge. But with a disinterested US president who disdains any law that does not favor him and a US administration that is ejecting its most important foreign policy voices, dark days have returned.

SEE ALSO: [InDepth Coverage of Gangs](#)

This year’s GameChangers addresses these challenges and others. We cover the sometimes head-scratching declarations and politics of Trump and their impact on the region, as well as efforts to reckon with corrupt regimes. We chronicle the rise of cocaine production and criminal fragmentation in Colombia following the peace deal, and the rearming of some cells from that country’s once powerful guerrilla group, the FARC.

We look at how drug consumption, especially opioids, continues to fuel violence in places like Mexico. We write about Brazil’s powerful prison gangs’ spread from jail cells to regional menace, and how Venezuela’s criminal political regime has become a threat to the entire hemisphere. And we recap our investigations into understudied phenomena such as prison gangs and mafia mayors.

This year began with the prospect of change, a potential upending of the status quo from north to south. It ended with corruption and crime more exposed but just as entrenched as ever.

2

Colombia's Cocaine Explosion Stokes Political and Social Crises

Written by Mimi Yagoub



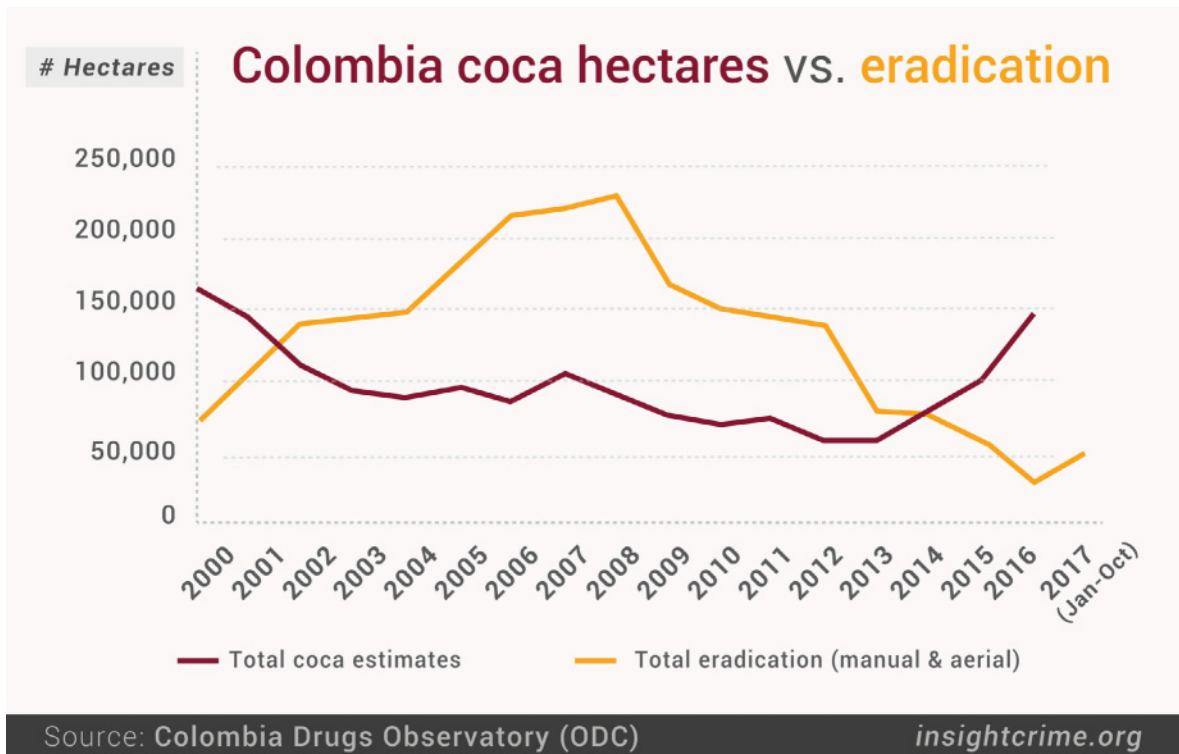
Counter narcotics police officers uproot coca shrubs, Colombia / Photo by Fernando Vergara / Associated Press

Cocaine is one of the world's most in-demand drugs. Its production center is in the Andean region of Colombia, Peru and Bolivia, where hundreds of tons of white powder are produced and shipped to consumer markets around the world every year. And it all starts with the bright green leaves of the coca plant. Now more than ever, this crop lies at the heart of international disputes between historic allies as well as domestic conflicts, tearing at the fabric of local communities.

For the past several years, Colombia has reclaimed its title as the world's biggest cocaine producer, but it has also seen unprecedented expansion, according to the two most respected coca estimate reports. Indeed, while Bolivian and Peruvian coca

levels have fallen slightly over the past decade, Colombia’s coca explosion has single-handedly put global cocaine production on an upward trajectory.

Colombia’s cultivation of illegal crops grew by over 50 percent between 2015 and 2016, from 96,000 hectares to 146,000 hectares, the United Nations reported. According to US estimates, coca cultivation rose nearly 20 percent to 188,000 hectares. “No government or non-governmental organization has estimated such high levels of coca production in Colombia since records began being kept on this issue,” InSight Crime wrote in March.



Graphic comparing coca cultivation in Andean countries

This historic surge is supported by evidence from InSight Crime’s ongoing field research. Illegal groups continue to pressure farmers to grow the crop in some areas, while other farmers do so due to lack of opportunities, as well as the hope that they may eventually receive government benefits as a result. From the information gathered, we believe that actual coca levels far exceed official estimates in many areas.

Cocaine producers have also found ever more innovative ways to process the drug, raising the drug yield per hectare. Today, InSight Crime believes that Colombia alone is churning out around 1,200 metric tons of white powder a year.

With such huge amounts leaving the country, pressure is mounting for the Colombian government to stem the drug boom. And they have made some questionable decisions in order to achieve this.



Map taken from a regional analysis of coca crops in Colombia



A November 2016 peace deal with the Revolutionary Armed Forces of Colombia (Fuerzas Armadas Revolucionarias de Colombia - FARC) included a promise that the government would prioritize substitution programs for farmers to voluntarily uproot their coca for legal alternatives. But the process has not been so straight forward. Instead of focus efforts on this softer approach, Colombia's

government opted for a double-pronged policy for 2017: negotiating with farmers while simultaneously **boosting forced eradication** operations.

“The Colombian government will aim to eradicate 100,000 hectares of the cocaine-producing plant this year despite only uprooting 17,593 hectares in 2016 ... Eradication efforts will be split evenly between the voluntary substitution of coca crops for legal alternatives, and forced eradication by state forces.”

“There is little evidence that destroying coca fields will lead to a long-lasting reduction in cocaine levels”

Predictably, this has led to intense protests by local coca farmers and holdouts against eradicators, with bloody consequences. This finally erupted in October when security forces **allegedly massacred several protesting farmers** in the world’s biggest coca hub: the municipality of Tumaco in the western department of Nariño.

“The casualties in Tumaco are the most numerous yet seen in such an incident, and could suggest that the Colombian government -- under heavy pressure from the United States -- may be turning to more heavy-handed measures as it strives to achieve its [eradication] goal.”

Indeed, internal politics are far from Colombia’s only problems. The United States, after having funneled billions of dollars into the drug war in the country over the past two decades, is expecting far better results.

Rather than honing in on prevention efforts at home, US officials have harshly reprimanded Colombia, threatening to **blacklist the country** for its “failed” anti-drug approach. In August, the top US diplomat for counternarcotics William Brownfield went so far as to **caution** that “‘bilateral political problems’ could result from differences of opinion between the United States and Colombia about how to deal with rising cocaine production.”

One crucial “difference” is that of aerial fumigation of drug crops, a practice Colombia banned in 2015 due to health concerns.

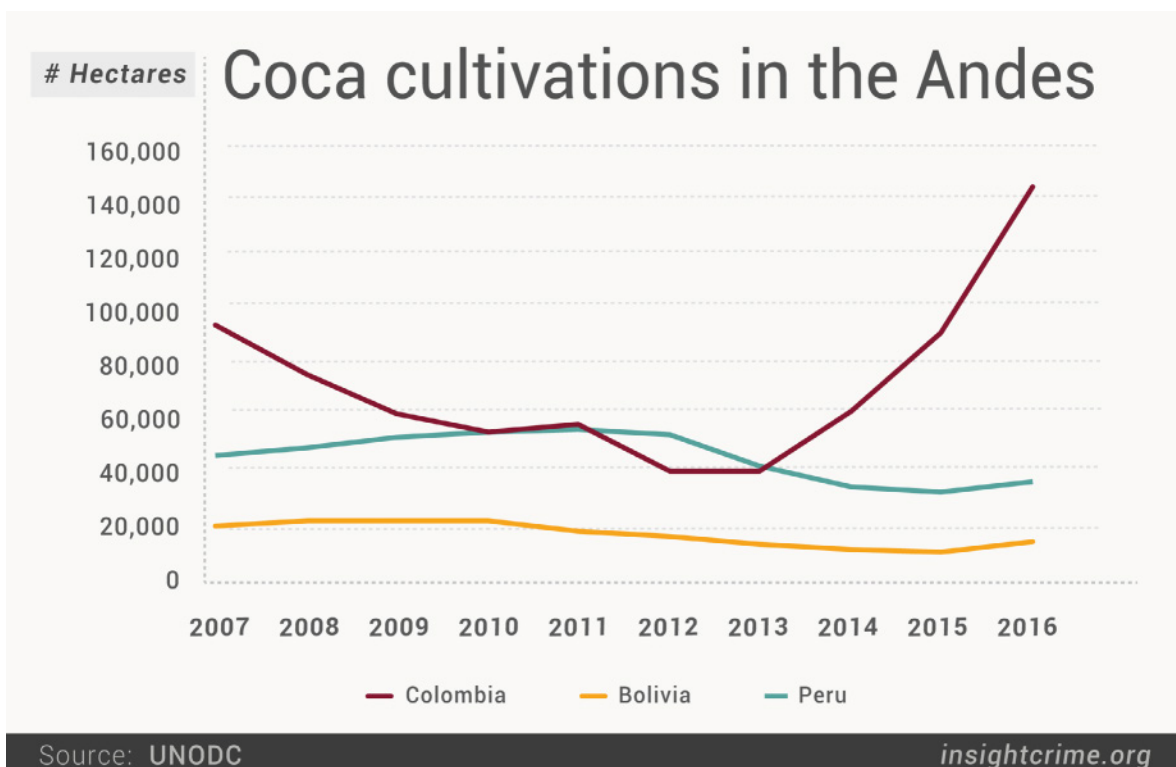
“The United States has been pushing for fumigation to resume since even before Trump entered office, but US officials have failed to address the longstanding argument that aerial spraying has been an ineffective strategy for controlling coca cultivation in Colombia,” we **reported** following controversial and **confusing** statements by Secretary of State Rex Tillerson on the topic.

“The forced eradication figures from this year may have been inflated to make the efforts seem more successful than they actually were”

With Donald Trump in the White House and threatening to cut aid to Colombia (and the rest of the world), Colombia is trying to balance smart policy-making on one hand, while maintaining relations with the United States as one of its primary “post-conflict” funders on the other.

Amid all this controversy, a key question remains: Will Colombia’s eradication gamble pay off? President Juan Manuel Santos announced in December that authorities had surpassed their ambitious goal to forcefully uproot 50,000 hectares of coca in 2017. And he set a new goal for 2018: 65,000 hectares. However, InSight Crime field research has revealed not only that Colombia has far more coca than is being reported, but that according to Colombian military sources, “the forced eradication figures from this year may have been inflated to make the efforts seem more successful than they actually were.”

