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# Central America Regional Security Initiative: Background and Policy Issues for Congress

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## **Summary**

Central America faces significant security challenges. Criminal threats, fragile political and judicial systems, and social hardships such as poverty and unemployment contribute to widespread insecurity in the region. Consequently, improving security conditions in these countries is a difficult, multifaceted endeavor. Since U.S. drug demand contributes to regional security challenges and the consequences of citizen insecurity in Central America are potentially far-reaching, the United States is collaborating with countries in the region to implement and refine security efforts.

### **Criminal Threats**

Well-financed drug trafficking organizations (DTOs), along with gangs and other criminal groups, threaten to overwhelm Central American governments. Counternarcotics efforts in Colombia and Mexico have put pressure on DTOs in those countries, leading some to increase their operations in Central America—a region with fewer resources and weaker institutions with which to combat drug trafficking and related criminality. Increasing flows of narcotics through Central America are contributing to rising levels of violence and the corruption of government officials, both of which are weakening citizens' support for democracy and the rule of law. DTOs are also increasingly becoming poly-criminal organizations, raising millions of dollars through smuggling, extorting, and sometimes kidnapping migrants. Given the transnational character of criminal organizations and their abilities to exploit ungoverned spaces, some analysts assert that insecurity in Central America poses a potential threat to the United States.

### **Social and Political Factors**

Throughout Central America, underlying social conditions and structural weaknesses in governance inhibit efforts to improve security. Persistent poverty, inequality, and unemployment leave large portions of the population susceptible to crime. Given the limited opportunities other than emigration available to the expanding youth populations in Central America, young people are particularly vulnerable. At the same time, underfunded security forces and the failure to fully implement post-conflict institutional reforms initiated in several countries in the 1990s have left police, prisons, and judicial systems weak and susceptible to corruption.

### **Central American Approaches to Security**

Central American governments have attempted to improve security conditions in a variety of ways, and are increasingly experimenting with new policies. Several countries, including Honduras, have taken more of a hardline approach to organized crime, deploying military forces to carry out policing functions. The Guatemalan government has also embraced a larger role for the military in public security, although it has simultaneously called on countries in the region to consider drug decriminalization and other alternatives. Other Central American governments have emphasized prevention activities, such as programs that focus on strengthening families of at-risk youth, while the governments of Belize and El Salvador have at various times supported efforts to broker truces between criminal gangs. Additionally, Central American nations have sought to improve regional security cooperation, recognizing the transnational nature of the threats they face.

## **U.S. Assistance**

To address growing security concerns, the Obama Administration has sought to develop collaborative partnerships throughout the hemisphere. In Central America, this has taken the form of the Central America Regional Security Initiative (CARSI), which was originally created in FY2008 as part of the Mexico-focused counterdrug and anticrime assistance package known as the Mérida Initiative. CARSI takes a broad approach to the issue of security. In addition to providing the seven nations of Central America with equipment, training, and technical assistance to support immediate law enforcement and interdiction operations, CARSI seeks to strengthen the capacities of governmental institutions to address security challenges and the underlying conditions that contribute to them. Since FY2008, Congress has appropriated an estimated \$803.6 million for Central America through Mérida/CARSI. The Administration has requested an additional \$130 million for CARSI in FY2015.

## **Further Reading**

For more information on security issues in Central America, see CRS Report RL34112, *Gangs in Central America*, by Clare Ribando Seelke, CRS Report RS21655, *El Salvador: Political and Economic Conditions and U.S. Relations*, by Clare Ribando Seelke, CRS Report R42580, *Guatemala: Political, Security, and Socio-Economic Conditions and U.S. Relations*, by Maureen Taft-Morales, and CRS Report RL34027, *Honduras-U.S. Relations*, by Peter J. Meyer.

## Contents

Introduction.....	1
Background: Scope of the Problem .....	3
Underlying Societal Conditions.....	5
Structural Weaknesses in Governance.....	6
Criminal Threats .....	8
Drug Trafficking Organizations .....	8
Gangs.....	10
Other Criminal Organizations .....	11
Central American Policy Approaches .....	12
Military and Law Enforcement.....	13
Prevention.....	16
Regional Cooperation.....	17
U.S. Policy.....	19
Background on Assistance to Central America .....	20
Central America Regional Security Initiative.....	21
Formulation and Goals .....	21
Funding from FY2008 to FY2015 .....	22
Coordination.....	26
Programs .....	26
Implementation.....	29
Results .....	29
Additional Issues for Congressional Consideration.....	31
Funding and Sustainability .....	31
Resource and Policy Coordination .....	32
Human Rights Concerns.....	33
Relation to Other U.S. Government Policies.....	34
Drug Demand .....	34
Illicit Financial Flows.....	35
Arms Trafficking.....	35
Deportations .....	35
Outlook .....	36

## Figures

Figure 1. Map of Central America.....	3
Figure 2. Crime Victimization Rates in Central America and Mexico .....	5
Figure 3. Central American Drug Trafficking Routes.....	9
Figure 4. CARSI Allocations by Country.....	23

## Tables

Table 1. Estimated Homicide Rates in Central America and Mexico: 2007-2012 .....	4
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Table 2. CARSI Funding: FY2008-FY2015 ..... 22  
Table 3. Estimated Cocaine Seizures in Central America: 2007-2013 ..... 30  
Table A-1. Central America Development Indicators ..... 37  
Table A-2. Central America Poverty and Inequality Indicators ..... 37

## **Appendixes**

Appendix. Central America Social Indicators ..... 37

## **Contacts**

Author Contact Information..... 38

## Introduction

The security situation in Central America<sup>1</sup> has deteriorated in recent years as gangs, drug traffickers, and other criminal groups have expanded their activities in the region, contributing to escalating levels of crime and violence that have alarmed citizens and threaten to overwhelm governments. Violence is particularly intense in the “northern triangle” countries of El Salvador, Guatemala, and Honduras, which have some of the highest homicide rates in the world. Citizens of several Central American nations now rank violence as the top problem facing their countries.<sup>2</sup> Crime and violence also take an economic toll on the countries of the region, which is estimated to range from 2.5% of gross domestic product (GDP) in Costa Rica to 10.5% of GDP in Honduras.<sup>3</sup> Moreover, some analysts maintain that the substantial presence of transnational criminal organizations in the region not only threatens Central American governments and civil society, but poses challenges to U.S. strategic interests.<sup>4</sup> Given the proximity of Central America, instability in the region—whether in the form of declining support for democracy as a result of corrupt governance, drug traffickers acting with impunity as a result of weak state presence, or increased emigration as a result of economic and physical insecurity—is likely to affect the United States.

Although some analysts assert that the current situation in Central America arguably presents a greater threat to regional security than the civil wars of the 1980s,<sup>5</sup> policy makers have only recently begun to offer increased attention and financial support to the region. During the 1980s, the United States provided Central America with an average of \$1.3 billion (constant 2012 U.S. dollars) annually in economic and military assistance to support efforts to combat leftist political movements.<sup>6</sup> U.S. attention to the region declined significantly in the early 1990s, however, as the civil wars ended and Cold War concerns faded. For much of the subsequent two decades, the bulk of U.S. security assistance to the hemisphere was concentrated in Colombia and the other narcotics-producing nations of the Andean region of South America. The United States provided Central America with some assistance for narcotics interdiction and institutional capacity building, but the funding levels were comparatively low. This began to change in FY2008 with

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<sup>1</sup> For the purposes of this report, “Central America” includes all seven countries of the isthmus: Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama.

<sup>2</sup> Mitchell A. Seligson, Amy Erica Smith, and Elizabeth J. Zechmeister, eds., *The Political Culture of Democracy in the Americas, 2012: Towards Equality of Opportunity*, Latin American Public Opinion Project, January 25, 2013, <http://www.vanderbilt.edu/lapop/ab2012/AB2012-comparative-Report-V7-Final-Cover-01.25.13.pdf>.

<sup>3</sup> United Nations Development Programme (UNDP), *Citizen Security with a Human Face: Evidence and Proposals for Latin America*, Regional Human Development Report 2013-2014, November 2013, p. 6, <http://www.undp.org/content/dam/rblac/docs/Research%20and%20Publications/IDH/IDH-AL-ExecutiveSummary.pdf>.

<sup>4</sup> U.S. Congress, House Committee on Foreign Affairs, Subcommittee on the Western Hemisphere, *Regional Security Cooperation: An Examination of the Central American Regional Security Initiative (CARSI) and the Caribbean Basin Security Initiative (CBSI)*, Prepared Statement of Michael Shifter, 113th Cong., 1st sess., June 19, 2013, p.1, <http://docs.house.gov/meetings/FA/FA07/20130619/101032/HHRG-113-FA07-Wstate-ShifterM-20130619.pdf>.

<sup>5</sup> Steven S. Dudley, *Drug Trafficking Organizations in Central America: Transportistas, Mexican Cartels and Maras*, Woodrow Wilson International Center for Scholars Mexico Institute & the University of San Diego Trans-Border Institute, Working Paper Series on U.S.-Mexico Security Collaboration, May 2010, p.27, <http://stevendudley.com/pdf/Wilson%20Center%20Central%20America%20Dudley%2005%2017%2010.pdf>. (Hereinafter: Dudley, May 2010).

<sup>6</sup> U.S. Agency for International Development (USAID), *U.S. Overseas Loans and Grants: Obligations and Loan Authorizations, July 1, 1945-September 30, 2012*, <http://gbk.eads.usaidallnet.gov/>.

the introduction of the Mérida Initiative,<sup>7</sup> a counterdrug and anticrime assistance program that focused on Mexico but also initially included some funding for Central America.

Recognizing that U.S.-backed efforts in Colombia and Mexico have provided incentives for criminal groups to move into Central America and other areas where they can exploit institutional weaknesses to continue their operations, the Obama Administration has sought to develop collaborative security partnerships with countries throughout the hemisphere. As part of this effort, the Administration, with support in Congress, re-launched the Central America portion of the Mérida Initiative as the Central America Regional Security Initiative (CARSI) in FY2010. CARSI takes a broad approach to the issue of security that goes well beyond the traditional focus on preventing narcotics from reaching the United States. Ensuring the safety and security of all citizens is one of the four overarching priorities of current U.S. policy toward Latin America and the Caribbean.<sup>8</sup> Accordingly, CARSI not only provides equipment, training, and technical assistance to support immediate law enforcement and interdiction operations, but also seeks to strengthen the capacities of governmental institutions to address security challenges and the underlying conditions that contribute to them. Since FY2008, Congress has appropriated an estimated \$803.6 million for the seven nations of Central America through Mérida and CARSI.

Congress has closely tracked the implementation of CARSI since its inception. Nearly six years after Congress first appropriated funding, many analysts assert that careful, long-term U.S. planning and support will be necessary for Central America to successfully overcome its current security challenges.<sup>9</sup> As Congress evaluates budget priorities and debates the form of U.S. security assistance to the region, it may examine the scope of the security problems in Central America, the current efforts being undertaken by the governments of Central America to address these problems, and how the United States has supported those efforts. This report provides background information about these topics and raises potential policy issues regarding U.S.-Central America security cooperation—such as funding and sustainability, resource and policy coordination, human rights concerns, and how CARSI relates to other U.S. government policies—that Congress may opt to consider.

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<sup>7</sup> For information on the Mérida Initiative in Mexico, see CRS Report R41349, *U.S.-Mexican Security Cooperation: The Mérida Initiative and Beyond*, by Clare Ribando Seelke and Kristin Finklea.

<sup>8</sup> The other three overarching priorities are building effective institutions of democratic governance, promoting social and economic opportunity for everyone, and securing a clean energy future. U.S. Congress, House Committee on Foreign Affairs, Subcommittee on the Western Hemisphere, *Does the United States Have a Policy toward Latin America? Assessing the Impact to U.S. Interests and Allies*, Prepared Statement of Arturo A. Valenzuela, Assistant Secretary of State for Western Hemisphere Affairs, 112th Cong., 1st sess., February 15, 2011, p. 3, <http://archives.republicans.foreignaffairs.house.gov/112/val021511.pdf>. (Hereinafter: Valenzuela, February 2011.)

<sup>9</sup> U.S. Congress, House Committee on Foreign Affairs, Subcommittee on the Western Hemisphere, *Regional Security Cooperation: An Examination of the Central American Regional Security Initiative (CARSI) and the Caribbean Basin Security Initiative (CBSI)*, Prepared Statement of Eric L. Olson, 113th Cong., 1st sess., June 19, 2013, p.6, <http://docs.house.gov/meetings/FA/FA07/20130619/101032/HHRG-113-FA07-Wstate-OlsonE-20130619.pdf>.

**Figure I. Map of Central America**



**Source:** CRS.

**Notes:** The “northern triangle” countries (El Salvador, Guatemala, and Honduras) are pictured in orange.

## Background: Scope of the Problem

As in neighboring Mexico, the countries of Central America—particularly the northern triangle countries of El Salvador, Guatemala, and Honduras—are dealing with escalating homicides and generalized crime committed by drug traffickers, gangs, and other criminal groups. While the drug trafficking-related violence in Mexico<sup>10</sup> has captured U.S. policy makers’ attention, the even more dire security situation in many Central American countries has received considerably less focus or financial support from the United States.<sup>11</sup> In 2012, the homicide rate per 100,000 people

<sup>10</sup> For information on drug trafficking-related violence in Mexico, see CRS Report R41576, *Mexico’s Drug Trafficking Organizations: Source and Scope of the Violence*, by June S. Beittel.

<sup>11</sup> From FY2008 to FY2014, Congress appropriated more than \$2.4 billion in counterdrug and anti-crime assistance to Mexico under the Mérida Initiative and an estimated \$803.6 million to Central America through Mérida and CARSI. For historical information, see CRS Report R40135, *Mérida Initiative for Mexico and Central America: Funding and Policy Issues*, by Clare Ribando Seelke.



in Mexico stood at 21.5, a rate exceeded by those of Belize (44.7), El Salvador (41.2), Guatemala (39.9), and Honduras (90.4) (see **Table 1**).<sup>12</sup> Moreover, according to 2012 polling data, even Central American countries with relatively low homicide rates, such as Costa Rica, have victimization rates for common crime (a term that includes robbery and assault) on par with Mexico (see **Figure 2**). As enforcement efforts in Mexico have intensified, the security challenges facing Central America, a region with significantly fewer resources and weaker institutions than its northern neighbor, have multiplied.<sup>13</sup>

**Table 1. Estimated Homicide Rates in Central America and Mexico: 2007-2012**

Homicides per 100,000 inhabitants

Country	2007	2008	2009	2010	2011	2012
Belize	33.9	35.1	32.2	41.8	39.2	44.7
Costa Rica	8.3	11.3	11.4	11.3	10.0	8.5
El Salvador	57.1	51.7	70.9	64.1	69.9	41.2
Guatemala	43.4	46.1	46.5	41.6	38.6	39.9
Honduras	50.0	60.8	70.7	81.8	91.4	90.4
Nicaragua	12.8	13.0	14.0	13.5	12.5	11.3
Panama	12.7	18.4	22.6	20.6	20.3	17.2
Mexico	7.8	12.2	17.0	21.8	22.8	21.5

**Source:** U.N. Office on Drugs and Crime (UNODC), *Global Study on Homicide 2013: Trends, Contexts, Data*, March 2014, [http://www.unodc.org/documents/gsh/pdfs/2014\\_GLOBAL\\_HOMICIDE\\_BOOK\\_web.pdf](http://www.unodc.org/documents/gsh/pdfs/2014_GLOBAL_HOMICIDE_BOOK_web.pdf).

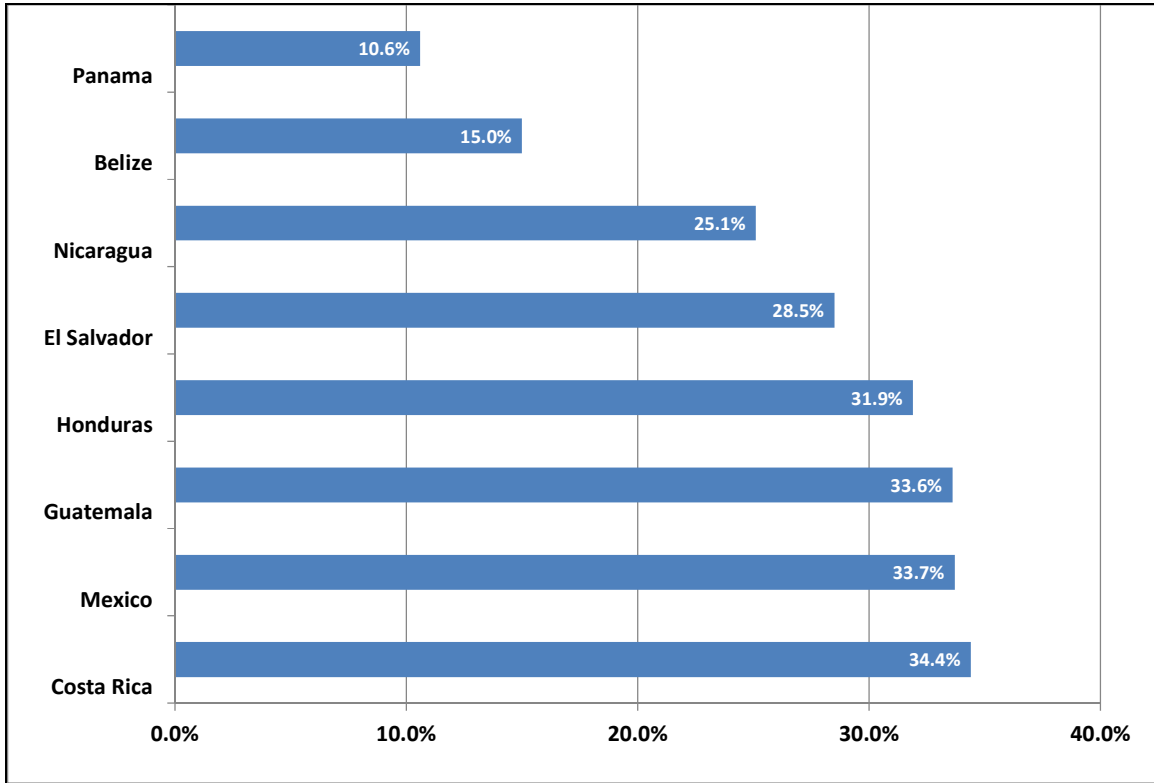
**Notes:** 2012 is the most recent year for which comparable data are available at this time.

<sup>12</sup> U.N. Office on Drugs and Crime (UNODC), *Global Study on Homicide 2013: Trends, Contexts, Data*, March 2014, p.126, [http://www.unodc.org/documents/gsh/pdfs/2014\\_GLOBAL\\_HOMICIDE\\_BOOK\\_web.pdf](http://www.unodc.org/documents/gsh/pdfs/2014_GLOBAL_HOMICIDE_BOOK_web.pdf). (Hereinafter, UNODC, March 2014).

<sup>13</sup> Michael Shifter, "Central America's Security Predicament," *Current History*, February 1, 2011.

**Figure 2. Crime Victimization Rates in Central America and Mexico**

Percentage of people reporting someone in their household was the victim of a crime in the past year



**Source:** CRS presentation of data from Mitchell A. Seligson, Amy Erica Smith, and Elizabeth J. Zechmeister, eds., *The Political Culture of Democracy in the Americas, 2012: Towards Equality of Opportunity*, Latin American Public Opinion Project, January 25, 2013, p. 144.

## Underlying Societal Conditions

The social fabric in many Central American countries has been tattered by persistent poverty, inequality, and unemployment, with few opportunities available for growing youth populations aside from emigration, often illegal.<sup>14</sup> With the exceptions of Costa Rica and Panama, the countries of Central America are generally low-income countries with low levels of human development (see the **Appendix**). At a global level, the U.N. Office on Drugs and Crime (UNODC) has found that countries with high levels of income inequality have homicide rates that are four times higher than countries with low levels of income inequality.<sup>15</sup> For the most part,

<sup>14</sup> According to figures from the U.S. Department of Homeland Security (DHS), El Salvador, Guatemala, and Honduras follow Mexico as the primary source countries for unauthorized (illegal) immigration to the United States. While emigration from Mexico has decreased in recent years, emigration from Central America has accelerated. U.S. Customs and Border Protection officials estimate that some 60,000 unaccompanied alien children could cross Mexico and attempt to enter the United States in FY2014, a recent and particularly troubling development. Nancy Rytina and Bryan C. Baker, *Estimates of the Unauthorized Immigrant Population Residing in the United States: January 2012*, DHS Office of Immigration Statistics, March 2013. Jennifer Scholtes, “CBP Chief: Policies May be Fueling Spike in Minors Crossing Border Illegally,” *CQ Roll Call*, April 2, 2014.

<sup>15</sup> UNODC, *Global Study on Homicide: Trends, Contexts, Data*, 2011, p. 30, [http://www.unodc.org/documents/data-and-analysis/statistics/Homicide/Globa\\_study\\_on\\_homicide\\_2011\\_web.pdf](http://www.unodc.org/documents/data-and-analysis/statistics/Homicide/Globa_study_on_homicide_2011_web.pdf).

Central American countries are not only impoverished, but highly unequal societies, with income disparities exacerbated by the social exclusion of ethnic minorities and gender discrimination. Poverty and inequality have been reinforced by the lack of social mobility and persistent unemployment and underemployment in many countries, conditions which have been exacerbated by the global economic downturn in recent years. With limited opportunities at home, roughly a quarter of Salvadorans now live abroad, many analysts assert that people have become one of the country's primary exports. El Salvador, Guatemala, and Honduras, which all have large percentages of their populations living in the United States, have suffered more from the negative effects of emigration (such as family disintegration and deportations) than other countries.

With the exceptions of Belize and Costa Rica, Central American countries have also had a long history of armed conflicts and/or dictatorships. A legacy of conflict and authoritarian rule has inhibited the development of democratic institutions and respect for the rule of law in many countries. Protracted armed conflicts also resulted in the widespread proliferation of illicit firearms in the region, as well as a cultural tendency to resort to violence as a means of settling disputes. Recent research details how illicit networks that smuggled arms and other supplies to both sides involved in the armed conflict in El Salvador have been converted into transnational criminal networks that smuggle drugs, people, illicit proceeds, weapons, and other stolen goods.<sup>16</sup> In addition, some former combatants in El Salvador and Guatemala have put the skills they acquired during their countries' armed conflicts to use in the service of criminal groups, as the end of civil conflicts there coincided with the emergence of drug trafficking in the region.<sup>17</sup>

## Structural Weaknesses in Governance

In recent years, much has been written about the governance problems that have made many Central American countries susceptible to the influence of drug traffickers and other criminal elements and unable to guarantee citizen security, a basic function of any government. To begin with, many governments do not have operational control over their borders and territories. As an example, the Mexico-Guatemala border is 600 miles long and has only eight formal ports of entry, but as many as 350 informal crossings.<sup>18</sup> This lack of territorial control is partially a result of regional police and military forces being generally undermanned and/or ill-equipped to establish an effective presence in remote regions or to challenge well-armed criminal groups.<sup>19</sup> Resource constraints in the security sector have persisted over time as governments have failed to increase taxes. Tax revenue in Central America averaged 17.4% of GDP in 2012, ranging from a low of 12.3% of GDP in Guatemala to a high of 21% of GDP in Costa Rica.<sup>20</sup> A lack of

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<sup>16</sup> Douglas Farah, *Organized Crime in El Salvador: the Homegrown and Transnational Dimensions*, Woodrow Wilson Center for Scholars Latin America Program, Working Paper Series on Organized Crime in Central America, February 2011, <http://www.wilsoncenter.org/sites/default/files/Farah.FIN1.pdf>.

<sup>17</sup> Ibid.; Hal Brands, *Crime, Violence, and the Crisis in Guatemala: A Case Study in the Erosion of the State*, Strategic Studies Institute, May 2010, <http://www.strategicstudiesinstitute.army.mil/pdffiles/PUB986.pdf>. (Hereinafter: Brands, May 2010).

<sup>18</sup> CRS electronic correspondence with Mexican embassy official in Washington D.C., May 1, 2014.

<sup>19</sup> In Guatemala, for example, former President Oscar Berger reduced the size and budget of the military by 50% more than was required by the 1996 Peace Accords (to roughly 15,500 soldiers and 0.33% of GDP). As of 2012, Guatemala had roughly 15,600 soldiers and a military budget of \$7.6 billion (0.42% of GDP). Red de Seguridad y Defensa de América Latina (RESDAL), *Atlas Comparativo de la Defensa en América Latina y Caribe*, 2012.