More importantly, there is little evidence that destroying coca fields will lead to a long-lasting reduction in cocaine levels. Many if not most farmers re-cultivate crops after they have been destroyed, and if no alternative income is available, they have little choice.



Graphic showing coca cultivation versus eradication in Colombia

“The root causes of continued coca cultivation — including poverty, state abandonment and criminal dynamics — are likely more powerful in determining levels of coca cultivation,” we wrote in June.

Colombia remains between a rock and a hard place as it enters 2018. While the country has reinvested in its carrot-and-stick policy for another year, it is still waiting for “carrot” substitution programs to kick in, setting the scene for more friction. Even so, it is unlikely that the United States will be satisfied with Colombia’s efforts. The Andean nation may well have to choose between hedging its bets with the effective long-term strategies, and some form of political fallout. But 2018 is a presidential election year in Colombia, which may turn the tables should the opposition come into power. The election of a new political force could undermine peace process promises and replace them with strong-armed anti-drug policies more palatable to the United States.

3

Trump Battles MS13 With Lies, Half-Truths and Recycled Policies

Written by Héctor Silva Ávalos



*A family walks by a wall covered by a symbol from the Mara Salvatrucha, of MS-13 gang, El Salvador
Photo by Esteban Felix / Associated Press*

When US President Donald Trump put the MS13 gang at the center of his domestic security narrative this year, he equated the threat posed by the group to that of Mexico's powerful drug cartels. The scene of his speech was the Long Island suburb of Brentwood, New York, where the gang has killed at least 17 people in the last two years.

The storm clouds had been forming since 2015, when several counties and cities along the East Coast of the United States with important Latino populations, such as Montgomery County in Maryland and Everett County in Massachusetts, began to see a growing number of homicides related to the MS13.

He has used the gang to satisfy his more hard-line voter base, and he has promised the construction of a giant wall along the US-Mexico border. In sum, Trump resorted to equating the MS13 with the entire Latino community in the United States. The MS13, Trump said, “transformed peaceful parks and beautiful, quiet neighborhoods into blood-stained killing fields ... They’re animals.”

In keeping with the president’s rhetoric, the US Treasury, Homeland Security and Justice departments have also increased their focus on the MS13. At the end of August, US Attorney General Jeff Sessions announced to a group of police chiefs that the Justice Department would make the gang a [priority target](#) of its elite unit dedicated to the fight drug trafficking and organized crime. He also insisted on comparing the gang to Mexico’s drug cartels, which are responsible for introducing the vast majority of the drugs that are consumed in the United States.

SEE ALSO: [MS13 News and Profile](#)

On several occasions, Sessions also advocated for county police forces and cities with large Latino populations to collaborate with federal authorities in deporting undocumented immigrants, whom the Trump administration wrongfully associates with the gang.

The biggest problem, though, is that there are some truths tangled in the midst of the Trump administration’s statements.

The new wave of violence carried out by the MS13 along the East Coast of the United States is undeniable. It has undoubtedly changed criminal dynamics in specific cities and counties in this area, especially in terms of homicides.

A readjustment of the MS13’s leadership in El Salvador and the gang’s recruitment of undocumented Central American minors arriving to the East Coast, among other things, has caused the gang’s numbers to grow. The impact of this realignment has been felt in places like southern Maryland, the Boston suburbs and neighborhoods in the Long Island suburb of Brentwood.

The story, however, does not end with the many grotesque images of bloodshed caused by MS13 in America this year. (The most recent act of unthinkable violence occurred in Wheaton, a sleepy Maryland city bordering Washington, DC, in March 2017. A group of gang members stabbed a man more than 100 times, removed his heart and buried him in a wooded area.) There’s no question that the MS13 is violent and dangerous. But separating political rhetoric from the reality of the gang is a much trickier subject.

MS13 Communication and Drug Trafficking

In an effort to satisfy his most radical followers with anti-immigrant rhetoric, President Trump and other officials have repeatedly made pronouncements that are at best half-truths. One of these is that the gang in El Salvador has made a plan to send recruits to the United States in order to strengthen territorial control and increase violence. Another is that the gang has the same transnational scope as drug cartels.

During his July speech, for example, Trump blamed immigration and security policies implemented during the administration of his predecessor, Barack Obama, for the rise in crimes related to the gang. The MS13, Trump said, had expanded to several cities in the United States during the eight years that Obama was in the White House.

“For many years, [the MS13] exploited America’s weak borders and immigration enforcement,” Trump said. Like other things Trump has said about the gang and the Latino communities in which it operates, this is inaccurate.

InSight Crime spent 2017 trying to [separate truth from fiction](#). First, it is important to note that the changes to the MS13 in El Salvador have influenced communications with gang elements in the United States, and attempts to maintain communication with local “clicas,” or gang cells, are more evident today.

For example, InSight Crime [reported in September](#) that federal authorities in Boston had accused Edwin Mancía Flores, alias “Shugar,” a member of the MS13 incarcerated in El Salvador, of ordering several crimes in the United States through communications with clica bosses in Massachusetts and other US states. In a telephone meeting with José Martínez Castro, alias “Chucky,” a resident leader in Richmond, Virginia, Mancía Flores asked the East Coast clicas to keep the gang united in El Salvador and the United States.

The case of “Shugar” shows, in part, the changes the gang has experienced in recent years. And it gives credibility to the claim that MS13 leaders in El Salvador have had a greater influence on gang members in Maryland, Virginia, Massachusetts and New York. But this did not start with Obama. Leaders of the MS13 in El Salvador have [communicated by telephone](#) with their fellow gang members in the United States for at least a decade, especially in the metropolitan area of Washington, DC.

President Trump has used this renewed wave of violence carried out by the MS13 as an excuse to harden his administration's xenophobic and anti-immigrant rhetoric.

The US accusation against “Shugar” also illustrates that communications with East Coast clicas, which have historically been chaotic and disorderly, may have entered a new stage in which they are under increased control from the gang’s topmost

leadership in El Salvador — a veteran group of imprisoned gang members known as the “ranfla.”

InSight Crime field investigations both in El Salvador and in the United States, however, have not provided evidence to support the existence of systematic communication. Rather, it is local MS13 leaders in the United States who seem to be trying to deepen their relationship with the Salvadoran ranfla in order to strengthen their power in the north.

Something similar has happened in the case of drug trafficking. Both Trump and Sessions have repeated that the MS13 is an important part of the international drug trafficking map affecting the United States. Sessions insisted on this in August when he said that he would increase coordination with the US Treasury Department — which during the Obama years had designated the gang and several of its leaders as priority targets — and the Drug Enforcement Administration (DEA) to persecute the MS13.

However, these same US agencies have repeatedly admitted that the gang’s participation in large-scale drug trafficking is marginal. The most recent example of this came in the DEA’s 2017 National Drug Threat Assessment, which barely mentioned the MS13 as a secondary player.

Public Policies and Violence

The main problem with the MS13 is the gang’s immense capacity and appetite for bloodshed. But this is not the first time that the gang has escalated its use of violence in US cities, nor is it the first time that the federal government has responded with grandiloquent rhetoric, nor is it the first time that the MS13 has been used to criminalize the Latino population.

In the late 1990s, when the gang migrated from the West Coast of the United States to the East Coast — and between 2004 and 2007, when the expansion of the gang’s largest clicas in the Washington, DC metropolitan area caused a cycle of violence similar to the current one — the most effective response came from local governments. Local officials implemented comprehensive policies to serve young Latinos who were vulnerable to being recruited by the MS13, in addition to implementing policing programs that allowed local police to engage communities in the fight against the gang.

SEE ALSO: [Coverage of Security Policy](#)

The Trump administration’s [attempts to reverse](#) these public policies have been met with resistance from some of the counties with the most experience in combating the gang. In fact, at a June Senate hearing held in Washington, DC, two local police chiefs assured that collaborating with US Immigration and Customs Enforcement

(ICE) agents incentivizes communities to refrain from providing authorities with potentially valuable information.

Moreover, the police chief of Maryland's Montgomery County warned that the Trump administration's insistence on using local forces as immigration police could complicate proven methods of fighting the MS13; homicides related to the gang in this county had been reduced to almost zero in the last seven years.

In the Boston metropolitan area, according to officials consulted by InSight Crime, local police have implemented community intelligence models similar to those in Maryland, which have allowed them to reverse the spike in homicide seen in previous months.

When the United States saw an increase in the flow of undocumented migrant children arriving at its southern border in 2014, thousands of young people already vulnerable to violence arrived at the homes of relatives and guardians on the East Coast. The vast majority were not gang members — not even 1 percent, according to figures from US Customs and Border Protection.

But the Trump administration's policies have exacerbated the problem and made them increasingly vulnerable to MS13 recruitment.

Since the MS13 was born in Los Angeles in the mid-1980s, the gang has developed into a criminal phenomenon marked by violence that is driven largely by the gang's ideology and desire for territorial control. However, as the past has proven, this phenomenon has social components that have yet to be resolved through policies such as those proposed by Trump. Local solutions involving the most vulnerable communities have proven to be more efficient.

4

Trump Stumbles on Latin America Security

Written by *Tristan Clavel and Mike LaSusa*



President Donald Trump, speaks during a news conference with Colombian President Juan Manuel Santos, Washington / Photo by Susan Walsh /Associated Press

President Donald Trump’s approach to US security policy in Latin America has flailed during his first year in office, with his administration alienating key international allies, backing flawed anti-crime strategies throughout the region, and pursuing counterproductive domestic policies.

Trump has complicated relations with Colombia and Mexico, two of the most important US partners when it comes to counternarcotics efforts, while also supporting heavy-handed policing strategies that have shown limited success in Central America.

Trump’s administration has stayed virtually silent with respect to corruption in most of the region, but it has ramped up pressure on top members of the government of Venezuela suspected of ties to organized crime.

In addition, Trump has implemented domestic migration policies that could hinder efforts to disrupt gang activities, while his approach to combat a deepening opioid drug crisis has fallen short in various ways.

Alienating Allies

Before Trump entered office, much [remained uncertain](#) with regard to his policy leanings in the realm of security in Latin America. A number of observers predicted that he would pay little attention to the region, and that his penchant for making inflammatory remarks would be an obstacle to international cooperation.

Early on, Trump fulfilled the latter expectation. As a candidate, he had repeatedly called for Mexico to pay for the construction of a wall along the US border, despite widespread criticism about the potential cost and [likely inefficacy](#) of such a project. Then in February, just a month after Trump took office, top officials had to [scramble to Mexico](#) to contain the fallout from comments by the new president likening his immigration policies to a “military operation.”

During another trip to Mexico in May, US officials once again tried to mend the bilateral ties frayed by Trump’s controversial rhetoric. But as we [noted](#) at the time, their comments about “shared responsibilities” contrasted with the administration’s policy preferences. These included a proposed overhaul of the US healthcare system that “could exacerbate the already [deadly US opioid epidemic](#),” and a [heavy focus](#) on forcibly eradicating illicit opium poppy crops in Mexico.

Trump took a similarly alienating stance toward Colombia, where the government is struggling to contain [booming cocaine production](#) at the same time as it implements a historic peace deal with the Revolutionary Armed Forces of Colombia (Fuerzas Armadas Revolucionarias de Colombia – FARC).

Trump’s administration ratcheted up pressure on the Colombian government to pursue forced coca eradication. But as we [noted](#) in May, “It is unlikely that even the most intense eradication efforts will be enough to stop coca cultivation. The areas where coca is grown are simply too vast, too remote, and the coca crop — which can yield three harvests a year — simply remains the most economically viable option for a large number of poor Colombian farmers.”