<sup>20</sup> Belize is not included in this calculation. ECLAC, Organisation for Economic Co-operation and Development (OECD), and Inter-American Centre of Tax Administrations (CIAT), *Revenue Statistics in Latin America: 1990-2012*, (continued...)

confidence in the underfunded public security forces has led many businesses and wealthy individuals in the region to turn to private security firms. One recent study found that the number of authorized private security personnel in Central America exceeds 160,000, with private security agents outnumbering police in every country in the region.<sup>21</sup>

Resource constraints aside, there have also been serious concerns about corruption in the police, prisons, judicial, and political systems in Central America.<sup>22</sup> This corruption has occurred partially as a result of incomplete institutional reforms implemented after armed conflicts ended in several countries in the 1990s.<sup>23</sup> Criminal groups' efforts to influence public officials and elections, particularly at the local level, have also contributed to corruption.<sup>24</sup> With crime victimization rates on the rise and extremely low conviction rates for crimes that have been committed, people have low levels of trust in law enforcement, which has in turn increased support for government initiatives aimed at increasing the role of the military in public security. Survey data have shown that those who have been victims of crime or who perceive that crime is increasing in their countries express less support for the political system and the rule of law than other citizens, including less support for the idea that police should always obey the law.<sup>25</sup> In extreme cases, people in some Central American countries have taken justice into their own hands by carrying out vigilante killings of those suspected of committing crimes.

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(...continued)

2014, p. 24.

<sup>21</sup> RESDAL, *Public Security Index, Central America: Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama*, Buenos Aires, October 17, 2013, <http://www.resdal.org/libro-seg-2013/resdal-index-2013.pdf>. (Hereinafter: RESDAL, 2013).

<sup>22</sup> According to Transparency International's 2013 Corruption Perceptions Index, citizens in nearly every Central American country perceive high levels of public sector corruption. On a scale of 0 – 100 (highly corrupt – very clean), the countries scored as follows: Honduras (26), Nicaragua (28), Guatemala (29), Panama (35), El Salvador (38), and Costa Rica (53). Belize is not included in the index. For recent examples of corruption, see country entries in U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, *2014 International Narcotics Control Strategy Report (INCSR)*, March 2014, <http://www.state.gov/j/inl/rls/nrcrpt/2014/vol1/index.htm>. (Hereinafter: INCSR, March 2014).

<sup>23</sup> On police reform, see Washington Office on Latin America (WOLA), *Protect and Serve? The Status of Police Reform in Central America*, June 2009, [http://www.wola.org/sites/default/files/downloadable/Citizen%20Security/past/WOLA\\_Policing\\_Final.pdf](http://www.wola.org/sites/default/files/downloadable/Citizen%20Security/past/WOLA_Policing_Final.pdf). (Hereinafter: WOLA, 2009). On the judicial sector, see Due Process of Law Foundation, *Evaluation of Judicial Corruption in Central America and Panama and Mechanisms to Combat It*, 2007, <http://www.dplf.org/uploads/1196091774.pdf>.

<sup>24</sup> In El Salvador, the Taxis Cartel has reportedly developed a broad network of supporters that includes military, police and judicial officials, as well as local and national politicians. This network has enabled it to dominate cocaine smuggling through northern El Salvador. In Guatemala, domestic traffickers use their largesse to influence elections and officials. See: Sergio Arauz, Óscar Martínez, and Efrén Lemus, "El Cartel de Taxis," *El Faro*, May 16, 2011, and International Crisis Group, *Guatemala: Drug Trafficking and Violence*, October 11, 2011.

<sup>25</sup> Mitchell A. Seligson and Amy Erica Smith, eds., *The Political Culture of Democracy, 2010: Democratic Consolidation in the Americas in Hard Times*, Latin American Public Opinion Project, December 2010, <http://www.vanderbilt.edu/lapop/insights/RegionalEng.pdf>.

## Criminal Threats

### Drug Trafficking Organizations

Since the mid-1990s, the primary pathway for illegal drugs, including Andean cocaine, entering the United States has been through Mexico. Nevertheless, as recently as 2007, only a small amount of the cocaine that passed through Mexico first transited through Central America. The use of Central America as a transshipment zone has grown, however, as traffickers have used overland smuggling, littoral maritime trafficking, and short-distance aerial trafficking rather than long-range maritime or aerial trafficking to transport cocaine from South America to Mexico.<sup>26</sup> In addition to cocaine, a large but unknown proportion of opiates, as well as foreign-produced marijuana and methamphetamine, some of which is now locally produced, also flows through the same pathways (see **Figure 3**). According to U.S. officials, about 80% of the documented drug flow from South America transits Central American territory.<sup>27</sup> This overwhelming use of the Central America-Mexico corridor as a transit zone represents a major shift in trafficking routes. In the 1980s and early 1990s, drugs primarily transited through the Caribbean into South Florida.

Stepped-up enforcement efforts in Mexico and instability in certain Central American countries have provided incentives for traffickers to use the region as a transshipment point. For example, Honduras—which has experienced a political crisis and rampant violence in recent years—has reportedly become a primary transit point at which cocaine is offloaded from planes and boats and then repackaged to continue its journey northward.<sup>28</sup> In September 2013, for the third consecutive year, President Obama identified every Central American country as a major drug transit country.<sup>29</sup>

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<sup>26</sup> Stephen Meiners, “Central America: An Emerging Role in the Drug Trade,” *STRATFOR*, March 28, 2009.

<sup>27</sup> U.S. Congress, House Committee on Foreign Affairs, Subcommittee on the Western Hemisphere, and House Committee on Transportation and Infrastructure, Subcommittee on the Coast Guard and Maritime Transportation, *Confronting Transnational Drug Smuggling: An Assessment of Regional Partnerships*, Prepared Statement of Ambassador Luis Arreaga, Deputy Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, 113th Cong., 2nd sess., April 29, 2014, p. 3, <http://docs.house.gov/meetings/FA/FA07/20140429/102158/HHRG-113-FA07-Wstate-ArreagaL-20140429.pdf>. (Hereinafter: Arreaga, April 2014).

<sup>28</sup> Mark Stevenson, “Honduras Becomes Western Hemisphere Cocaine Hub,” *Associated Press*, October 31, 2011; James Bosworth, *Honduras: Organized Crime Gaining Amid Political Crisis*, Woodrow Wilson Center for Scholars Latin America Program, Working Paper Series on Organized Crime in Central America, February 2011, <http://www.wilsoncenter.org/sites/default/files/Bosworth.FIN.pdf>.

<sup>29</sup> Beginning in 1986 (P.L. 99-570), Congress introduced an annual procedure to withhold certain types of bilateral foreign assistance, not including counternarcotics assistance, to major drug-producing and major drug transit countries worldwide, commonly termed the “drug majors.” The President is required annually to issue a presidential determination to identify which countries are to be included in the list of drug majors for the following fiscal year. For FY2014, President Barack Obama identified 22 drug majors, including Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama. The drug majors are then evaluated on the basis of their effort to combat drugs and cooperate with the U.S. government on drug policy issues. The President must accordingly “certify” to Congress that drug majors have either “cooperated fully” or have “failed demonstrably” in U.S. and international counternarcotics efforts. President Obama certified all Central American countries on the list. President Barack Obama, Presidential Determination No. 2013-14, “Memorandum for the Secretary of State: Presidential Determination on Major Drug Transit or Major Illicit Drug Producing Countries for Fiscal Year 2014,” September 13, 2013.

Figure 3. Central American Drug Trafficking Routes



Source: STRATFOR, February 25, 2011, <http://www.stratfor.com>.

In the past, Mexican and Colombian DTOs tended to contract local drug trafficking groups in Central America, sometimes referred to as *transportistas*, to transport drugs through that region. Recently, drug transshipment activities have increasingly been taken over, often after violent struggles, by Mexican drug traffickers and their affiliates, such as the Sinaloa DTO and Los Zetas, a rival DTO started by former Mexican military officers who, until recently, served as the paramilitary wing of the Gulf DTO. Mexican DTOs have been most active in Guatemala, where they are battling each other and family-based Guatemalan DTOs for control over lucrative drug smuggling routes. Mexican DTOs have also begun to pay *transportistas* and gangs who distribute drugs or serve as enforcers (or hit men) in product, which has increased drug consumption in many countries and sparked disputes between local groups over control of domestic drug markets.<sup>30</sup> The DTOs, particularly Los Zetas, have also taken control of many migrant smuggling routes originating in Central America, enacting harsh penalties on those who fail to work for them or pay them quotas.<sup>31</sup>

<sup>30</sup> Dudley, May 2010, op. cit.

<sup>31</sup> Tim Johnson, "Violent Mexican Drug Gang, Zetas, Taking Control of Migrant Smuggling," *McClatchy Newspapers*, August 12, 2011.

## Gangs<sup>32</sup>

In recent years, Central American governments, the media, and some analysts have attributed, sometimes erroneously, a significant proportion of violent crime in the region to transnational youth gangs, or *maras*, many of which have ties to the United States. The major gangs operating in Central America with ties to the United States are the “18<sup>th</sup> Street” gang (also known as M-18) and its main rival, the *Mara Salvatrucha* (MS-13).<sup>33</sup> The 18<sup>th</sup> Street gang was formed by Mexican youth in the Rampart section of Los Angeles in the 1960s who were not accepted into existing Hispanic gangs. MS-13 was created during the 1980s by Salvadorans in Los Angeles who had fled the country’s civil conflict. Both gangs later expanded their operations to Central America. This process accelerated after the United States began deporting illegal immigrants, many with criminal convictions, back to the region after the passage of the Illegal Immigrant Reform and Immigrant Responsibility Act (IIRIRA) of 1996.<sup>34</sup>

Estimates of the overall number of gang members in Central America vary widely, with a top State Department official recently estimating that there may be 85,000 MS-13 and 18<sup>th</sup> Street gang members in the northern triangle countries (El Salvador, Guatemala, and Honduras).<sup>35</sup> UNODC recently estimated total MS-13 and M-18 membership in Guatemala, El Salvador, and Honduras at a more modest 54,000. According to UNODC, in 2012 there were roughly 20,000 gang members in El Salvador, 12,000 in Honduras, and 22,000 in Guatemala. El Salvador has the highest concentration of gang members, with 323 for every 100,000 citizens, double the level of Guatemala and Honduras.<sup>36</sup> In comparison, in 2007, UNODC cited country membership totals of 10,500 in El Salvador, 36,000 in Honduras, and 14,000 in Guatemala.<sup>37</sup>

Nicaragua has a significant number of gang members, but does not have large numbers of MS-13 or M-18 members, perhaps due to the fact that Nicaragua has had a much lower deportation rate from the United States than the “northern triangle” countries.<sup>38</sup> Costa Rica, Panama, and Belize also have local gangs. There are some MS-13 members present in the Costa Rican border regions, as well as increasing numbers of MS-13 members in Belize.<sup>39</sup>

MS-13 and M-18 began as loosely structured street gangs, but there is evidence that both gangs have expanded geographically, become more organized, and expanded the range of their criminal

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<sup>32</sup> For background, see CRS Report RL34112, *Gangs in Central America*, by Clare Ribando Seelke.

<sup>33</sup> For the history and evolution of these gangs, see Tom Diaz, *No Boundaries: Transnational Latino Gangs and American Law Enforcement*, Ann Arbor, M.I.: University of Michigan Press, 2009.

<sup>34</sup> IIRIRA expanded the categories of illegal immigrants subject to deportation and made it more difficult for immigrants to get relief from removal.

<sup>35</sup> U.S. Department of State, “Gangs, Youth, and Drugs – Breaking the Cycle of Violence,” Remarks by William R. Brownfield, Assistant Secretary, Bureau of International Narcotics and Law Enforcement Affairs, at the Institute of the Americas, press release, October 1, 2012. (Hereinafter: Brownfield, 2012).

<sup>36</sup> UNODC, *Transnational Organized Crime in Central America and the Caribbean: a Threat Assessment*, September 2012, p. 29, [http://www.unodc.org/documents/data-and-analysis/Studies/TOC\\_Central\\_America\\_and\\_the\\_Caribbean\\_english.pdf](http://www.unodc.org/documents/data-and-analysis/Studies/TOC_Central_America_and_the_Caribbean_english.pdf). (Hereinafter: UNODC, 2012).

<sup>37</sup> UNODC, *Crime and Development in Central America: Caught in the Crossfire*, May 2007, p. 60. (Hereinafter: UNODC, 2007).

<sup>38</sup> Dennis Rodgers et al., “Gangs of Central America: Causes, Costs, and Interventions,” *Small Arms Survey*, Occasional Paper 23, May 2009.