SEE ALSO: [Coverage of Cocaine Production](#)

Moreover, we wrote, “the priority placed by Colombia’s government on reaching eradication goals has put enormous pressure on security forces to destroy as much coca as possible. Coupled with the lack of implementation of crop substitution programs outlined in the peace agreement, this forceful eradication campaign is

fueling tensions and leading to outbreaks of violence between coca farmers and the state.”

These concerns did not seem to sway Trump, who went so far as to **threaten** to “decertify” Colombia’s counternarcotics efforts in September. One analyst called it a “huge mistake” and a “slap at an ally trying to deal [with] the problem.”

At the same time, Trump was not alone in putting pressure on Colombia to do more in the fight against drugs. In a congressional hearing the day before Trump’s decertification threat, several senators **questioned** Colombia’s commitment to dealing with the cocaine issue, and Democrat Dianne Feinstein even proposed making US aid to Colombia “conditioned on extradition when the US requests it.”

Flawed Strategies

While the Trump administration has strained relations with Colombia and Mexico, it has found common ground with governments in Central America’s “Northern Triangle” of Guatemala, Honduras and El Salvador, backing their heavy-handed anti-gang policies.

“In a meeting held with the presidents of the Northern Triangle countries ... the administration of US President Donald Trump reiterated that henceforth the focus of bilateral relations will be prioritizing heavy-handed approaches to the so-called ‘drug war’ and illegal migration to the United States stemming from the region, with little significance being given to the allocation of development funds,” we **reported** following a high-level summit in June.

In July, we reported on US Attorney General Jeff Sessions’ visit to El Salvador, where he met with top Salvadoran officials to discuss anti-gang efforts.

“There is no doubt gangs and the MS13 represent a huge security challenge in both the United States and El Salvador, and improving transnational cooperation and coordination is usually a welcome move toward tackling such challenges,” we **wrote**. “However, huge question marks remain over both the motives and the efficacy of the plans being hatched by both countries’ governments.”

In addition to explicitly endorsing and cooperating with the heavy-handed crime fighting approaches of US partners in Central America, the Trump administration has maintained a studied silence on **reports** of serious human rights abuses associated with these strategies.

Moreover, mirroring the **priorities** of Central American governments, the Trump administration has focused on gangs much more than the elite corruption that continues to plague the region.

When a political crisis [erupted](#) in August in Guatemala over President Jimmy Morales' move to oust the head of an internationally backed anti-corruption body, the decision was denounced by top diplomats from the United States and other countries, as well as [members](#) of the US congress.

But, as we [wrote](#), “the voice that really matters is that of Trump, who is, of course, facing down investigators of his own campaign by similarly dedicated public servants and prosecutors, one of whom he fired in a manner not too different from what Morales is doing now. There is little question that Trump administration officials will continue to denounce Morales' act as undermining democracy and the rule of law, as they should, but their protests carry little weight while their boss carries out a campaign against his own would-be prosecutors in their investigation of Russia's meddling in the US elections.”

SEE ALSO: [Elites and Organized Crime](#)

In contrast to the administration's seeming lack of concern about corruption in Central America, the United States under Trump has intensified efforts to call attention to criminality within the government of [Venezuela](#).

Barely a month after Trump's January inauguration, the United States [sanctioned](#) Venezuelan Vice President Tareck El Aissami, accusing him of involvement in drug trafficking. By the end of July, more than a dozen current and former high-ranking officials were sanctioned for “[undermining democracy](#).” And in early August, Venezuelan President Nicolás Maduro himself was targeted.

We [wrote](#) at the time that these moves “will likely serve to further isolate the regime, consolidating international pressure upon it and offering moral support to [Venezuela's](#) opposition.” But, we noted, “they are unlikely to significantly weaken Maduro's grip on power, and could even prompt him and his allies to dig in further.”

Domestic Confusion

Trump placed immigration policy at the center of his campaign, and as president, he has [relentlessly](#) sought to tie issue to crime. However, as we [noted](#) in May, law enforcement experts say that the demonization of migrant communities is unwarranted and could complicate important efforts to gather intelligence on gangs.

Republican allies in congress have [backed](#) Trump's moves to toughen immigration enforcement, emboldening him to take steps that could actually [harm](#) to security in Latin America.

On the other hand, the administration's policies with regard to the opioid drug crisis have been lacking in substance.

SEE ALSO: [Coverage of Heroin](#)

“Trump has learned that he can score public relations coups with repeated, blustering announcements of reform, as well as by blaming foreign nations for their ostensible responsibility in what is mostly a homegrown drug crisis,” we [wrote](#) in December. “At the same time, good public relations without effective public policy is a fundamentally flawed approach. In order to adequately handle this important, transnational security threat, the Trump administration must dedicate the human and financial resources needed to meaningfully address its causes.”

Trump’s go-it-alone approach to regional security issues seems unlikely to change during the remainder of his time in office. And similarly, there is little indication that he will reverse course on the questionable security policies he has pursued both at home and abroad.

Amid [shake-ups](#) in top policymaking positions, it remains unclear exactly what shape Trump’s approach to Latin America security will take. But the evidence so far suggests his administration will continue with policies that could end up benefiting organized crime in a variety of ways.

5

Government and Gangs Battle for Brazil

Written by Mike LaSusa



A soldier stands guard next to a wall tagged with the acronym "CV" identifying the criminal organization "Comando Vermelho", Brazil / Photo by Silvia Izquierdo / Associated Press

A new war between Brazil's two biggest crime groups has contributed to escalating violence across the country, which authorities are struggling to contain due to flawed crime control policies as well as ongoing political and economic uncertainty.

Deepening insecurity in major urban centers like São Paulo and Rio de Janeiro has received much attention from both local and international observers, particularly as the military is increasingly being tasked with domestic policing functions.

At the same time, violence is in many ways more pronounced in less populated regions of Brazil, and the situation in some of these areas could worsen amid underworld shake-ups spurred by the gang war, takedowns of major traffickers and other factors.

All this comes against a backdrop of partial paralysis among local and national government bodies dealing with the effects of a recent economic crisis as well as a major corruption scandal that has implicated officials as high up as the sitting president. This context suggests these negative security trends are not likely to be reversed in the near future.

A Tale of Two Cities

Brazil's two most powerful gangs, the Rio-based Red Command (Comando Vermelho) and the São Paulo-based First Capital Command (Primeiro Comando da Capital – PCC), [broke a longstanding alliance](#) late last year, and the ramifications of this development have been playing out in the country's two biggest cities over the course of 2017.

In [May](#), we reported that the PCC-Red Command conflict could be contributing indirectly to an uptick in homicides in São Paulo, the largest metropolis in the Americas.

Brazilian officials attributed the increase in violence to clashes between the PCC and a gang known as the Brazilian Revolutionary Criminal Command (Comando Revolucionário Brasileiro da Criminalidade – CRBC), but we noted that these turf wars “must be considered in the larger context of gang dynamics in the country.”

As we wrote at the time, the PCC-Red Command turmoil “has shaken up country's criminal landscape. Smaller splinter groups have emerged in São Paulo, and might be trying to take advantage of PCC's alleged vulnerability, while the gang is busy fighting the Red Command on various fronts.”

SEE ALSO: [InDepth Coverage of Gangs](#)

Like the PCC in its home city of São Paulo, the Red Command also appears to be affected by complex shifts in gang dynamics in its traditional stronghold of Rio de Janeiro. Authorities have said that the PCC is in the process of positioning itself to try to unseat the rival group from its home turf.

Police reportedly intercepted phone calls made by jailed PCC leaders in São Paulo that “depict an attempt to co-opt criminal actors linked to the Red Command,” we [wrote](#) in December 2016. “The police official who coordinated the investigation into the PCC's expansion in Rio, Antenor Lopes, said the group's strategy is to initially take over the drug trade in municipalities in the state of Rio before moving in on the capital.”

Indeed, there may be opportunities for the PCC to find common cause with Rio-based crime groups that have an interest in weakening the Red Command. Changing alliances, however, can lead to violence.

For instance, the Rio de Janeiro neighborhood of Rocinha essentially came “under siege” in September, reportedly as a result of a falling out between the jailed leader of the Amigos dos Amigos gang, Antonio Francisco Bonfim Lopes, alias “Nem,” and his former bodyguard, Rogério Avelino da Silva, alias “Rogério 157.”

“Rogério 157 has reportedly [broken from the ranks](#) of Nem’s Amigos dos Amigos gang and joined forces with the Red Command ... in an apparent attempt to assert greater control over the local drug trade,” we [reported](#) at the time.

“This is a classic Rio gangster battle,” George Mason University professor Desmond Arias told us, adding that “the conflict is likely to continue until somebody or some faction prevails and ‘consolidates power to work things out and calm things down.’”

Rural Ripple Effects

The security impacts of the PCC-Red Command war have also been apparent in Brazil’s more rural northern and western regions.

The year started off with a [series of bloody prison riots](#) in northern Brazil, in which more than 100 inmates died in clashes linked to the breakdown of the groups’ longstanding alliance and resulting underworld instability.

Reports citing an official intelligence document indicated that the disturbances resulted from conflict over important drug trafficking routes that run through Brazil’s Amazon region. “The prisons are a frequent flash point in part because the gangs direct their criminal activities from behind bars,” we [wrote](#) in January.

[SEE ALSO: InDepth Coverage of Prisons](#)

Several months later, in March, Paraguayan officials blamed battles between the PCC and the Red Command for a spate of violence in the towns of Ponto Porã and Pedro Juan Caballero, which serve as important trafficking hubs on Paraguay’s border with Brazil.

Journalist Laurie Blair, who has reported on Paraguay’s drug trade, [told InSight Crime](#) that the recent violence “does look like a score-settling between PCC and [Red Command],” adding that it could perhaps reflect “a battle for control of marijuana-smuggling routes.”

Additionally, some experts have predicted that the July arrest of major trafficking suspect Carlos da Rocha, alias “Cabeça Branca,” could lead crime groups operating in rural regions to wage violent struggles aimed at filling a new power vacuum in Brazil’s drug trade.

Elvis Secco, the Federal Police officer who led the operation to capture Cabeça

Branca, [told us](#) that “he fears the incursion of the PCC could come with an increase in violence, especially around Brazil’s borders, as rival factions fight for control of logistic routes.”

A ‘National Emergency’

In an October letter to Brazilian governors assembled for a meeting on public security, President Michel Temer labeled escalating violence in the country a “national emergency.” However, as we [reported](#) at the time, “the government has not yet developed a holistic plan for addressing the complex and intertwined factors contributing to the persistence of violence and crime.”

A report we [covered](#) in June highlighted the close connection between socioeconomic conditions and violence in Brazil, which [disproportionately affects](#) young men from disadvantaged backgrounds. But rather than addressing these issues, crime control policies in much of the country have generally focused on repressive measures that have been [associated](#) with human rights abuses, often reducing trust among communities and putting vulnerable populations at [greater risk](#).

This has been exemplified by the [crumbling legitimacy](#) of Rio de Janeiro’s flagship security strategy, known as “pacification” policing. The effort centered on using military police to establish a state presence in neighborhoods under criminal control, and initially seemed to succeed in bringing down violence. But [experts say](#) that the failure to follow up military-style occupations of crime-ridden areas with community-focused outreach hampered its long-term effectiveness.

SEE ALSO: [Brazil News and Profiles](#)

Although substantial evidence suggests that militarized security policies have fallen short of their goals by a number of metrics, policymakers seem to lack the political will to change course. (In fact, some 10,000 military personnel were [deployed](#) to Rio earlier this year to assist civilian police.)