<sup>39</sup> CRS interview with official from the National Gang Unit of U.S. Immigration and Customs Enforcement (ICE), January 2, 2013.

activities.<sup>40</sup> In 2008-2009, the Federal Bureau of Investigation (FBI) simultaneously arrested gang members in El Salvador and in Charlotte, NC, responsible for carrying out several murders in North Carolina.<sup>41</sup> Ties between some Washington, DC-based cliques and groups in El Salvador are particularly well developed.<sup>42</sup> Studies have shown that, as happened in the United States, gang leaders in Central America have used prisons to increase the discipline and cohesion among their ranks. Still, UNODC maintains that the term “transnational gangs” is misleading when used to describe the *maras*, as their primary focus continues to be on local issues, such as dominating a particular extortion racket or local drug distribution area.<sup>43</sup>

Central American officials have blamed gangs for a large percentage of homicides committed in recent years, particularly in El Salvador and Honduras, but some analysts assert that those claims may be exaggerated.<sup>44</sup> The actual percentage of homicides that can be attributed to gangs in Central America remains controversial, but analysts agree that the gangs have increasingly become involved in extortion, kidnapping, human trafficking, and drug, auto, and weapons smuggling. Gangs have extorted millions of dollars from residents, bus drivers, and businesses in cities throughout the region. Failure to pay often results in harassment or violence.

Some studies maintain that ties between Central American gangs and organized criminal groups have increased, while others downplay the connection. Regional and U.S. authorities have confirmed increasing gang involvement in drug trafficking, although mostly on a local level. MS-13 members are reportedly being contracted on an ad hoc basis by Mexico’s warring DTOs to carry out revenge killings. Some analysts assert that the relationship between DTOs and gangs appears to be most developed in El Salvador and, to a lesser extent, in Honduras, with few DTO-gang connections in Costa Rica, Guatemala, Nicaragua, or Panama.<sup>45</sup>

## Other Criminal Organizations

Much less information is publicly available about what analysts have termed “other criminal organizations” than about DTOs or gangs operating in the region. Criminal organizations included in this catchall category may be involved in a wide variety of illicit activities, including, but not limited to, arms trafficking, alien smuggling, human trafficking, and money laundering. Some organizations specialize in one type of crime, such as human trafficking, while other enterprises engage in a range of criminal activities. Although most of the income-generating activities of these criminal organizations are illicit, some groups receive revenue through ties to legitimate businesses as well.

Some criminal enterprises active in Central America focus only on a certain neighborhood, city, or perhaps region in one country, while others, often referred to as “organized crime,”<sup>46</sup> possess

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<sup>40</sup> U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, *Regional Gang Initiative: Assessments and Plan of Action*, July 1, 2008.

<sup>41</sup> Email from Federal Bureau of Investigation (FBI) official, December 10, 2012.

<sup>42</sup> Geoffrey Ramsey, “Tracking El Salvador’s Mara Salvatrucha in Washington, DC,” *Insight Crime*, October 12, 2012.

<sup>43</sup> UNODC, 2012, op. cit., p. 28.

<sup>44</sup> UNODC, 2007, op. cit.

<sup>45</sup> Dudley, May 2010, op. cit.

<sup>46</sup> The definition of what constitutes “organized criminal organizations” varies significantly from country to country. For example, the Mexican government refers to DTOs as organized crime, whereas the U.S. government has historically considered drug trafficking and organized crime as distinct for programmatic purposes. Similarly, the (continued...)



the capital, manpower, and networks required to run sophisticated enterprises and to penetrate state institutions at high levels. The more organized criminal groups in Central America include both domestically based and transnational groups.<sup>47</sup> In Guatemala, for example, much has been written on the ongoing influence and illicit activities of domestic criminal organizations, often referred to as “hidden powers,” whose membership includes members of the country’s political and economic elite, including current and former politicians and military officials.<sup>48</sup> While the dominant transnational criminal organization may vary from country to country, certain transnational criminal groups appear to be active throughout the region.

## Central American Policy Approaches<sup>49</sup>

Confronting the increasing threat posed by both transnational and domestic criminal organizations has become a central concern of governments throughout Central America. Until recently, governments in the northern triangle countries of Central America have tended to adopt more aggressive approaches than the other Central American countries. Those policies have included deploying military forces to help police perform public security functions and enacting tough anti-gang laws (in El Salvador and Honduras), which led to large roundups of suspected gang members. In general, such policies have been put in place in reaction to rising violence, rather than formulated as part of proactive, forward-looking strategies to strengthen citizen security. They failed to stave off rising crime rates in the region and have had several negative unintended consequences, including severe prison overcrowding. As a result, experts have urged governments to adopt more holistic approaches.<sup>50</sup>

In recent years, Central American governments have begun to implement divergent approaches to countering crime and drug trafficking. The Honduran government has repeatedly turned to the military to carry out policing activities, and, in 2013, created a new military-police force.<sup>51</sup> Guatemalan President Otto Pérez Molina, a retired general, has also backed increased military involvement in efforts against organized crime,<sup>52</sup> though he has simultaneously called on the

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(...continued)

Salvadoran government considers gangs as transnational organized crime, while the Nicaraguan government seems to view gangs as a local problem to be addressed primarily by youth crime prevention programs. For a discussion of the various definitions of organized crime in the United States, see CRS Report R41547, *Organized Crime: An Evolving Challenge for U.S. Law Enforcement*, by Jerome P. Bjelopera and Kristin Finklea; and CRS Report R40525, *Organized Crime in the United States: Trends and Issues for Congress*, by Kristin Finklea.

<sup>47</sup> UNODC, 2012.

<sup>48</sup> See, for example, Susan C. Peacock and Adriana Beltrán, *Hidden Powers in Post-Conflict Guatemala*, WOLA, September 2003; Brands, May 2010, op. cit.

<sup>49</sup> For more on individual nations’ public security strategies, see CRS Report RS21655, *El Salvador: Political and Economic Conditions and U.S. Relations*, by Clare Ribando Seelke, CRS Report R42580, *Guatemala: Political, Security, and Socio-Economic Conditions and U.S. Relations*, by Maureen Taft-Morales, and CRS Report RL34027, *Honduras-U.S. Relations*, by Peter J. Meyer.

<sup>50</sup> Holistic approaches to addressing gang-related violence may include prevention programs for at-risk youth, interventions to encourage youth to leave gangs, and the creation of municipal alliances against crime and violence.

<sup>51</sup> “Honduras: Lobo Leans Towards a Permanent Military-Security Role,” *Latin American Regional Report: Caribbean & Central America*, April 2012; “Military Police Approved in Honduras,” *Latin News Daily Report*, August 23, 2013.

<sup>52</sup> CNN Wire Staff, “Guatemala’s President Calls on Troops to ‘Neutralize’ Organized Crime,” *CNN.com*, January 16, 2012.

countries of the region to consider drug decriminalization and other alternative policies.<sup>53</sup> In Belize and El Salvador, the governments have supported efforts to broker truces between warring criminal gangs, the source of a significant percentage of violent crime. Belize's truce, which began in September 2011, broke down by late 2012; the truce launched in El Salvador in March 2012, had begun to unravel by early 2014.<sup>54</sup> Even as national strategies have diverged, however, the countries of the region have continued to work together through the Central American Integration System (SICA)<sup>55</sup> to implement a regional security plan.

## Military and Law Enforcement

Following the end of armed conflicts and dictatorships in Central America in the 1990s, most countries made significant progress in subordinating military forces to civilian control and in reducing the size of military budgets and personnel. They made less progress, however, in defining proper military-police roles and relationships, particularly as they relate to dealing with threats to public security.<sup>56</sup> Despite, or perhaps because of, that lack of definition, El Salvador, Guatemala, and Honduras have deployed thousands of troops to help their often underpaid and poorly equipped police forces carry out public security functions, without clearly defining when those deployments might end. In Guatemala, some 40% of the country's security positions are being held by former military officials and 21,000 troops are deployed to "maintain security" throughout the country.<sup>57</sup> In El Salvador, some 11,500 troops are involved in public security.<sup>58</sup> Salvadoran President Mauricio Funes appointed his former defense minister, a retired general, to head the ministry that oversees the national police, a position he held until it was deemed unconstitutional in May 2013. The Honduran government has granted the military broad policing powers since December 2011, and President Juan Orlando Hernández has repeatedly called on the military to perform law enforcement tasks since taking office in January 2014.<sup>59</sup> This trend has led many human rights groups to raise concerns about the "re-militarization" of some Central American countries and to predict an increase in human rights abuses committed by military personnel in the region who are ill-trained to perform police work (as has occurred in Mexico).<sup>60</sup> Evidence also indicates that military involvement in public security functions has not reduced crime rates significantly.

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<sup>53</sup> Otto Pérez Molina, "We Have to Find New Solutions to Latin America's Drugs Nightmare," *Guardian*, April 7, 2012.

<sup>54</sup> Mimi Yagoub, "Belize City Gang Ceasefire is Temporary Reprieve," *Insight Crime*, April 29, 2014; Zlatica Hoke, "Criminal Gangs in El Salvador Return to War Path After Two-Year Truce," *Voice of America*, March 25, 2014.

<sup>55</sup> The Central American Integration System (SICA), a regional organization with a Secretariat in El Salvador, is composed of the governments of Belize, Costa Rica, El Salvador, Guatemala, Honduras, and Panama. The Security Commission was created in 1995 to develop and carry out regional security efforts.

<sup>56</sup> Richard L. Millett and Orlando J. Perez, "New Threats and Old Dilemmas: Central America's Armed Forces in the 21<sup>st</sup> Century," *Journal of Political and Military Sociology*, vol. 33, no. 1 (Summer 2005).

<sup>57</sup> Just the Facts, "Militarization of Law Enforcement in Guatemala," July 24, 2013.

<sup>58</sup> "SC provides security boost for Sánchez Cerén in El Salvador," *Latin News Daily Report*, April 14, 2014.

<sup>59</sup> "Gobierno de Honduras Extiende Facultades Policiales a Militares por 90 Días Más," *El Heraldo* (Honduras), June 26, 2012; Michael Lohmuller, "New Honduras President Sends Soldiers to Capital's Streets," *InSight Crime*, January 28, 2014; "Militares, Policías y Fiscales Asumen Control de Aduanas en Honduras," *Agence France Presse*, March 3, 2014.

<sup>60</sup> See, for example, relevant sections of George Withers, Lucila Santos, and Adam Isaacson, *Preach What you Practice: the Separation of Military and Police Roles in the Americas*, WOLA, November 2010, <http://www.wola.org/sites/default/files/downloadable/Regional%20Security/2010/preachwhatyoudo.pdf>.

### The Salvadoran Gang Truce

When Salvadoran President Mauricio Funes appointed his defense minister, retired general David Munguía Payés, as Minister of Justice and Public Security in November 2011, observers expected the minister to back a hardline approach to combating gangs. Munguía Payés did restructure the Salvadoran police and create a new elite anti-gang unit that has received U.S. training. However, he also surprised many analysts by lending government support to a former guerrilla fighter and congressman (who was his aid in the defense ministry) and a Catholic bishop who brokered a truce between the MS-13 and 18<sup>th</sup> Street gangs. In March 2012, Munguía Payés agreed to transfer high-ranking gang leaders serving time in prison to less secure prisons in order to facilitate negotiations between the gangs. Questions remain surrounding what exactly was negotiated with the gangs, when, and under what circumstances.<sup>61</sup> Munguía Payés denied his role in facilitating the truce until September 2012.<sup>62</sup>

Between the time the prison transfers took place and May 2013 (when Munguía Payés was removed from his post),<sup>63</sup> the Salvadoran government reported that homicide rates dramatically declined (from an average of roughly 14 per day to 5.5 per day). U.S. law enforcement could not verify those figures.<sup>64</sup> Gang leaders pledged not to forcibly recruit children into their ranks or perpetrate violence against women, turned in small amounts of weapons, and offered to engage in broader negotiations that could potentially result in a permanent truce.<sup>65</sup> They did not agree to give up control of over their territories or stop extortions.

While some—including the Secretary General of the Organization of American States (OAS)—have praised the truce,<sup>66</sup> others have expressed skepticism, maintaining that disappearances have increased and extortions have continued since it took effect.<sup>67</sup> El Salvador's current Minister of Justice and Public Security and Attorney General are critics of the truce. Since the Funes government withdrew its support for the truce mediators and reduced communication between imprisoned gang leaders and gang members in the streets in mid-2013, there have been signs that the truce has begun to unravel.<sup>68</sup> While some gangs have reportedly remained committed to the truce process despite the government's antagonism, factions of the 18<sup>th</sup> Street gang, and perhaps others groups as well, have ceased to abide by its principles.<sup>69</sup> Average daily murder rates in 2014 have risen to some 9 murders a day; gang attacks on police have also occurred.<sup>70</sup> Gang leaders have predicted that murder rates could increase to 20 or 25 per day should the truce unravel completely.<sup>71</sup>

In the early 2000s, governments in the northern triangle countries also adopted *mano dura* (strong-handed) anti-gang policies in response to popular demands and media pressure for them to “do something” about an escalation in gang-related crime. *Mano dura* approaches typically

<sup>61</sup> “MS Tenía una Computadora Oculta en el Penal de Gotera,” *El Salvador.com*, February 18, 2014; Carlos Martínez, “Los dos Versiones de Nelson Rauda Sobre la Tregua,” *El Faro*, February 17, 2014.

<sup>62</sup> Carlos Martínez and Jose Luis Sanz, “The New Truth About the Gang Truce,” *Insight Crime*, September 14, 2012.

<sup>63</sup> In May 2013, El Salvador's Supreme Court nullified President Funes' appointment of retired general David Munguía Payés as Minister of Justice and Public Security because it contravened the Peace Accords and a constitutional provision stipulating that public security must be led by an individual independent of the military. Munguía Payés' replacement, Ricardo Perdomo, has proven to be a critic of the truce. Benjamin Witte-Lebhar, “Court Ruling, Political Potshots Challenge El Salvador's 15-month-old Gang Truce,” *Noticen: Central American and Caribbean Affairs*, June 27, 2013.

<sup>64</sup> CRS interview with State Department official in El Salvador, May 24, 2013.

<sup>65</sup> WOLA, *El Salvador's Gang Truce: In Spite of Uncertainty, an Opportunity to Strengthen Prevention Efforts*, July 17, 2012; Randal C. Archibold, “Gangs' Truce Buys El Salvador a Tenuous Peace,” *New York Times*, August 27, 2012.

<sup>66</sup> Eric Sabo, “Gang Truce Spurs Bond Rally as El Salvador's Murders Drop 70%,” *Bloomberg*, July 23, 2012.

<sup>67</sup> Douglas Farah, *The Transformation of El Salvador's Gangs into Political Actors*, Center for Strategic & International Studies (CSIS), June 21, 2012.

<sup>68</sup> “Gang Violence Peaks Again in El Salvador,” *Latin News Daily*, December 18, 2013.

<sup>69</sup> “Presidente de El Salvador Dice que “Mara 18” Rompió la Tregua entre Pandillas,” *Agencia EFE*, April 26, 2014.

<sup>70</sup> Zlatica Hoke, “Criminal Gangs in El Salvador Return to War Path After Two-Year Truce,” *Voice of America*, March 25, 2014; Grant Hurst, “Increases in Salvadoran Gang Activity and use of Automatic Firearms Raise Death, Injury, and Collateral Damage Risks,” *IHS Global Insight Daily Analysis*, April 22, 2014.

<sup>71</sup> Carlos Martínez and José Luis Sanz, “Para que la Gente nos Crea Estamos Dispuestos a Dejar de Meter Jóvenes a la Pandilla,” *El Faro*, January 27, 2014.

involve incarcerating large numbers of youth (often those with visible tattoos) for illicit association, and increasing sentences for gang membership and gang-related crimes. Early public reactions to the tough anti-gang reforms enacted in El Salvador and Honduras were extremely positive, supported by media coverage demonizing the activities of tattooed youth gang members, but the long-term effects of the policies on gangs and crime have been largely disappointing. Most youth arrested under *mano dura* provisions were subsequently released for lack of evidence that they committed any crime. Some youth who were wrongly arrested for gang involvement were recruited into the gang life while in prison. Moreover, in response to *mano dura* policies, gangs have changed their behavior to avoid detection. The extent to which the incoming Salvadoran government of Salvador Sánchez Cerén (who will take office on June 1, 2014) elects to support or oppose prior efforts to broker a truce between gangs could signal a new approach toward gangs in the region that other nations may seek to replicate (see the text box, “The Salvadoran Gang Truce”).

Aggressive roundups of criminal suspects have overwhelmed prisons in Central America, which are in desperate need of reform. Prison conditions in the region are generally harsh, with severe overcrowding, inadequate sanitation, and staffing shortages. In recent years, facilities that were already teeming with inmates have been filled beyond their capacities with thousands of suspected gang members, many of whom have yet to be convicted of any crimes. In 2013, the Salvadoran, Guatemalan, and Honduran penitentiary systems, which together have capacity for about 23,000 inmates, held nearly 55,000 prisoners.<sup>72</sup>

In addition to prison reform, large-scale institutional reforms to improve the investigative capacity of police and the conviction rates secured by public prosecutors’ offices are still needed in many Central American countries. Such reforms have generally not been undertaken, however, because of limited funding and political will to do so. The U.S. government has advised governments to employ “intelligence-led policing” and has called on legislatures in the region to give police and prosecutors new tools to help them build successful cases, including the ability to use wiretaps to gather evidence.<sup>73</sup> Some countries are also in the process of implementing laws that would enable assets seized from criminal organizations to fund law enforcement entities. Improving trust, information-sharing, and coordination between police and prosecutors is another important component of the reform process. Building that trust will require proper recruiting, vetting, and training of police and prosecutors, as well as robust systems of internal and external controls in both institutions to detect and punish corruption.<sup>74</sup> Recognizing the challenging nature of institutional reform, some countries have turned to outside help (see the text box, “The International Commission Against Impunity in Guatemala: A Regional Model?”).

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<sup>72</sup> RESDAL, 2013, op. cit.

<sup>73</sup> U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, *International Narcotics Control Strategy Report (INCSR)*, March 2011. (Hereinafter: *INCSR*, March 2011).

<sup>74</sup> WOLA, 2009, op. cit.

### **The International Commission Against Impunity in Guatemala: A Regional Model?**

In August 2007, the Guatemalan Congress ratified an agreement with the United Nations to establish a commission to support Guatemalan institutions in the identification, investigation, and prosecution of illegal security groups and clandestine organizations, some of which have been tied, directly or indirectly, to the Guatemalan state. Inaugurated in January 2008, the International Commission Against Impunity in Guatemala (CICIG) is a unique hybrid body that operates completely within the Guatemalan legal system, includes 162 international and local staff,<sup>75</sup> and is funded entirely through international donations. In addition to assisting in the investigation and prosecution of high impact crimes, CICIG undertakes efforts to build capacity within justice sector institutions and recommends public policies and institutional reforms. CICIG's mandate, which was originally for two years, has been extended three times and is now scheduled to end in September 2015.

In its six years of operation, CICIG has produced considerable results. With CICIG's support, the impunity rate for crimes against life in Guatemala was reduced from 95% in 2009 to 72% in 2012.<sup>76</sup> CICIG has also helped prevent a number of individuals with significant ties to corruption and/or organized crime from being appointed to senior positions in the Guatemalan state, such as the attorney general's office and the supreme court.<sup>77</sup> Moreover, the Guatemalan government has approved a number of CICIG-recommended legislative reforms, including anticorruption and asset forfeiture measures. Some proponents of CICIG argue that perhaps its greatest achievement has been to demonstrate to the public that Guatemala's high impunity rates are not inevitable, and the criminal justice system can be made to work, even against powerful individuals who have long been considered "untouchable."<sup>78</sup> Nevertheless, many analysts maintain that CICIG must do more to build technical capacity within Guatemalan institutions, and that success or failure will ultimately depend on the actions of the Guatemalan government and society.<sup>79</sup>

Given the success of CICIG, other countries in the region—including Belize, El Salvador, and Honduras—have indicated interest in setting up similar entities or a regional commission to combat organized crime. Although most analysts agree that other Central American countries would benefit from technical assistance in conducting investigations and prosecutions, there is disagreement concerning what form of assistance would be most beneficial. Some have suggested that a regional commission would be best, given the regional nature of organized crime.<sup>80</sup> Others argue that separate commissions may be more useful since security conditions and institutional capacity vary between the countries.<sup>81</sup> It may be difficult to establish commissions of any form, however, as countries would need to look to international donors for funding, and many citizens and legislators are opposed to ceding sovereignty to international bodies.

## **Prevention**

In the past few years, Central American leaders, including those from the northern triangle countries, appear to have moved, at least on a rhetorical level, toward more comprehensive approaches to dealing with gangs and crime. In mid-December 2007, then-Salvadoran President Tony Saca opened a summit of the Central America Integration System (SICA) by stating that the gang problem had shown the importance of coordinated anti-crime efforts, with the most

<sup>75</sup> According to CICIG, 65 (about 40%) of the officials are Guatemalan; International Commission Against Impunity in Guatemala (CICIG), *Sixth Report of Activities of the International Commission Against Impunity in Guatemala (CICIG): (September 2012-August 2013)*, August 22, 2013.

<sup>76</sup> Ibid.

<sup>77</sup> International Crisis Group, *Learning to Walk Without a Crutch: An Assessment of the International Commission Against Impunity in Guatemala*, Latin America Report N°36, May 31, 2011. (Hereinafter: International Crisis Group, May 2011).

<sup>78</sup> Morris Panner and Adriana Beltrán, "Battling Organized Crime in Guatemala," *Americas Quarterly*, Fall 2010.

<sup>79</sup> International Crisis Group, May 2011, op. cit.; Daniel Pacheco, "Guatemala Must Fight Impunity from Within: CICIG Director," *Insight Crime*, June 1, 2012.

<sup>80</sup> CRS interview with analysts at the Fundación Salvadoreña para el Desarrollo Económico y Social (FUSADES), January 18, 2011.

<sup>81</sup> CRS interview with CICIG official, January 20, 2011.

important element of those efforts being prevention. All of the Central American countries have created institutional bodies to design and coordinate crime prevention strategies and have units within their national police forces engaged in prevention efforts. Some governments, with support from the U.N. Development Program (UNDP) and other donors, have also begun to encourage municipalities to develop crime prevention plans. In general, however, government-sponsored prevention programs have tended, with some exceptions (such as Nicaragua's national youth crime prevention strategy), to be small-scale, ad hoc, and underfunded. Governments have been even less involved in sponsoring rehabilitation programs for individuals seeking to leave gangs, with most reintegration programs funded by church groups or nongovernmental organizations (NGOs).

Central American government officials have generally cited budgetary limitations and competing concerns as major factors limiting their ability to implement more extensive prevention and rehabilitation programs. This may be changing, however, as the government in El Salvador has increased funding for prevention programs and sought international assistance to fund the types of large-scale reinsertion programs that experts say will be necessary for the aforementioned gang truce to be successful. Experts have long argued that it is important for governments to offer educational and job opportunities to youth who are willing to leave gangs before they are tempted to join more sophisticated criminal organizations. It is also critical, they argue, for intervention efforts to focus on strengthening families of at-risk youth.<sup>82</sup>

## Regional Cooperation

Some analysts maintain that the increasing threat posed by transnational organized crime has led to greater security cooperation among Central American countries; others disagree, maintaining that many obstacles to regional efforts remain.<sup>83</sup> While most governments appear to agree on a theoretical level that they need to work together on security issues and to approach donors jointly, they continue to differ among themselves as to the biggest threats facing the region and the best ways to combat those threats. The need to cooperate on shared security challenges has also sometimes been overshadowed by unrelated disputes among the countries, including the recent Costa Rica-Nicaragua border dispute. Even when the will to collaborate as a region has existed, political instability in particular countries, such as the June 2009 ouster of the president of Honduras, has inhibited regional efforts.

Central American governments have demonstrated differing levels of political will to address crime and tackle corruption, and varying degrees of willingness to collaborate with the United States, a major donor in the region. According to a recent report, Central American governments increased their combined security budgets 83% between 2008 and 2012, from \$1.8 billion in 2008 to \$3.3 billion in 2012.<sup>84</sup> However, that aggregate figure masks significant variance among the countries of the region. While funds dedicated to public security have increased significantly in Costa Rica, Guatemala, and Panama, the other countries have posted more moderate increases in security spending. There are also varying degrees of cooperation between Central American governments and the U.S. government. For example, although cooperation on interdiction

<sup>82</sup> Bernardo Kliksberg, *Mitos y Realidades Sobre la Criminalidad en America Latina* (Guatemala City: F & G Editores, 2007).