In part this may be due to a lack of consensus regarding the outlines of potential alternative strategies. For example, a study we [covered](#) in November showed that most residents of Rio feel the pacification program has not met its objectives, but “nearly 60 percent of respondents said that they favored keeping the ... program in place, albeit with some modifications to the strategy.”

The situation is also complicated by a [massive graft scandal](#) that helped tank Brazil’s economy. The economic downturn has [reduced the resources](#) available for public security spending, and it has [consumed the attention](#) of top politicians like President Temer, many of whom have been implicated in the investigations.

With fluid criminal dynamics stretching law enforcement resources thin, the current political and economic context portends a gloomy outlook for Brazil’s future security.

6

Drug Trade Dynamics Shape Latin America's Criminal Landscape

Written by Deborah Bonello



A soldier stands on a poppy field during an eradication, Mexico / Photo by Carlos Jasso / Associated Press

Latin America's criminal landscape continued to evolve this year, driven by the ongoing record production of cocaine in South America's Andean region, the booming market for opioids in the United States and the struggle for control of Brazil's lucrative drug trade.

Authorities in Colombia have struggled to contain surging production of cocaine, in part due to issues related to the implementation of a historic November 2016 peace deal with the Revolutionary Armed Forces of Colombia (Fuerzas Armadas Revolucionarias de Colombia – FARC).

Increasing US demand for opioid drugs has generated mounting concern, both in the United States, where drug use has been linked to a rising toll of overdose deaths, as well as in Mexico, where drug-related violence is on the rise.

A similar dynamic is playing out in Brazil, where a context of fluid criminal alliances has contributed to conflict over the country's massive drug market.

Colombia

The demobilization of Colombia's biggest guerilla group this year promised to upend the supply side of a significant chunk of the international cocaine trade. As a large part of the FARC retreated to government-designated peace zones, criminal relationships and actors adapted — but not in the way that the architects of the peace accords might have hoped.

“Unfortunately, the signing of the agreement with what was at the time Colombia's main actor in the cocaine trade has not yet yielded positive results for the country's criminal landscape,” we [wrote](#) in November, a year after the FARC and government of President Manuel Santos signed the peace agreement.

SEE ALSO: [Coverage of the FARC Peace](#)

The Urabeños, Colombia's most powerful criminal organization, “might be under increased pressure,” we [noted](#), “but the FARC stepping down has allowed the group to take control of the lion's share of Colombia's cocaine industry.”

The FARC peace agreement did contribute to bringing the homicide rate in Colombia down to its lowest level in four decades. But criminal groups have continued to vie for control of the cocaine trade, which has grown to unprecedented levels in recent years, according to US government estimates as well as figures from the United Nation's Office on Drugs and Crime (UNODC).

In June, InSight Crime [profiled](#) the Colombian department of Nariño, “the third-largest cultivator in 2015, saw a 52 percent increase in estimated coca hectares in 2016 to a total of 39,500 hectares. This represents 21 percent of the national total, which itself increased by almost a fifth in 2016 to over 188,000 hectares,” we [wrote](#) in March. The top cocaine producer in 2016 was Cauca, Nariño's neighbour on the Pacific coast.

“The record levels of cocaine production pile yet more pressure on the government of President Juan Manuel Santos. He has allowed drug production to more than double under his watch. (He assumed the presidency in 2010.) The increase in drug production, and the billions in earning it generates, is a real threat to the main, and critics might say, the solitary success of his presidency: the peace agreement signed with the FARC,” we [wrote](#) in July.

Mexico

Amid a mounting opioid drug crisis, the US government placed pressure on Mexico to crack down on the cartels, even threatening to send in US troops to do the job that the Mexican military could not. But despite the focus in the United States on foreign drug threats, the biggest problem continues to be homegrown.

“The abuse of controlled prescription drugs (CPD), which include but are not limited to legal opioid medicine, was responsible for 31,000 deaths in 2015. That is more than double the roughly 13,000 lethal overdoses of heroin that same year. Death from cocaine use comes next, with approximately 6,800 victims in 2015,” we [noted](#) in October.

Legal prescription painkillers accounted for the largest amount of drug deaths, and their use in turn has pushed up demand for illicit substitutes from south of the border and beyond. Heroin production and transportation has boomed in Mexico as addicts switched from prescription substances to illicit ones.

[SEE ALSO: Coverage of Heroin](#)

Fentanyl — a deadly synthetic opioid being combined with heroin and contributing to a high number of overdoses in the United States — became an increasing focus for the United States in Mexico. Training initiatives to help forensic teams detect fentanyl were funded by the United States in an effort to [improve both countries’ understanding](#) of the nature of the production and transportation process of this substance.

Drug-related violence continued to rise in Mexico, especially in criminally-strategic states such as Guerrero — the epicenter of Mexico’s heroin trade.

In March, we reported that Guerrero Attorney General Xavier Olea said the state doesn’t have the “capacity to confront organized crime.” [As we noted](#), Olea’s comments “highlight a perennial problem in the region: inefficient justice systems riddled with corruption, unable to handle the criminal challenges they face.”

In October, Mexico registered the most violent month in the country’s modern history. Like Colombia, this violence is related to the struggle to control the drug production areas and the corresponding trafficking corridors. Fragmentation of the country’s largest criminal groups exacerbated the problem.

Brazil

Like Mexico, Brazil is also experiencing a rise in drug trade-related violence. In October, President Michel Temer [recognized](#) a nationwide crisis of insecurity as a “national emergency” that was being fed by drugs and arms trafficking, and groups fighting for control of the cocaine trade.

Brazil's crime groups are fighting not only for control of the largest domestic drug market in Latin America, they are also competing over important [trafficking routes](#) into and out of the country, as Colombian producers seek to offload growing stashes of cocaine.

SEE ALSO: [Brazil News and Profiles](#)

The causes of ramped up criminal conflict in Brazil are similar to the factors driving violence in Colombia and Mexico: underworld atomization, flawed public policy responses and sustained demand for drugs — a key source of profits.

The growing production and [consumption](#) of key drugs such as heroin and cocaine will continue to shape Latin America's criminal dynamics. And with governments across the region reluctant to abandon militarized security policies that tend to generate underworld instability, Latin America seems poised to experience continued violence related to this important illicit activity.

7

The Long Road to Prison Reform in Latin America

Written by Parker Asmann



Inmates climb to the roof as a fire breaks out during a riot at the youth and men's reformatory, Brazil / Photo by Oliver de Ros / Associated Press

This year, InSight Crime put a special focus on how prisons in Latin America interact with organized crime, examining how institutions meant to contain or reform criminals have actually become operational centers for many of the region's most powerful and dangerous criminal groups.

In a [six-part investigative series](#) — using case studies from Venezuela, Colombia and Central America's "Northern Triangle" of Guatemala, El Salvador and Honduras — we explored how prisons have become a "prime incubator for organized crime" in Latin America.

The findings of that exhaustive project helped to inform our [InDepth coverage of prisons](#) and organized crime in other countries throughout the region, many of which continue to struggle with issues of overcrowding, lack of resources, corruption and criminal control.

As part of our stepped-up coverage of prisons, we also looked at the growing recognition of the need for reforms to penitentiary systems across Latin America. Although progress has been slow and concrete successes few, countries are starting to take steps toward addressing longstanding problems in what we called “the most neglected part of the judicial chain.”

The ‘Prison Dilemma’

As insecurity in the region has worsened in recent years, the use of heavy-handed security policies has increased. This in turn has inflated the region’s prison population. The amount of facilities to accommodate the influx of inmates has failed to keep pace. Spiking prison populations have left authorities hamstrung, allowing criminal groups to become de facto rulers and to exert a sort of controlled chaos.

What this created was fertile ground for sophisticated criminal gangs to hone their skills and prey on those incarcerated — [often without conviction](#) — as new recruits, customers for illicit businesses, or victims of extortion and other crimes.

To make matters worse, the region’s prisons have been severely neglected, leading to deplorable living conditions that criminal groups have used as a rallying point in order to further increase their influence. Surviving these conditions requires “[discipline and a clear chain of command](#),” something criminal groups running the prisons provide in the absence of government control.

This imbalance has given way to the reign of infamous figures like Captain Byron Lima Oliva, whom we profiled in our January [investigation](#). The former Guatemalan Army officer turned prisoner, we wrote, “imposed his rule inside the jails before being swallowed by the system he once benefitted from.”

“In every Guatemalan jail, there is a Byron Lima,” Luis Lima told InSight Crime shortly before his brother’s [death in July 2016](#). “But there are good Byron Limas and bad Byron Limas. There’s the Byron Lima that helps with the prison’s healthcare system, with the prison’s education system, with the prison’s work programs. And there’s the bad Byron Lima who can extort, who can beat people up, who promotes vice.”

Prisons in the Spotlight

The security consequences of poor prison conditions have been particularly evident in El Salvador, where the MS13 and Barrio 18 gangs — which the government has classified as [terrorist groups](#) — exert total control over the country’s penitentiaries.

“For the last decade, the penitentiary system in El Salvador has been the headquarters of the MS13 and the Barrio 18, the largest gangs in the country,” [we noted](#) in our February investigation. “The gangs’ takeover of the prisons resulted from a combination of bad public policy, and the gangs’ increasing organizational skill and guile.”

In February, Salvadoran authorities [extended](#) “extraordinary measures” aimed at cracking down on gang activities in the prisons, and announced a [mass transfer](#) of prisoners with the same goal. However, reports emerged later in the year [indicating](#) that prison officials had worked to strengthen a dissident faction of the MS13, suggesting gangs still exert substantial control behind bars.

Our [investigation](#) of [Venezuela’s](#) prison system, published in September, highlighted the perils of governments surrendering control to gangs. In an effort to ensure that prison violence wouldn’t spill over onto the streets, [Venezuela’s](#) first prison Minister Iris Valera resorted to her own brand of extraordinary measures.

“She simply befriended the most important pranes [gang leaders] and started making deals with them,” [we noted](#). “What they wanted, and got, was power within prison walls. They achieved control of everything that happened inside. In return, nothing was to spill over the walls and into the media. It was a Pax Mafiosa.”

But these decisions have had profound consequences.

“This gave birth to a new generation of organized crime structures, and the pranes, the trains and megabandas now have reach across the country pushing up criminality and murder,” [we wrote](#). “All of this has helped turn [Venezuela](#) into one of the most dangerous nations on earth.”

Several incidents in prisons in Mexico also brought the negative impacts of criminal control into focus this year. Organized crime groups in Mexico are estimated to control [65 percent of state prisons](#), which has facilitated [inmate-thrown parties and barbaric acts of violence](#). In an especially illustrative incident [we reported](#) on in October, a crime group was able to free two of its members after kidnapping the director of the prison where they were held, along with his son.

And in Brazil, crime groups have reportedly [organized attacks](#) on government officials from behind prison walls, and also used [brutal prison riots](#) and [sophisticated tunnel systems](#) to escape them.

Growing Momentum for Reform

The extent of criminal control and lack of government oversight over prisons stretches across the region, contributing to the persistence and growth of some of Latin America's most powerful and dangerous crime groups.

Steps have been made towards rehabilitating the region's penitentiary systems. But despite a growing recognition that the repressive policies of the past have largely **proven ineffective**, like a lot of security policy initiatives in the region, progress toward reform has been slow going.

In October, authorities in Honduras closed **the San Pedro Sula prison**, a criminal hub at all levels, shortly after **opening** a new maximum security prison as part of a broader effort to **overhaul** the country's notoriously troubled correctional system.

In Panama and Costa Rica, authorities are **starting to prioritize** "innovative models for prison management that are less punitive and that focus more on adhering to human rights standards and resocializing inmates." In one Panamanian prison, inmates are being assigned to different development programs after their risk levels and needs are assessed in order to focus on constructive activities.