<sup>83</sup> "Central America: Prospects for a new U.S.-Backed Regional Scheme," *Latin American Security and Strategic Review*, February 2011.

<sup>84</sup> This figure does not include Belize. RESDAL, 2013, op. cit.

continues between U.S. agencies and the Nicaraguan Navy, the State Department has phased out several bilateral programs in Nicaragua due to ongoing concerns over fiscal transparency within the Nicaraguan Government.<sup>85</sup>

Central American leaders and officials have regularly met over the past few years, often accompanied by their U.S. and Mexican counterparts, to discuss ways to better coordinate security efforts and information sharing on gang members and other criminal groups. Most of the regional security meetings have been organized by the Security Commission of SICA. The leaders of the SICA member states and Mexico began developing a regional security strategy in October 2006, which was subsequently adopted at a summit held in August 2007.<sup>86</sup> The strategy identified eight threats to regional security, including organized crime, drug trafficking, deportees with criminal records, gangs, homicide, small arms trafficking, terrorism, and corruption. In 2008, SICA estimated that the costs to implement its regional security plan could exceed \$953 million.<sup>87</sup>

Until recently, most regional security cooperation has occurred on a declarative, rather than an operational, level. International donors (including the United States) have formed a Group of Friends of Central America<sup>88</sup> that has worked with the Central American governments and SICA to revise the aforementioned security plan. The scope of SICA's proposed plan was modified to focus only on efforts in Central America (not Mexico), to prioritize fewer initiatives, and to address new security threats that have emerged in the last few years. SICA convened a donors' conference in Guatemala City on June 22-23, 2011, at which donors pledged roughly \$1.1 billion in new funding for specific projects and ongoing support for the Central American Security Strategy (CASS).<sup>89</sup>

Since the June 2011 conference, donors have been working with SICA to identify funding and begin implementing eight priority projects developed under four broad categories: (1) combating crime; (2) institutional strengthening; (3) violence prevention; and (4) rehabilitation and penitentiaries. As of December 2013, those eight projects, along with two others, had begun to be implemented.<sup>90</sup> Many observers have questioned whether SICA has the institutional capacity to manage projects across the Central American region.

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<sup>85</sup> *INCSR*, March 2014, op. cit.

<sup>86</sup> A copy of that version of the strategy is available at: <http://www.state.gov/p/wha/rls/93586.htm>.

<sup>87</sup> SICA General Secretariat, Fifth Meeting of the Working Group for Drafting Proposals to Finance Central American Security, May 13-14, 2008.

<sup>88</sup> The Group of Friends of Central America originally included Canada, Spain, the United States, the European Commission, the Inter-American Development Bank (IDB), the Organization of American States (OAS), the United Nations, and the World Bank.

<sup>89</sup> In addition to the aforementioned donors, Colombia, Finland, Germany, Israel, Italy, Japan, South Korea, Mexico, and Norway signed on to a joint statement in support of the new Central American Security Strategy. See U.S. Department of State, "Joint Press Statement of Support for the Central American Security Strategy," press release, June 21, 2011, and "Central America Gets More Than Expected to Spend on its Public Security Strategy," *Latin American Security and Strategic Review*, June 2011.

<sup>90</sup> Those projects include initiatives aimed at improving border security, combating trade in small arms, interdicting drugs, preventing violence that affects youth and women, and supporting police professionalization, among other topics. SICA, Secretaría General, *Informe Ejecutivo de Avances de la Estrategia de Seguridad de Centroamérica*, December 2013.

## U.S. Policy

U.S. security policy in the Western Hemisphere has changed considerably in recent years. In the aftermath of the Cold War, preventing narcotics from reaching the United States became the primary focus of U.S. security efforts in the hemisphere. In an attempt to reduce the supply of illicit drugs, the bulk of U.S. security assistance was concentrated in Colombia and the other cocaine-producing nations of the Andean region of South America. The United States provided some support for counternarcotics and other security efforts elsewhere in the hemisphere—including a major interdiction effort in Central America in the early 1990s—but the funding levels were comparatively low. Although U.S.-led efforts have contributed to temporary successes in particular countries or sub-regions, they have done little to change the overall availability of illicit drugs in the United States, as traffickers have altered their cultivation patterns, production techniques, and trafficking routes and methods in order to avoid detection. These mixed results, along with rising levels of crime and violence throughout the hemisphere, have led policy makers to move toward a more comprehensive approach to security issues.<sup>91</sup>

While largely maintaining previous narcotics supply reduction efforts, U.S. policy now places increased emphasis on coordinating efforts throughout the hemisphere and strengthening the capacities of partner governments. The Obama Administration, which has made ensuring the safety and security of all citizens one of the four overarching priorities of U.S. policy in Latin America, has sought to develop collaborative partnerships with countries throughout the hemisphere.<sup>92</sup> These partnerships have taken the form of bilateral security cooperation with countries like Colombia and Mexico, as well as regional programs such as the Caribbean Basin Security Initiative (CBSI) and the Central America Regional Security Initiative (CARSI). According to the State Department, activities supported through these partnerships are designed to be complementary and are developed in coordination with one another, drawing on lessons learned from past U.S. initiatives. In addition to providing equipment, training, and technical assistance to support immediate law enforcement and interdiction operations, these partnerships seek to strengthen the capacities of governmental institutions to address security challenges and the underlying economic and social conditions that contribute to them.<sup>93</sup>

Despite these changes in emphasis, a number of leaders in the region have questioned the effectiveness of U.S. counternarcotics policies. In 2011, a commission of prominent world leaders—including former presidents of Brazil, Colombia, and Mexico—concluded that U.S. counternarcotics policies “have clearly failed to effectively curtail supply or consumption.” The commission suggested that supply reduction and incarceration strategies are futile and that government resources would be better spent on demand and harm reduction efforts.<sup>94</sup> Likewise, several current Latin American presidents expressed frustration with U.S.-backed policies in the lead up to the April 2012 Summit of the Americas. The leaders attending the summit called on the

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<sup>91</sup> For more information on the evolution of U.S. policies, see CRS Report R41215, *Latin America and the Caribbean: Illicit Drug Trafficking and U.S. Counterdrug Programs*, coordinated by Clare Ribando Seelke. For information on interdiction efforts in Central America in the early 1990s, see U.S. General Accounting Office, *Interdiction Efforts in Central America Have Had Little Impact on the Flow of Drugs*, GAO/NSIAD-94-233, August 1994, <http://www.fas.org/irp/gao/ansi94233.htm>.

<sup>92</sup> Valenzuela, February 2011, op. cit.

<sup>93</sup> U.S. Department of State, “Hemispheric Security—An Integrated U.S. Government Approach,” January 25, 2011.

<sup>94</sup> Global Commission on Drug Policy, *War on Drugs: Report of the Global Commission on Drug Policy*, June 2011, <http://www.globalcommissionondrugs.org/Report>.



OAS to analyze the results of current policies and explore new approaches that may be more effective.<sup>95</sup> Since then, the Inter-American Drug Abuse Control Commission (CICAD by its Spanish acronym) has produced two reports on drug policy in the region, and the 2013 OAS General Assembly issued a declaration calling for a special session of the General Assembly to address the drug problem no later than 2014.<sup>96</sup>

## Background on Assistance to Central America

Given the proximity of Central America, the United States has long been concerned about potential security threats from the region and has provided Central American nations with assistance to counter those threats. During the Cold War, the United States viewed links between the Soviet Union and leftist and nationalist political movements in Central America as a potential threat to U.S. strategic interests. To prevent Soviet allies from establishing political or military footholds in the region, the United States heavily supported anti-communist forces, including the Salvadoran government in its battle against the leftist insurgency of the Farabundo Martí National Liberation Front (FMLN), and the *contra* forces seeking to overthrow the leftist government of the Sandinista National Liberation Front (FSLN) in Nicaragua.<sup>97</sup> Between 1979, when the Sandinistas seized power in Nicaragua, and 1992, when peace accords were signed to end the civil war in El Salvador, U.S. economic and military assistance to Central America averaged nearly \$1.3 billion (constant 2012 U.S. dollars) annually.<sup>98</sup>

Following the dissolution of the Soviet Union and the end of the civil wars in the region, U.S. assistance to Central American nations declined substantially. Between FY1993 and FY2007, U.S. economic and military assistance to Central America averaged \$450 million (constant 2012 U.S. dollars) annually, roughly a third of what had been provided in the previous 14 years.<sup>99</sup> Likewise, the majority of the assistance provided was directed toward economic and political development, as the United States sought to encourage the spread of free-market economic policies and the consolidation of democratic governance. Of the security-related assistance that the United States provided to the region following the end of the Cold War, a substantial portion was dedicated to U.S. Agency for International Development (USAID) rule of law programs, which provided support for justice sector reforms in several Central American nations.<sup>100</sup> In El Salvador—where institutional reforms have perhaps been the most extensive—USAID has supported the establishment of informal justice centers that provide community-level mediation and dispute resolution, and the transformation of the judicial process from a written, inquisitorial

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<sup>95</sup> OAS document, CA-VI/DP-1/2, *Statement by the President of the Republic, Juan Manuel Santos Calderon, Following the Close of the Sixth Summit of the Americas*, April 15, 2012.

<sup>96</sup> OAS document, AG/DEC. 73 (XLIII-O/13), *Declaration of Antigua Guatemala “For a Comprehensive Policy Against the World Drug Problem in the Americas,”* June 6, 2013.

<sup>97</sup> U.S. Congress, Joint Economic Committee, *The Caribbean Basin: Economic and Security Issues*, committee print, *Central America: Continuing U.S. Concerns*, study paper prepared by Nina M. Serafino of the Congressional Research Service, 102<sup>nd</sup> Cong., 2<sup>nd</sup> sess., January 1993, S.Prt. 102-110 (Washington: GPO, 1993), pp. 173-178.

<sup>98</sup> Assistance peaked in 1985 at \$2.5 billion (constant 2012 U.S. dollars). USAID, *U.S. Overseas Loans and Grants: Obligations and Loan Authorizations, July 1, 1945-September 30, 2012*, <http://gbk.eads.usaidallnet.gov/>.

<sup>99</sup> *Ibid.*

<sup>100</sup> USAID initiated rule of law programs in El Salvador in 1984, in Costa Rica and Honduras in 1985, in Guatemala in 1986, and Panama in 1992. USAID, Bureau for Democracy, Conflict, and Humanitarian Assistance, Office of Democracy and Governance, *Achievements in Building and Maintaining the Rule of Law*, Occasional Papers Series, November 2002.

system to an oral, accusatorial system, among other efforts. Although reforms such as these have strengthened the rule of law in El Salvador and other Central American nations, progress has been uneven and many justice sector institutions remain relatively weak, as noted above.<sup>101</sup>

## Central America Regional Security Initiative

### Formulation and Goals

The impetus for increased U.S.-Central American cooperation on security issues stemmed from a trip by then-President George W. Bush to Central America and Mexico in March 2007. Concerns over an increase in narcotics flows and the rapid escalation of crime and violence in the region reportedly dominated the President's conversations with his counterparts, as well as follow-on consultations between U.S., Central American, and Mexican officials. To capitalize on the emergence of a cohesive security dialogue among the seven nations of Central America and the Mexican government's willingness to address the issues of drug trafficking and organized crime, the Bush Administration began to develop the framework for a new regional security partnership.

In October 2007, the Bush Administration requested funding for a security assistance package designed to support Mexico and the countries of Central America in their fight against organized crime, to improve communication among the various law enforcement agencies, and to support the institutional reforms necessary to ensure the long-term enforcement of the rule of law and protection of civil and human rights.<sup>102</sup> This security assistance package was originally known as the Mérida Initiative, named after the location in Mexico where President Bush had met with President Calderón. The Central America portion of Mérida was split into a separate Central America Regional Security Initiative (CARSI) in FY2010. Officials from nearly every Central American nation maintain that the region was not sufficiently involved in the formulation of Mérida/CARSI, and that the initiative could be more responsive to host government priorities.<sup>103</sup>

As currently formulated, CARSI provides equipment, training, and technical assistance to build the capacity of Central American institutions to counter criminal threats. In addition, CARSI supports community-based programs designed to address underlying economic and social conditions that leave communities vulnerable to those threats. The five primary goals of CARSI are to:

1. create safe streets for the citizens of the region;
2. disrupt the movement of criminals and contraband to, within, and among the nations of Central America;
3. support the development of strong, capable, and accountable Central American governments;
4. establish effective state presence, services, and security in communities at risk; and

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<sup>101</sup> Ibid.

<sup>102</sup> U.S. Congress, House Committee on Foreign Affairs, *The Merida Initiative: Assessing Plans to Step Up Our Cooperation with Mexico and Central America*, Testimony of Thomas A. Shannon Jr., Assistant Secretary of State for Western Hemisphere Affairs, 110th Cong., 1st sess., November 14, 2007. (Hereinafter: Shannon, November 2007).

<sup>103</sup> CRS interviews with Central American embassy officials, October 27, November 2, 3, and 9, 2010.

5. foster enhanced levels of coordination and cooperation among the nations of the region, other international partners, and donors to combat regional security threats.<sup>104</sup>

### Funding from FY2008 to FY2015

From FY2008 to FY2014, Congress appropriated \$803.6 million for the countries of Central America under what was formerly known as the Mérida Initiative-Central America and is now known as CARSI. Nearly 64% of the funds were appropriated under the International Narcotics Control and Law Enforcement (INCLE) foreign aid account, which is managed by the State Department’s Bureau of International Narcotics and Law Enforcement Affairs (INL). Another 32% of the funds were appropriated under the Economic Support Fund (ESF) account, most of which is managed by USAID. A small portion (4%) of the funding appropriated from FY2008-FY2014 was provided through the Nonproliferation, Anti-Terrorism, De-mining and Related programs (NADR) and Foreign Military Financing (FMF) accounts. The Obama Administration has requested \$130 million to be provided through CARSI in FY2015 (see **Table 2** below).

**Table 2. CARSI Funding: FY2008-FY2015**

In millions of U.S. dollars

	ESF	INCLE	NADR	FMF	Total
<b>FY2008</b>	25.0	24.8	6.2	4.0	60.0
<b>FY2009</b>	18.0	70.0	0.0	17.0	105.0
<b>FY2010</b>	23.0	65.0	0.0	7.0	95.0
<b>FY2011</b>	30.0	71.5	0.0	0.0	101.5
<b>FY2012</b>	50.0	85.0	0.0	0.0	135.0
<b>FY2013</b>	50.6	95.0	0.0	0.0	145.6
<b>FY2014 (est.)</b>	61.5	100.0	0.0	0.0	161.5
<b>Total FY2008-FY2014</b>	<b>258.1</b>	<b>511.3</b>	<b>6.2</b>	<b>28</b>	<b>803.6</b>
<b>FY2015 (req.)</b>	60.0	70.0	0.0	0.0	130.0

**Source:** U.S. Department of State, *FY 2013 Spend Plan – Central America Regional Security Initiative*, September 10, 2013; Joint Explanatory Statement accompanying the Consolidated Appropriations Act, 2014 (P.L. 113-76), <http://rules.house.gov/bill/113/hr-3547-sa>; and U.S. Department of State, *Congressional Budget Justification for Foreign Operations, Appendix 3: Regional Perspectives, Fiscal Year 2015*, April 2014.

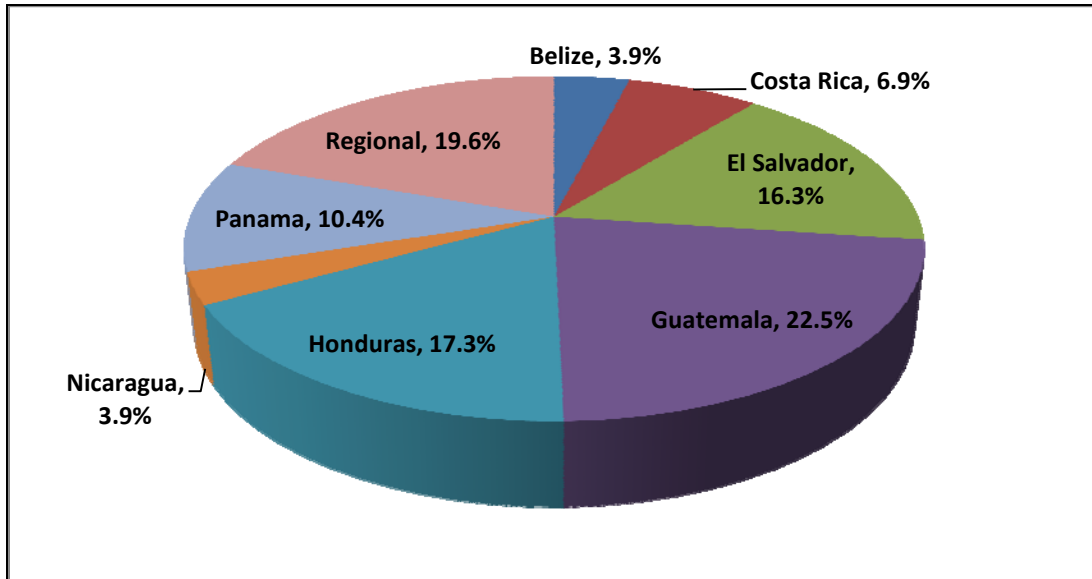
**Notes:** ESF = Economic Support Fund; INCLE = International Narcotics Control and Law Enforcement; NADR = Nonproliferation, Anti-Terrorism, De-mining and Related Programs; and FMF = Foreign Military Financing.

According to a recent report by the U.S. Government Accountability Office (GAO), a slight majority of the resources Congress has appropriated for CARSI have been allocated to the northern triangle nations of El Salvador, Guatemala, and Honduras. From FY2008 to FY2012, 22.5% of CARSI funding was allocated to Guatemala, 17.3% was allocated to Honduras, and 16.3% was allocated to El Salvador. In comparison, 10% was allocated to Panama, 6.9% was

<sup>104</sup> U.S. Department of State, Bureau of Western Hemisphere Affairs, “The Central America Regional Security Initiative: A Shared Partnership,” Fact Sheet, March 5, 2014.

allocated to Costa Rica, and 3.9% was allocated to both Belize and Nicaragua. Nearly 20% of CARSI funding appropriated in the first five years of the initiative was allocated to regional programs that benefit multiple countries (see **Figure 4** below).<sup>105</sup>

**Figure 4. CARSI Allocations by Country**  
Of Funding Appropriated from FY2008-FY2012



**Source:** CRS analysis of data from U.S. Government Accountability Office (GAO), *Central America: U.S. Agencies Considered Various Factors in Funding Security Activities, but Need to Assess Progress in Achieving Interagency Objectives*, GAO-13-771, September 25, 2013.

### *FY2008 Appropriations*

When announcing the Mérida Initiative, the Bush Administration originally requested \$50 million for the countries of Central America. All of the funds were requested in the INCLE account, and were designated to be used for public security and law enforcement programs. Members of Congress, some of whom expressed considerable disappointment that they were not consulted as the plan was being formulated,<sup>106</sup> dedicated additional funds to Central America and broadened the focus of the initiative.

Through the FY2008 Supplemental Appropriations Act (P.L. 110-252), Congress appropriated \$60 million for Central America and divided the funds among the INCLE, ESF, NADR, and FMF accounts. Congress allotted \$25 million in ESF funds for the creation of an Economic and Social Development Fund for Central America, \$20 million of which was to be administered by USAID and \$5 million of which was to be administered by the State Department to support educational

<sup>105</sup> GAO, *Central America: U.S. Agencies Considered Various Factors in Funding Security Activities, but Need to Assess Progress in Achieving Interagency Objectives*, GAO-13-771, September 25, 2013, <http://gao.gov/assets/660/658145.pdf>. (Hereinafter: GAO, September 2013).

<sup>106</sup> U.S. Congress, House Committee on Foreign Affairs, *The Merida Initiative: Assessing Plans to Step Up Our Security Cooperation with Mexico and Central America*, 110<sup>th</sup> Cong., 1<sup>st</sup> sess., November 14, 2007, Serial No. 110-135 (Washington: GPO, 2008).

and cultural exchange programs. Congress also allotted \$1 million to support the International Commission Against Impunity in Guatemala (CICIG).<sup>107</sup> The act required the State Department to withhold 15% of the INCLE and FMF assistance appropriated for the countries of Central America until the Secretary of State could report that the Central American governments were taking steps to improve respect for human rights, such as creating police complaints commissions, reforming their judiciaries, and investigating and prosecuting military and police forces that had been credibly alleged to have committed human rights violations.

### ***FY2009 Appropriations***

In the FY2009 Omnibus Appropriations Act (P.L. 111-8), Congress provided \$105 million in funding for Central America. It required that at least \$35 million of the funds appropriated for the region be used to support judicial reform, institution building, anti-corruption, and rule of law activities. The explanatory statement to the act directed that \$70 million of the funds for the region be provided through the INCLE account, that \$15 million of the FMF funds support maritime security programs, and that \$12 million in ESF support USAID's Economic and Social Development Fund for Central America. The FY2009 funds were subject to the same human rights conditions as the funds provided through the FY2008 supplemental.

### ***FY2010 Appropriations***

In the FY2010 Consolidated Appropriations Act (P.L. 111-117), Congress appropriated "up to" \$83 million for the countries of Central America "to combat drug trafficking and related violence and organized crime, and for judicial reform, institution building, anti-corruption, rule of law activities, and maritime security." After consultations with Congress, the Department of State allocated an additional \$12 million in ESF from funds appropriated to its Western Hemisphere Regional account to crime and violence prevention programs administered by USAID, bringing total FY2010 CARSI funding to \$95 million.

The conference report to the act (H.Rept. 111-366) split Central America funding from the Mérida Initiative and placed it under a new Central America Regional Security Initiative (CARSI). The Obama Administration embraced the change as a way to focus more attention on the situation in Central America and U.S. efforts in the region. In addition to subjecting CARSI funds to the same human rights conditions as previous years, the conference report to the act directed the Secretary of State to submit a report within 90 days of enactment detailing regional threats or problems to be addressed in the region, as well as realistic goals for U.S. efforts and actions planned to achieve them.

### ***FY2011 Appropriations***

After a series of continuing resolutions, the FY2011 Department of Defense and Full-Year Continuing Appropriations Act (P.L. 112-10) was signed into law on April 15, 2011. The legislation had no accompanying report and did not designate a funding level for CARSI. It did, however, direct the Obama Administration to report back to Congress within 30 days on its proposed allocations of the appropriated funds. After consultations with Congress, the

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<sup>107</sup> For more information on CICIG, see the text box titled "The International Commission Against Impunity in Guatemala: A Regional Model?" above.

Department of State allocated \$101.5 million for CARSI in FY2011.<sup>108</sup> The funds were subject to the same human rights conditions as previous years.

### ***FY2012 Appropriations***

President Obama signed the Consolidated Appropriations Act of 2012 (P.L. 112-74) into law on December 23, 2011. Although the legislation did not designate a funding level for CARSI, the accompanying report (H.Rept. 112-331) noted the conferees' support for the Obama Administration's budget request, which was \$100 million. The report also directed the Secretary of State to submit a spending plan for CARSI noting "activities that were conducted with prior year appropriations, achievements associated with the expenditure of such funds, and activities that will be funded in fiscal year 2012, including goals to be met." The State Department submitted the FY2012 CARSI spending plan to Congress in June 2012. According to the spending plan, CARSI funding for FY2012 was increased to \$135 million.<sup>109</sup>

Neither the legislation nor the accompanying report included the human rights provisions from previous years that required the Department of State to withhold a portion of CARSI funding until certain conditions were met. The legislation did include a new Honduras-specific provision, however, that required the Department of State to withhold 20% of the funds for Honduran military and police forces until the Secretary of State could report that the Honduran government was (1) implementing policies to protect freedom of expression and association, and due process of law; and (2) investigating and prosecuting military and police personnel who are credibly alleged to have violated human rights. The provision did not apply to assistance intended to promote transparency, anti-corruption, and the rule of law within the military and police forces.

### ***FY2013 Appropriations***

After enacting a six-month continuing resolution (P.L. 112-175) in September 2012, Congress approved the Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6) on March 21, 2013. Signed into law by the President on March 26, 2013, P.L. 113-6 provided funding for federal programs through the end of FY2013. The legislation did not include a specific funding level for CARSI. Nor did it include any restrictions on CARSI aid. However, the legislation did maintain the human rights conditions on security assistance for Honduras that were enacted in FY2012. After consulting with Congress, the State Department allocated \$145.6 million for CARSI in FY2013.<sup>110</sup>

### ***FY2014 Appropriations***

After an appropriations lapse that resulted in a 16-day U.S. government shutdown, and two short-term continuing resolutions (P.L. 113-46 and P.L. 113-73), the President signed into law the Consolidated Appropriations Act, 2014 (P.L. 113-76) on January 17, 2014. The joint explanatory

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<sup>108</sup> U.S. Department of State, *Congressional Notification for the Central America Regional Security Initiative*, August 11, 2011. (Hereinafter: *FY2011 CARSI CN*, August 2011).