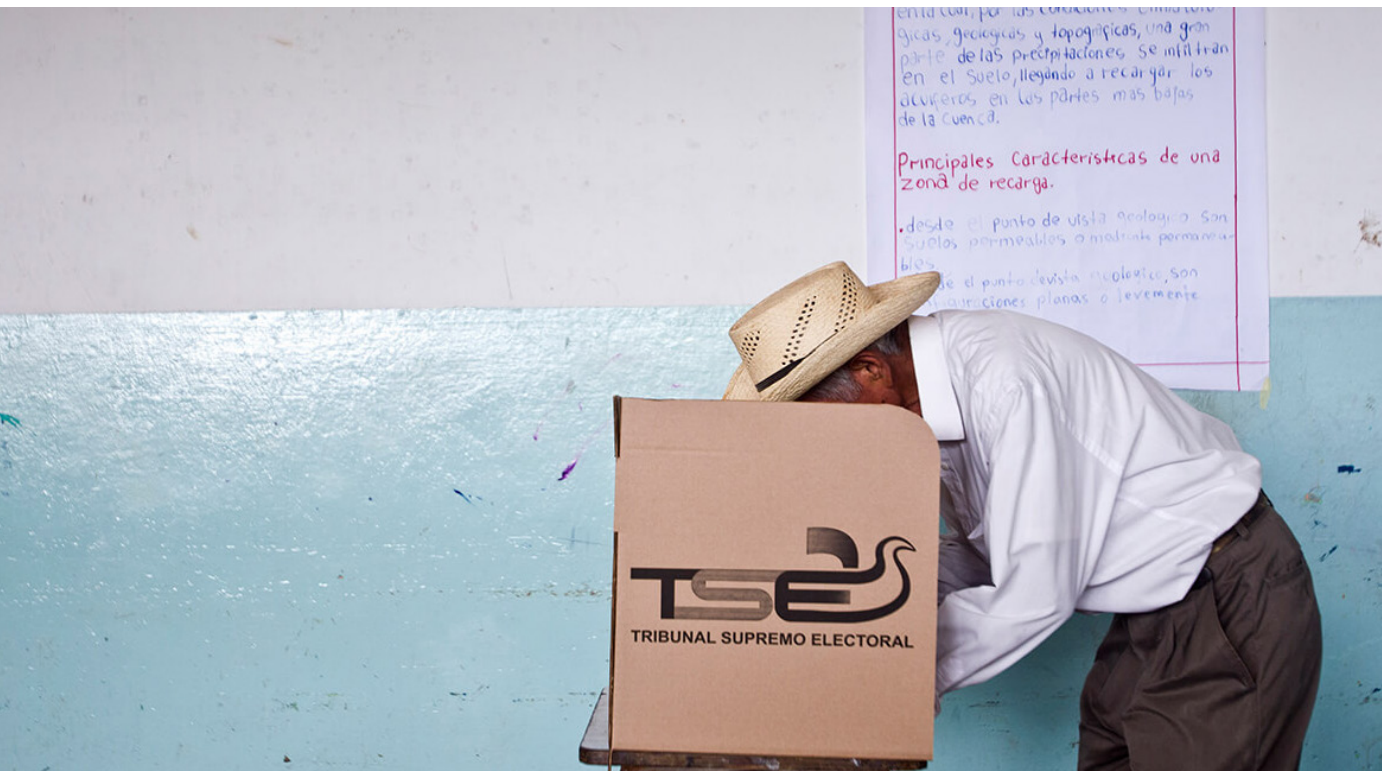
And as we **reported** in May, authorities in Argentina are expanding a program aimed at providing treatment rather than mandating incarceration for small-scale drug crimes. Although they hope the initiative will reduce prison overcrowding, officials have said "implementation could prove difficult" because "the general population is likely to be resistant to these types of legal changes."

These are small, but important steps. At the same time, past prison reform **proposals** in Latin America have received **overwhelming support** from policymakers without leading to any concrete improvements. The future of Latin America's prison systems rests largely on whether the current **momentum for reform** continues to build, or whether it fades in the face of strong political forces favoring the status quo.

8

Local Politics, Organized Crime's New Power Base in Latin America

Written by Felipe Puerta



A man votes at a polling station during the presidential runoff election in Panchimalco, El Salvador / Photo by Esteban Felix

Reporting by InSight Crime in 2017 revealed how organized crime managed to infiltrate local politics in Latin America as well as the multiple ways in which criminal groups take advantage of this new form of political capital to further their criminal interests.

In a [three-part investigative series](#) focusing on the election of criminally-linked mayors in the “Northern Triangle” countries of El Salvador, Guatemala and Honduras, InSight Crime detailed how a growing number of Latin American officials affiliated with a range of political parties have been accused of participating in an extensive list of crimes, including corruption, murder and drug trafficking.

Much like the golden years for Colombia's powerful drug cartels when they managed to successfully co-opt national politics in the region, the atomization of organized crime groups and the different links of the drug trade have driven organized crime groups to seek refuge in local power to ensure the continuation of their criminal operations.

Moreover, the decentralization of political power and other legislative changes throughout the region in recent decades have increased the role of mayors and governors in security matters. This has also loosened regulation of their activities as well as their allocation of resources and public works contracts.

SEE ALSO: [InDepth Coverage of Elites and Organized Crime](#)

In the [case](#) of Mexico and other countries in Central America, the relationship between politicians and criminals has also led to the cooptation of local courts and prosecutors. Criminal groups seek to corrupt these individuals and institutions in order to ensure impunity for themselves and the politicians who have aided their shady activities.

This type of relationship is mutually beneficial. Not only does it allow criminal groups to expand their activities, but it also allows politicians to gain or maintain power to impose their own agenda, which often includes lining their pockets with bribes and embezzled public money.

In the case of [Apopa](#), one of El Salvador's most important municipalities in electoral and economic terms, former mayor José Elías Hernández, alias "El Maestro," managed to break with the hegemony of the ruling Farabundo Martí National Liberation Front (Frente Farabundo Martí para la Liberación Nacional – FMLN) after reaching a series of agreements with the country's gangs. The agreements included electoral favors and votes in exchange for seats in the mayor's office and the local security force, where some gang members even had monthly salaries of \$5,000.

In Honduras, the former mayor of the town of [Yoro](#), Arnaldo Urbina Soto, alias "El Negro," was convicted of money laundering. InSight Crime reported that he used local police to supervise the arrival of drug trafficking flights loaded with cocaine and kidnap people he allegedly killed at his house. The Attorney General's Office alleges that the group led by the mayor was responsible for more than 200 homicides and disappearances, and that it also used the local forest conservation institute to serve its own interests in eco trafficking and land theft.

But the links between politics and organized crime are not always so clear. Sometimes they include negotiations with foreign authorities, as exemplified by the former mayor of Ipala, Guatemala, Esduin Javier, alias "[Tres Kiebres](#)." Despite allegedly having been in a confrontation with 30 armed members of the Zetas, and notwithstanding evidence of money laundering and drug trafficking, Tres Kiebres has managed to govern with apparent success and stay out of prison, all while being under scrutiny by authorities.

SEE ALSO: [Guatemala News and Profiles](#)

Some of these mayors have also come to play a more important role in national politics, both through representing their interests in the Senate and directly financing presidential campaigns.

Other traditional organized crime players such as the Revolutionary Armed Forces of Colombia (Fuerzas Armadas Revolucionarias de Colombia – FARC) have [now entered](#) the political arena as legitimate actors. While one of their top leaders has run as a Colombian presidential candidate, it's more likely that the group's [power base will remain](#) in local positions in remote, rural areas of the country. The FARC has had a presence in these areas for decades and even acted as a type of governing body at times.

The violent nature of the relationship between local politics and organized crime has on many occasions resulted in the [assassination](#) of different mayors — some corrupt and others who have refused to collaborate with criminal interests — whose security schemes are typically more vulnerable and tend to attract less attention and public outrage than the killing of politicians with greater visibility.

9

Venezuela's Maduro Administration Strengthens Criminal Ties

Written by Venezuela Investigative Unit



Venezuela's President Nicolas Maduro and first lady Cilia Flores wave to supporters upon arrival to the Supreme Court / Photo by Ariana Cubillos / Associated Press

Venezuela's role as a hotbed for organized crime in the Americas has deepened this year. The country's political, economic and social crises have fueled crime and strengthened illegal economies, while international sanctions against government officials including President Nicolás Maduro have failed to weaken the regime's power and have helped solidify its leaders' ties to transnational crime.

InSight Crime's field research has shown that drugs produced in Colombia [continue to pass](#) freely through [Venezuela's](#) border. Following the demobilization of the Revolutionary Armed Forces of Colombia (Fuerzas Armadas Revolucionarias de Colombia – FARC), trafficking routes are now under the control of several new

criminal groups. In August, for example, experts told InSight Crime that another Colombian rebel group, the Popular Liberation Army (Ejército Popular de Liberación – EPL), has established a presence in Venezuela for the first time this year. The Rastrojos, once one of Colombia’s most powerful criminal groups, have also begun to emerge in Venezuela after practically disappearing in their home country.

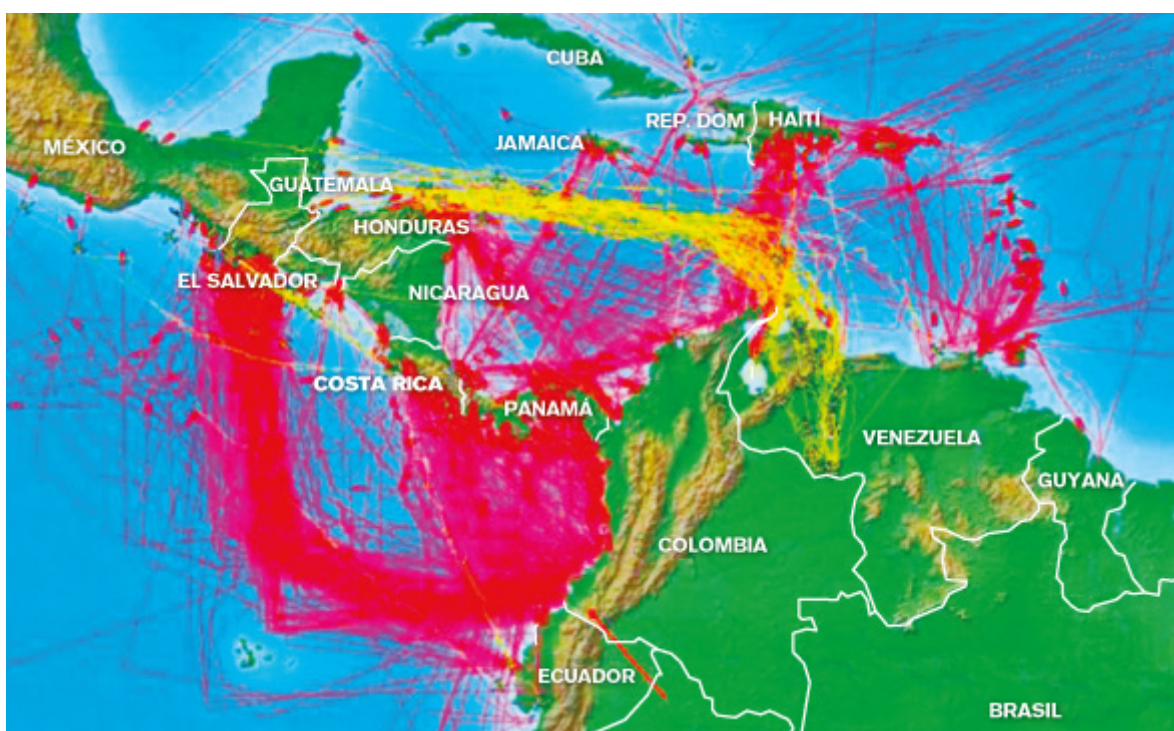
“The Rastrojos have started recruiting Venezuelan nationals and have increased their presence in Venezuela,” we reported in July. “The ongoing instability and rampant corruption in the Venezuelan security forces provides fertile ground for Colombian organized crime, and the Rastrojos have taken advantage of these dynamics.”

The role of Venezuelans in trafficking drugs through the Caribbean has also grown, as observed this year in the Dominican Republic. Venezuelans are now replacing Colombians as drug mules and speedboat operators.

In June, InSight Crime reported that “four out of every five speedboats arriving on the DR’s coasts carrying cocaine shipments now have Venezuelans on board.”

Verny Troncoso, the lead prosecutor in charge of narcotic cases for the province of Santo Domingo, told InSight Crime that “every week since late October 2016, officials have captured three to four Venezuelans arriving at the country’s airports with drugs either ingested or hidden in suitcases.”

This year also laid bare Venezuela’s role as a base for drug flights. In May, InSight Crime reported on a map presented by Costa Rica Security Minister Gustavo Mata Vega that illustrates cocaine trafficking routes through Central America. The yellow lines on the map, which indicate aerial drug trafficking routes, clearly show that Venezuela is the main starting point for flights headed mostly to Honduras and Mexico.



Map showing drug trafficking routes, courtesy La Nación

Maduro's 'Iron Fist'

“Venezuela, unfortunately, is now a failed state and narco regime,” Mike Vigil, a retired Drug Enforcement Administration (DEA) agent with decades of experience in Latin America, told InSight Crime in August — just two days after National Assembly elections strengthened the Maduro administration’s power.

With the support of the National Assembly, Maduro was largely able to overcome 2017’s political conflicts. However, in moments when the administration appeared to be weakening, it clung to power with “mano dura” or iron fist policies, including repression of political protests and the continuation of a [controversial security initiative](#) known as “Operation Liberation and Protection of the People” (Operación de Liberación y Protección del Pueblo – OLP). The OLP [security strategy](#) led to more than 500 killings by security force officials, in addition to reports of torture and other human rights violations.

In January, Maduro [announced](#) a new package of security measures in which he proposed arming civilians in the fight against organized crime. Although no evidence ever surfaced indicating that the government actually provided these arms, the administration has relied on “colectivos,” or collectives of armed civilians. The government has allowed these colectivos to use force and some have participated in official security operations. The colectivos are also known to engage in a variety of criminal activities.

SEE ALSO: [Venezuela News and Profiles](#)

Between April and July, the colectivos became key actors during a wave of massive anti-government protests. They violently intervened in the protests and have been accused of murdering of several opposition protesters. As InSight Crime [reported](#) in April, “despite mounting evidence of the colectivos’ involvement in criminal enterprises, they are becoming an essential tool for the government to maintain its grip on power.”

The Maduro administration’s hard-line security policies appear to have contributed to a stabilization of the political sphere ahead of the year’s end. However, the iron fist approach has not had any significant impact on crime reduction. In 2017, there were more than 20,000 homicides, according to estimates. The 2017 figure will likely come close to that of 2016, when the Attorney General’s Office registered 21,752 homicides. This represents a rate of 70 homicides per 100,000 citizens for 2016, one of the highest in the region.

Former DEA agent Vigil also warned InSight Crime that “with all the anarchy, with all the chaos spilling out into the street, that is going to be taken advantage of by the criminal groups there. It will definitely increase drug trafficking ... and a lot of people will go into the drug trade because they have no option — there’s no jobs, no money, no supplies.”

Sanctions Lack Impact

The US Treasury Department's Office of Foreign Assets Control (OFAC) sanctioned more than a dozen current and former Venezuelan officials in February and July.

Venezuelan Vice President Tareck El Aissami was perhaps the most notable official included on the OFAC list. In February, the US Treasury Department sanctioned El Aissami for his alleged involvement in drug trafficking, making him the highest-level government official to be accused of this crime. He has also been implicated in a "criminal-terrorist pipeline" that allegedly involving militant Islamists and the transfer of illicit funds and drugs to the Middle East.

El Aissami's assets and those of his business frontman Samark López Bello, were frozen by the US government, for "providing material assistance, financial support, or goods or services in support of the international narcotics trafficking activities of, and acting for or on behalf of, El Aissami," according to the press release announcing the sanctions.

Nonetheless, both individuals have continued their activities. In fact, the sanctions did not affect their ties to organized crime. López remains in the business of importing food products for the government's nutrition program.

As vice president, El Aissami has gained more power. During the October elections for governorships, El Aissami helped place several of his allies at the helm of key states for drug trafficking and other criminal activities, such as Sucre and Aragua.

Following these elections, InSight Crime wrote that "the real winner of the controversial vote seems to be organized crime, as the current administration has both supported and received support from criminal elements to which it is closely tied."

The state of Aragua, where El Aissami served as governor and where one of his allies was recently elected, is also the base of operations for the Tren de Aragua, a heavily armed "megabanda," or mega-gang, run from inside the Tócorón prison.

"The current administration has both supported and received support from criminal elements to which it is closely tied."

Another wave of US sanctions came in late July amid political protests. These sanctions included President Nicolás Maduro, whom the US Treasury Department described as a "dictator." In December, two of Maduro's nephews were sentenced to nearly two decades in prison by a US court for plotting to ship 800 kilograms of cocaine to the United States.

Among the other officials sanctioned at this time was Néstor Reverol, the former head of [Venezuela's](#) anti-drug agency and a former commander of the Bolivarian National Guard (Guardia Nacional Bolivariana – GNB). In August, just one day after US federal prosecutors unsealed an indictment accusing Reverol of participating in a transnational cocaine trafficking network, Maduro [appointed him](#) interior minister. Reverol is also one of El Aissami's staunchest supporters.

Former Prison Minister Iris Varela was also among those sanctioned. Varela has been accused of helping criminal networks to flourish by allowing inmates to control the country's prisons. In May, Varela [admitted](#) that she called on inmates to “neutralize” a violent riot in their prison that left at least 9 dead.

Multiple cases this year have illustrated the magnitude of control exercised by inmates in the country's prisons. In an [investigation](#) published in September, InSight Crime described the power of the “pranes,” or prison gang leaders, and their ties to organized crime.

“Ironically it seems the pranes run a more efficient government than Maduro. Justice is swift, and while food is scarce on supermarket shelves, the pranes seem able to get all the food they need,” InSight Crime wrote in the investigation.

Expanded Military Control

Militarization has been a constant feature of the administrations of former President Hugo Chávez and his successor Maduro. The current administration set a record by appointing 12 military officers to positions as ministers, the most of any Venezuelan cabinet in the last 17 years.

In July, Maduro appointed Generals Carlos Osorio Zambrano, Juan de Jesús Toussaintt and Luis Motta Domínguez to join his cabinet. These generals have been accused of involvement in the trafficking of food, drugs, gold and diamonds.

“The ongoing militarization of the Venezuelan state is worrying, given that the country's security forces have lost much of their legitimacy due to widespread criminal activity within their ranks,” InSight Crime wrote following a cabinet reshuffling in June.

In a March 2017 report, former judge and drug czar Mildred Camero [described](#) the evolution of military involvement in drug trafficking and identified high-level officials allegedly participating in the criminal activity.

SEE ALSO: [Coverage of Human Rights](#)

The trend of militarization does not bode well for the country's high levels of violence, which include reports of human rights violations committed by security forces. As InSight Crime [wrote](#) in June, "reports indicate that the government's policy of involving military elements in the fight against crime has engendered repeated cases of extrajudicial killings.

As 2017 comes to an end, Maduro and those around him have become even stronger. Vice President El Aissami, who has become one of Maduro's closest confidants, announced that his boss will run for reelection in 2018. Ahead of the election, Maduro has made further changes to his cabinet, appointing more military officers to top positions. With the help of these military officials, Maduro hopes to shield himself and protect the fragile hold on power that has characterized his administration.

Maduro and El Aissami have appointed trusted soldiers, mainly from the National Guard, to key posts. The National Guard is one of the main branches of the military allegedly involved in the Cartel of the Suns, shadowy groups within the country's armed forces tied to cocaine trafficking and other criminal activities such as the contraband smuggling of gas, minerals and food.

10

Anti-Corruption Successes Fuel Elite Backlash

Written by James Bargent



Brazil's President Michel Temer wipes his face during a ceremony at the Brain Institute in Rio de Janeiro, Brazil / Photo by Leo Correa / Associated Press

Corruption scandals have continued to break at dizzying pace across Latin America throughout 2017, spanning politics, business, the security forces, the judiciary and even sports teams. But while the revelations have been exposing the rotten core of Latin America's ruling class, entrenched elites are now fighting back in what could prove a pivotal battle for the future of the region.

There was barely a corner of Latin American life that was not touched by corruption scandals in 2017.

The richest source of revelations of just how far reaching and systematic corruption is in the region was the investigation into Brazilian construction firm Odebrecht and

its business model of using mass bribery to secure lucrative contracts.

Over the course of the year, InSight Crime reported how this investigation has now implicated [Mexican President Enrique Peña Nieto](#), Ecuadorean Vice President [Jorge Glas](#), Peruvian presidential candidate [Keiko Fujimori](#), former Peruvian President [Alejandro Toledo](#), Venezuelan political leader [Diosdado Caballo](#), a string of officials in the [Dominican Republic](#), and even the now former guerrillas of the Revolutionary Armed Forces of Colombia (Fuerzas Armadas Revolucionarias de Colombia – FARC). And investigators have promised that [more is to come](#).

The year also saw the continuation of a trend of corruption investigations reaching ever higher up the political power chain. El Salvador’s former [President Mauricio Funes](#) and [Brazilian ex-President Luiz Inácio “Lula” da Silva](#) were both convicted on corruption charges. Lula’s deposed successor [Dilma Rousseff](#) was indicted for corruption and money laundering, current [Brazilian President Michel Temer](#) was charged with obstruction of justice and racketeering, Panama’s former President [Ricardo Martinelli](#) was arrested on espionage charges in the United States, and Argentina’s last leader [Cristina Fernández de Kirchner](#) was indicted for money laundering.

SEE ALSO: [InDepth Coverage of Elites and Organized Crime](#)

Revelations detailing how corruption networks interact with organized crime to facilitate drug trafficking and money laundering have also emerged at a frantic pace. This has especially been the case in the Northern Triangle, where testifying drug lords and US investigators — along with [InSight Crime’s extensive special investigations](#) — have uncovered collusion that stretches from the municipal mayors to the upper echelons of political and economic power.

Investigations and prosecutions only tell half the story of corruption in 2017. This was also a year when corrupt elites began to fight back.

In Colombia, meanwhile, investigators have begun to expose another key sector for corruption in the region: justice systems. An investigation that began with the [arrest of the country’s former anti-corruption chief](#) continues to unravel at a breakneck pace, and has already exposed how [the country’s Supreme Court](#) was itself allegedly a key node in corruption networks that sabotaged the prosecutions of underworld chiefs.

Not even the sacred Latin American field of sport has emerged unscathed from 2017’s anti-corruption campaigns. In November, InSight Crime reported on the [start of the corruption trials](#) of regional soccer officials as well as a string of new indictments and [allegations over the role of media companies](#). The following month, the head of Brazil’s Olympic committee was [detained on bribery charges](#).

This trend has been evident in everything from [threats and intimidation](#) of Panamanian prosecutors working on corruption cases to Paraguayan politicians [attempting to hollow outlaws](#) targeting criminal money corrupting campaign financing. However, the most evident pushback has come in the two countries where anti-corruption investigations have made significant headway: Guatemala and Brazil.

In Guatemala, evidence continued to emerge of the rampant corruption and [criminal ties](#) of the previous administration of President Otto Pérez Molina, who was removed from office and imprisoned in 2016 along with his Vice President Roxana Baldetti and several other key political allies. However, the anti-graft campaign did not stop there, as the international body behind the investigation, the International Commission against Impunity in Guatemala (Comisión Internacional contra la Impunidad en Guatemala – CICIG) turned its sights not only on Pérez Molina’s successor Jimmy Morales, but also the country’s two main opposition parties.

First to fight back was President Morales, who has faced [mounting accusations](#) of corrupt campaign financing and ties to drug traffickers since winning the presidency on an anti-corruption platform. In August, Morales declared the Colombian head of the CICIG, Ivan Velázquez, [persona non grata](#). Although his efforts to remove Velázquez from the country were frustrated by the courts, Morales was able to [secure immunity](#) from prosecution in a congressional vote.

SEE ALSO: [Guatemala Elites and Organized Crime](#)

When the CICIG then turned its sights on other politicians, it managed to mobilize the country’s entire political elite against them. This culminated in a vote to reform a law in order to protect politicians and their party functionaries from prosecution and penalties in cases of illicit financing of political campaigns.

As we [pointed out](#) at the time, the CICIG had “effectively cemented a political alliance among these former foes, incentivizing them to create blanket protections for the rest of the parties and their corrupt operatives and leaders.” With the new law, we added, “congress and the president have institutionalized corruption in the political process.”

As in Guatemala, Brazil’s far-reaching corruption investigations exposed the breath taking scale of graft in the country. But these efforts have similarly run into fierce opposition.

The Brazilian congress — many of whose members have been accused of corruption — voted twice to spare Temer from standing trial on the criminal charges against him. The votes, however, seemed to be part of a broader strategy to undermine anti-graft initiatives. Earlier in the year, the government took a far more insidious route, by [slashing funding and staffing](#) for Operation Car Wash.

The moves seemed to confirm [our expectation](#) from earlier in the year that “the significant expansion of the corruption probe could unite Brazil’s typically fractious political landscape around the goal of derailing the investigations.”

Anti-corruption efforts retain significant [popular support](#) in the region, but the elite backlash has cast doubt on whether they can be sustained. The conflict between these two powerful forces could be decisive for whether Latin America can finally address chronic issues of poverty, inequality and rampant organized crime.

The truth of the region’s systemic corruption has been forced out into the open. What remains to be seen is what can be done about it.

11

Is Colombia's FARC Really Gone?

Written by Jeremy McDermott



FARC rebel cleans his weapon at a camp in La Carmelita near Puerto Asis in Colombia's southwestern state of Putumayo / Photo by Fernando Vergara /Associated Press

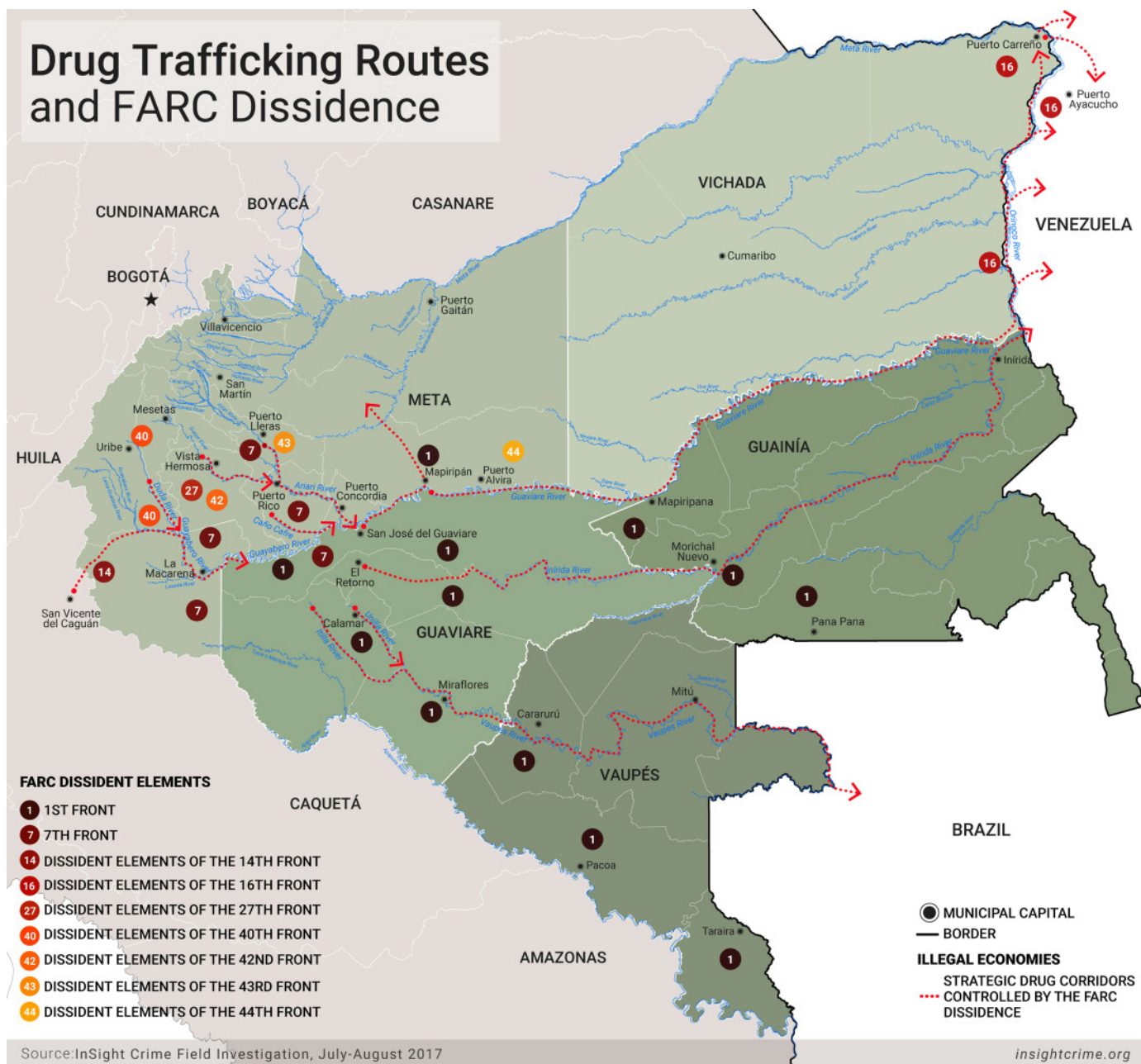
Has Colombia's FARC really left the country's criminal scene? Yes, and absolutely not. The rebel army is gone, and has become a political party. But the FARC Mafia is just coming into being.

In November 2016, a [peace deal](#) with the Revolutionary Armed Forces of Colombia (Fuerzas Armadas Revolucionarias de Colombia – FARC) was signed. By March 2017, about 7,000 rebels were gathered in 26 specially designated zones across the country. Added to this number were released prisoners and militiamen. A [census](#) of the FARC registered just over 10,000 guerrillas as part of the agreement.

In August 2017, the official disarmament of the rebel army was completed, with almost 9,000 arms handed over. In September, the new political party, the Revolutionary Alternative Common Force (Fuerza Alternativa Revolucionaria del Común – FARC) was formed.

While to the untrained eye the dissidents look exactly like their predecessors, there are subtle differences. A local human rights ombudsman in San José de Guaviare, Herlein Andrés Pacheco, described them as being “much more economic than political in character,” and said that they were more interested in establishing control over illegal economies, principally the drug trade and extortion, than engaging in political work with the local communities.

When one looks at the dissident expansion from Guaviare, it is clear that it has been determined with drug trafficking in mind. The first dissident columns were sent along the Guaviare, Inírida and Vaupés rivers, the principal drug trafficking corridors into Venezuela and Brazil. Field research has proven that the dissidents charge “taxes” on all traffic, legal and illegal, moving along these waterways and that this has become their primary source of income.



While there have been bombs set off and some attacks on the security forces by the dissidents, the majority of these can be traced back to enforcing extortion payment and intimidation rather than insurgent action. The dissidents also prefer to operate in civilian clothing.

Police sources in San José de Guaviare stated that there was a change in the command structure. While under the FARC the command structure was clear, from the ruling body known as the Secretariat, down to commanders of blocs and fronts, the dissidents now operate more as a federation. While Miguel Botache Santanilla, alias “Gentil Duarte,” is the most senior dissident commander, he is not the overall commander. Néstor Gregorio Verá Fernández, alias “Iván Mordisco,” the 1st Front commander and the earliest dissident leader has more fighters under his command and much more money. Security forces communications intercepts reveal that the different dissident commanders are in touch, but work together in the interests of business rather than as a coherent insurgent force.

The ‘Hidden’ FARC

Since the foundation of the FARC’s Boliviarian Movement in 2000, both military and rebel sources have always insisted that for every uniformed rebel or “guerrillero raso” there were at least three militiamen, divided into three different types. The “Popular Militia” were the logistics and intelligence support networks, often also involved in the illegal economies; the Bolivarian militia, which received military training and acted as a reserve force living at home with their families, but carrying out armed attacks; and finally the Clandestine Colombian Communist Party (Partido Comunista Clandestino Colombiano – PC3) whose mission it was to penetrate organs of the state and carry out political work.

Therefore, by even the most conservative estimates if 6,900 guerrillero rasos demobilized, then there should have been more than 20,000 militia members. But just under 3,000 militia declared themselves. The rest remain where they have always been; hidden among the civilian population in FARC areas of influence.

When the right-wing army of the United Self-Defense Forces of Colombia (Autodefensas Unidas de Colombia – AUC) demobilized in 2006, there was widespread conflict across the country between its successor groups known as criminal bands, or “bandas criminales” (BACRIM). Yet there has been little fighting between former FARC rebels. Indeed, most of the conflict we have seen since the FARC demobilized has happened in areas where this rebel group cohabited with other illegal actors like the National Liberation Army (Ejército de Liberación Nacional – ELN) or the Urabeños drug trafficking organization. The Pacific Coast is the best example of this.

In areas where the FARC held undisputed sway and where there are no open dissident elements present, there has been little change to the drug trade. Coca crops are still being grown, laboratories operate and shipments travel along internal movement corridors to departure points along the borders or coastlines. The fact that this trade continues uninterrupted suggests it is because the same people are running

it: former FARC elements. Elements that have been hardened by decades of security force offensives and learned to live undetected by law enforcement. Elements who have helped gather, hide and manage [hundreds of millions](#) of dollars.

While we are playing with numbers it might also be worth speculating about weapons. The FARC [handed in 8,994](#) weapons. When one considers that 10,000 AK-47s were [parachuted into the jungle](#) in just one arms shipment in 1999, it is likely that FARC elements still have access to thousands of assault rifles and pistols.

The FARC Clans

The FARC was formed in 1964, and so by the time of the demobilization in 2017 the rebels had been fighting for 53 years. The average age of the guerrillas we saw in the six concentration zones we visited over 2017 was well under 30. So where are all the older rebels?

In 2016 during a visit to Planadas in Tolima, the municipality where the hamlet of Marquetalia and the birthplace of the FARC sits, we spoke with “retired” rebels who spoke of FARC clans that had contributed several generations of fighters to the movement, families who dominated certain fronts. These clans, many of which controlled the running of the criminal economies that sustained the FARC for five decades, remain in place. In traditional FARC areas of influence the rebels have been the principal employers of local communities for generations. This was clear in Miraflores, where the [1st Front has its headquarters](#).

“Everyone here has at least one family member who has been in the FARC,” said Mayor Andrés Flores, in charge of the police station in this besieged municipality in Guaviare.

The Future of the Drug Trade

If we want to take a glimpse into the future of the drug trade, we may want to take look at the story of the Popular Liberation Army (Ejército Popular de Liberación – EPL). A Maoist rebel group, it demobilized in 1991. By 2011, the drug trade was [dominated by former EPL guerrillas](#).

There is still a dissident faction of the EPL in the Catatumbo region of Norte de Santander department, which runs much of the cocaine going into [Venezuela](#). In 2011, the head of the Rastrojos drug trafficking organization, Javier Calle Serna, alias “Comba,” was a former EPL combatant, while the Urabeños leadership at that moment was wholly made up of former EPL fighters. The current leader of the Urabeños, Dario Antonio Úsuga, alias “Otoniel,” is a former EPL guerrilla.

We believe that well within 20 years from today the drug trade will be dominated by a mafia run by former members of the FARC.

12

What to Watch for in 2018

Written by Jeremy McDermott



*Masks representing corrupt politicians line the lawn outside the National Congress building, Brazil
Photo by Fernando Vergara / Associated Press*

Organized crime thrives amid political corruption and uncertainty. There will be plenty of this in Latin America in 2018, helping organized crime deepen its roots across the region over the course of the year.

This is the moment when we draw on our extensive research and experience to make our predictions for the coming year. And the panorama for 2018 is one of the bleakest that InSight Crime has faced in our nine years of studying criminal phenomena in Latin America and the Caribbean.

Tackling organized crime requires stable governments with purpose, strategy, strong security forces, healthy democracy and transparency, along with international cooperation. These currently seem in short supply around the region.

Political chaos, infighting and upheaval ensure that attention is occupied on survival and manipulation of democracy, not with tackling organized crime. State legitimacy has come into question in certain nations in the region, as political leaders are investigated for corruption or manipulation of power. Embattled political leaders will often cut backroom deals with criminal elements to ensure their survival. Moreover, several countries will see important elections in the coming year, contributing to political instability.

Political Hangovers From 2017

As we wrote in our introduction to this GameChangers, 2017 saw corruption take hold at high levels in governments across the region. So we enter 2018 with several political hangovers, where we believe corruption will assume a still stronger grip:

Venezuela, where the last fig leaf of democracy has fallen and a corrupt regime is entrenching itself in power. As oil revenue dries up, the government may further criminalize to survive. The disintegration of the Venezuelan state and its total corruption has far-reaching regional implications for criminal dynamics. These are most immediately impacting on neighbors like Colombia, Brazil and Caribbean nations (Trinidad and Tobago, Aruba and the Dominican Republic foremost among them), but the effects are spreading further afield.

Honduras, where the re-election of President Juan Orlando Hernández has been disputed amid claims of fraud and corruption. This has further undermined his [already battered](#) legitimacy. This Northern Triangle nation is of extraordinary importance for drugs moving from South America to the United States.

Peru, which saw President Pedro Pablo Kuczynski [narrowly avoid](#) being removed from power amid accusations of corruption. He survived only by pardoning former President Alberto Fujimori, who was jailed for human rights abuses. The Fujimori family control one of the most powerful factions in Congress. Kuczynski has been fatally weakened and discredited. We expect to see major underworld activities such as cocaine, timber and gold trafficking strengthened as a result.

Bolivia's president, Evo Morales, has manipulated the constitution and looks set to [perpetuate himself in office](#) by standing for a fourth term. Most checks on his power now seem to have been stripped away, even as the country plays a [central role](#) in South America's drug trade.

Ecuador has seen its vice president removed after a conviction for corruption, while President Lenin Moreno find himself locked in a political war with former President Rafael Correa. Organized crime is far down the president's list of priorities, despite that the fact that we believe the [port of Guayaquil](#) to be one of the major departure points for cocaine shipments across the globe.

Presidential Elections in 2018

To further feed the political uncertainty, there are elections in six important nations, which mean that political attention will be utterly focused on these and not on the fight against organized crime.

Brazil has a president with around five percent approval rating universally seen as corrupt. The favorite to win this election, Luiz Inácio “Lula” da Silva, was convicted in July of **accepting bribes** from an engineering firm in exchange for public works contracts.

Colombia, the world’s foremost producer of cocaine, is struggling to implement a peace agreement with Marxist rebels and prevent a recycling of criminal actors. The enemies of peace seem stronger than its friends as the candidates line up.

Costa Rica, sat astride the Central America route for cocaine heading towards the United States, has seen transnational organized crime **take root** and feed national criminal structures.

Mexico has seen violence reach **new heights** and its current president, Enrique Peña Nieto, has provided few new strategies to tackle homicides or the organized crime that feeds them. New leadership is desperately needed, but no matter who wins the July elections no real changes in strategy are expected until the end of the year, when a new president will take office.

Paraguay, South America’s most prolific producer of marijuana already has a president associated with criminal activity in the form of cigarette smuggling. With Brazilian criminal groups **projecting themselves** into this landlocked nation, clear leadership is needed to contain rampant criminal activity.

Venezuela is due to have presidential elections, but with President Nicolás Maduro now operating a dictatorship, there are no guarantees these will be held, much less that any real change will occur. Economic collapse is more likely to produce change than political challenge.

Even in **Cuba**, dominated by the Castro brothers since 1959, **change is coming** as Raúl Castro has promised to step down in 2018. And **Nicaragua’s** president Daniel Ortega, in power since 2007, is **tightening his grip** on the levers of power and undermining democracy.

Not since the days of the Cold War have democracy and good governance been under such threat in Latin America. These conditions have in part been created by organized crime and the corruption it feeds. And organized crime will continue to profit from the chaos.

Cooperation is also key to fighting transnational organized crime and for good or ill, the United States has often provided coherency and leadership in the war on drugs and organized crime. That [leadership is gone](#) along with much US credibility in the region. All this simply gives yet more room for criminals to maneuver.

More 'Plata' Than 'Plomo'

There is another aspect of organized crime worth mentioning when we look to 2018. While corruption has always been one of the primary tools for organized crime, its flip side has been intimidation and violence. Pablo Escobar used to famously offer his victims two choices: “plata” (“silver,” a bribe) or “plomo” (“lead,” a bullet).

What is becoming clear to the most sophisticated criminals is that bribery now gets you a lot further, a lot quicker, than violence. The expanding corruption scandals are evidence of this.

While Mexico, [Venezuela](#) and much of the Northern Triangle countries of El Salvador, Guatemala and Honduras register epidemic levels of homicides, Colombia is bucking the trend. Even as cocaine exports reach record levels, along with internal drug consumption, with other booming illegal economies such as gold mining and extortion, murders are falling. While this is in part due to the de-escalation of the civil conflict with the demobilization of the Revolutionary Armed Forces of Colombia (Fuerzas Armadas Revolucionarias de Colombia – FARC), the other major factor is the development of a Pax Mafiosa. The first “mafia peace” was [forged in Medellin](#), the capital of the cocaine trade, and expanded from there across the country. This means that our mission of exposing organized crime is getting harder here in our home base of Colombia.

The criminal history of Latin America has been driven by criminal entrepreneurs, principally in the forms of the drug cartels. This is not the case in Africa, where criminal activity is often managed by elements within government. As Latin organized crime continues to fragment, and corruption becomes the preferred method of doing illicit business, Latin America may begin to look more like Africa. Criminality may not only be protected at the highest levels of government but perhaps run by these elements. This is a phenomena we have studied closely in our [“Elites and Organized Crime”](#) investigations. We will dedicate yet more resources to these kinds of investigations as we believe they point the way forward in terms of criminal evolution.

SEE ALSO: [InDepth Coverage of Elites and Organized Crime](#)

Transnational organized crime is the most agile business on the planet and adapts to changing conditions much faster than governments. When those governments become weakened, undermined and corrupted by transnational crime groups, the already uneven playing field become yet further skewed. This year is likely to be a year of further criminal entrenchment in the region, of further corruption of high levels of government or even state capture. Be ready, because we need to pay very close attention, if we are to see the hand of organized crime amid the political chaos.

The InSight Crime Foundation

InSight Crime is a foundation dedicated to the study of the principal threat to national and citizen security in Latin America and the Caribbean: organized crime.

InSight Crime's goal is to deepen understanding on organized crime in the Americas through on-the-ground investigation and analysis from a transnational and policy perspective.

We fulfill this mission by:

- providing high quality and timely analysis of news events linked to organized crime in the region;
- investigating and writing reports on organized crime and its multiple manifestations, including its impact on human rights, governance, drug policy and other social, economic and political issues;
- giving workshops to journalists, academics and non-governmental organizations on how to cover this important issue and keep themselves, their sources and their material safe;
- supporting local investigators through these workshops and by publishing, translating and promoting their work to reach the widest possible audience;
- developing a region-wide network of investigators looking at organized crime;
- presenting in public and closed-door sessions to governments, non-governmental organizations, academics and stakeholders on best practices, strategies and pitfalls in implementing citizen security policy on the ground.

GameChangers Writers

Steven Dudley, is the co-director and co-founder of InSight Crime, and the head of research for Mexico, Central America and the Caribbean. Dudley is a senior fellow at American University's Center for Latin American and Latino Studies in Washington DC. He is the former Bureau Chief of The Miami Herald in the Andean Region and the author of "Walking Ghosts: Murder and Guerrilla Politics in Colombia" (Routledge 2004).

Jeremy McDermott is the executive director and co-founder of InSight Crime. He leads the investigations and coverage of Panama, the Caribbean and South America (except Brazil). He specializes in drug trafficking, organized crime and the Colombian civil conflict. McDermott has two decades of experience reporting from around Latin America. He is a former British Army officer, who later became a war correspondent and was eventually sent to Colombia to cover the conflict.

Héctor Silva Ávalos has 20 years' experience as a journalist, editor and writer. He has worked in El Salvador as a reporter and editor for La Prensa Gráfica and as a collaborator for El Faro internet news magazine and for Plaza Pública in Guatemala. In 2014, he co-founded the online magazine Revista Factum. Silva Ávalos is a Senior Research Fellow at the Center for Latin American and Latino Studies at American University in Washington DC.

Felipe Puerta is a graduate of Universidad EAFIT in Medellín (2014) where he studied Economics. He has worked for InSight Crime since June 2013.

Deborah Bonello is a multimedia journalist based in Mexico City. Bonello worked as a print journalist covering business in London for 10 years and has been in Mexico since 2007, where she has worked with the BBC, the Economist, the Los Angeles Times and the Financial Times. Bonello has a BSc in Sociology from Bristol University.

Mike LaSusa is a graduate of the University of Miami, where he majored in Journalism and International Studies. He earned a master's degree in US Foreign Policy and National Security from American University. He has worked for InSight Crime since October 2015.

Mimi Yagoub graduated from the University of Cambridge with a degree in French and Spanish. She has worked for a number of publications, and joined InSight Crime in October 2015.

James Bargent is a journalist whose work on Colombia's conflict and the drug war has appeared in numerous international publications, and who has been with InSight Crime since 2012.

Tristan Clavel graduated from the London School of Economics with a BSc in History and International Relations. He later studied Defense, Security and Crisis Management at the Institut des Relations Internationales et Stratégiques in Paris.

Parker Asmann graduated from DePaul University in Chicago with degrees in Journalism and Spanish, and a minor in Latin American studies. He was a freelance reporter for various publications before joining InSight Crime in June 2017.

For more information, visit www.insightcrime.org
Or contact: info@insightcrime.org

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