<sup>109</sup> U.S. Department of State, *Fiscal Year 2012 Congressional Spending Plan: Central America Regional Security Initiative*, June 19, 2012. (Hereinafter: *FY2012 CARSI Spending Plan*, June 2012).

<sup>110</sup> U.S. Department of State, *FY 2013 Spend Plan – Central America Regional Security Initiative*, September 10, 2013. (Hereinafter: *FY2013 CARSI Spending Plan*, September 2013).

statement<sup>111</sup> accompanying P.L. 113-76 stipulates that \$61.5 million in ESF and \$100 million in INCLE should be provided through CARSİ in FY2014. The act did not include broad restrictions on CARSİ aid. It did, however, alter the restrictions on security aid to Honduras (originally enacted in FY2012) by increasing the withholding requirement from 20% to 35%, increasing the number of human rights conditions that need to be certified by the State Department, and slightly broadening the exception so that the withholding requirement does not apply to border security funding.

## Coordination

A number of U.S. and partner nation agencies are involved in developing, supporting, and implementing CARSİ activities. The U.S. agencies involved include the Departments of State, Defense, and Treasury; Immigration and Customs Enforcement (ICE); Customs and Border Protection (CBP); the U.S. Coast Guard; the FBI; the Drug Enforcement Administration (DEA); the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF); the Office of Overseas Prosecutorial Development, Assistance and Training (OPDAT); and USAID.<sup>112</sup> CARSİ working groups within U.S. embassies include representatives of the relevant agencies present at each post and serve as the formal mechanism for interagency coordination in the field.<sup>113</sup> The U.S.-SICA dialogue serves as the forum for regional coordination, while bilateral coordination varies by country. For example, while U.S. officials reportedly work closely with their counterparts in Honduras, they have limited contact with much of the Nicaraguan government.<sup>114</sup>

## Programs

Through CARSİ, the United States funds a variety of activities designed to support U.S. and Central American security objectives. U.S. agencies provide partner nations with equipment, technical assistance, and training to improve narcotics interdiction and disrupt criminal networks that operate in the region, as well as in the United States. CARSİ-funded activities also provide support for Central American law enforcement and justice sector institutions, identifying deficiencies and building their capacities to ensure the safety and security of the citizens of the region. In addition, CARSİ supports prevention efforts that seek to reduce drug demand and provide at-risk youth with educational, vocational, and recreational opportunities. Many of the activities funded by CARSİ build on previous security efforts in the region.

## *Narcotics Interdiction and Law Enforcement Support*

Some U.S. assistance provided through CARSİ provides Central American nations with equipment and related maintenance, technical support, and training to support narcotics interdiction and other law enforcement operations. In addition to the provision and refurbishment of aircraft, boats, and other vehicles, CARSİ provides communications, border inspection, and

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<sup>111</sup> The joint explanatory statement is available from the House Committee on Rules at: <http://rules.house.gov/bill/113/hr-3547-sa>.

<sup>112</sup> U.S. Department of State, "The Central America Regional Security Initiative," January 25, 2011.

<sup>113</sup> GAO, *Mérida Initiative: The United States Has Provided Counternarcotics and Anticrime Support but Needs Better Performance Measures*, GAO-10-837, July 2010, <http://www.gao.gov/products/GAO-10-837>. (Hereinafter: GAO, July 2010).

<sup>114</sup> *INCSR*, March 2014, op. cit.

security force equipment such as radios, computers, X-ray cargo scanners, narcotics identification kits, weapons, ballistic vests, and night-vision goggles. Although the types of equipment and training vary according to the capabilities and needs of each Central American nation, in general, the assistance is designed to extend the reach of the region's security forces and enable countries to better control their national territories. For example, an aviation support program has provided Guatemala with helicopters<sup>115</sup> that enable security forces to rapidly reach areas of the country that would otherwise be too difficult or dangerous to access, thereby limiting sanctuaries for DTOs. The program was launched in FY2009 and was expected to last through FY2013; as of this fiscal year (FY2014), the Guatemalan government is responsible for sustaining the aviation program.<sup>116</sup> A similar program is expected to be launched in Honduras.<sup>117</sup>

U.S. assistance provided through CARSI also supports specialized law enforcement units that are vetted by, and work with, U.S. personnel to investigate and disrupt the operations of transnational gangs and trafficking networks. FBI-led Transnational Anti-Gang (TAG) units, which were first created in El Salvador in 2007, have now expanded into Guatemala and Honduras with CARSI support. According to the FBI, intelligence collected by the Salvadoran TAG unit has been used to convict criminals in both El Salvador and the United States.<sup>118</sup> DEA, ICE, and INL also have vetted unit programs throughout Central America. Among other activities, they conduct complex investigations into money laundering; bulk cash smuggling; and the trafficking of narcotics, firearms, and persons.<sup>119</sup> Although these units have produced some notable successes,<sup>120</sup> they are small and difficult to maintain given the broader context of corruption within many Central American law enforcement institutions. In El Salvador, for example, the DEA-vetted unit was reduced from 22 members to 8 at one point after polygraph tests demonstrated that nearly two-thirds of the officers were no longer suitable for the unit.<sup>121</sup> Vetted units have also generated controversy; at least four people were killed in a May 2012 interdiction operation carried out by a DEA-vetted unit in Honduras, leading a U.S. Senator to place a temporary hold on CARSI assistance to Honduras.<sup>122</sup>

### *Institutional Capacity Building*

In addition to immediate support for law enforcement efforts, CARSI provides funding to identify deficiencies and build long-term capacity within law enforcement and justice sector institutions. INL and USAID community-policing programs are designed to build local confidence in police forces by converting them into more community-based, service-oriented organizations.<sup>123</sup> One such program, the *Villa Nueva* model precinct in Guatemala, is being replicated in other Central American communities with CARSI funding as a result of its success in establishing popular trust

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<sup>115</sup> These helicopters were moved to Honduras for 90 days from April-July 2012 to support an air interdiction effort known as Operation Anvil.

<sup>116</sup> U.S. Department of State, *FY 2010 Spending Plan for the Central America Regional Security Initiative (CARSI)*, July 29, 2010. (Hereinafter: *FY2010 CARSI Spending Plan*, July 2010); *FY2011 CARSI CN*, August 2011, op. cit.

<sup>117</sup> Arreaga, April 2014, op. cit., pp. 3-4.

<sup>118</sup> CRS interview with FBI attaché at the U.S. Embassy in El Salvador, January 18, 2011.

<sup>119</sup> *FY 2010 CARSI Spending Plan*, July 2010, op. cit; *FY2011 CARSI CN*, August 2011, op. cit.

<sup>120</sup> For examples, see Charlie Savage, Randal C. Archibold, and Ginger Thompson, "D.E.A. Squads Extend Reach of Drug War," *New York Times*, November 7, 2011.

<sup>121</sup> CRS interview with DEA attaché at the U.S. Embassy in El Salvador, January 18, 2011.

<sup>122</sup> Mattathias Schwartz, "A Mission Gone Wrong," *New Yorker*, January 6, 2014.

<sup>123</sup> CRS interview with USAID officials in El Salvador, January 18, 2011.



and reducing violence. To improve the investigative capacity of Central American nations, CARSI has supported assessments of forensic laboratories, the establishment of wiretapping centers, the implementation of ATF's Electronic Trace Submission (eTrace) System to track firearms, and the expansion of the FBI's Central America Fingerprint Exchange (CAFE), which assists partner nations in developing fingerprint and biometric capabilities.

CARSI also seeks to reduce impunity by improving the efficiency and effectiveness of Central American judicial systems. U.S. agencies provide training and technical assistance designed to enhance prosecutorial capabilities, improve the management of courts, and facilitate coordination between justice sector entities. Moreover, they provide training and technical assistance to improve police academies and prison management, which repeatedly have been identified as major weaknesses throughout the region.<sup>124</sup>

### *Prevention*

Beyond providing support for law enforcement and institutional capacity-building efforts, CARSI funds a variety of prevention programs designed to address underlying conditions that leave communities vulnerable to crime and violence. USAID asserts that Central American youth often see few alternatives to gangs and other criminal organizations as a result of the social and economic exclusion that stems from dysfunctional families, high levels of unemployment, minimal access to basic services, ineffective government institutions, and insufficient access to educational and economic opportunities. Through its management of most CARSI funds appropriated through the ESF account, USAID supports prevention programs designed to address these issues by providing educational, recreational, and vocational opportunities for at-risk youth.<sup>125</sup>

Although projects vary by country, nearly all are community-based and municipally led as a result of lessons learned through previous efforts in the region.<sup>126</sup> In El Salvador, for example, USAID's Community-Based Crime and Violence Prevention Project works in municipalities to strengthen the capacities of local governments, civil society organizations, community leaders, and youth to address the problems of crime and violence. Prevention councils in each municipality analyze problems within the community and develop prevention plans to address those problems through activities ranging from vocational training to social entrepreneurship projects.<sup>127</sup> Region-wide, CARSI funds have been used to establish more than 120 community outreach centers that provide employment resources and other opportunities for at-risk youth.<sup>128</sup> USAID has expanded the reach of its CARSI efforts in many countries by supplementing the funds provided through the initiative with funds appropriated for bilateral assistance.<sup>129</sup>

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<sup>124</sup> *FY 2010 CARSI Spending Plan*, July 2010, op. cit.; *FY2011 CARSI CN*, August 2011, op. cit.; *FY2012 CARSI Spending Plan*, June 2012, op. cit.; *FY2013 CARSI Spending Plan*, September 2013, op. cit.

<sup>125</sup> *Ibid.*

<sup>126</sup> CRS interview with USAID officials in El Salvador, January 18, 2011.

<sup>127</sup> USAID, "Community-Based Crime and Violence Prevention Project," News Bulletin, October 2010.

<sup>128</sup> U.S. Congress, House Committee on Foreign Affairs, Subcommittee on the Western Hemisphere, *Advancing U.S. Interests in the Western Hemisphere: The FY 2015 Foreign Affairs Budget*, Prepared Statement of Elizabeth Hogan, Acting Assistant Administrator for Latin America and the Caribbean, USAID, 113th Cong., 2nd sess., April 9, 2014, p.2, <http://docs.house.gov/meetings/FA/FA07/20140409/102115/HHRG-113-FA07-Wstate-HoganE-20140409.pdf>. (Hereinafter: Hogan Statement, April 2014).

<sup>129</sup> USAID, "Central America Regional Security Initiative (CARSI)," Fact Sheet, June 17, 2010 (Hereinafter: USAID (continued...))

## Implementation

Congress has tracked the implementation of CARSI since its creation, and some Members have expressed concerns about the pace at which funds appropriated for the initiative have been provided to Central American nations.<sup>130</sup> The GAO has released four studies that have examined the status of funds appropriated for CARSI. The most recent report, issued in September 2013, found that at least \$463 million (nearly 96%) of CARSI funds appropriated from FY2008-FY2012 had been obligated (i.e. agencies had entered into contracts or submitted purchase orders for goods or services) as of June 1, 2013. The report also found that at least \$212 million (43%) had been committed<sup>131</sup> or disbursed (i.e., agencies had made payments for goods or services) as of the same date.<sup>132</sup>

According to the GAO, a number of challenges have slowed the agencies charged with implementing the initiative. These include insufficient staff to administer programs, the time-consuming U.S. government procurement process, and legislative withholding requirements that prevent some funds from being released until certain reporting requirements are met.<sup>133</sup> The need to negotiate agreements with seven different countries has also proved challenging. Changes in governments and top-level officials have required U.S. officials to restart negotiations and delay program implementation.<sup>134</sup> Nevertheless, the State Department has reportedly been able to alleviate some delays by increasing staff positions in CARSI partner countries.<sup>135</sup>

## Results

Although Congress first appropriated funding for CARSI nearly six years ago, little information is available about the results of the initiative thus far. U.S. agencies reportedly monitor and report on CARSI through internal channels, but they have not publically released the metrics used to assess the initiative's performance. The only systematic study of CARSI appears to be an impact evaluation of USAID's crime and violence prevention programs. The results of that evaluation have yet to be released publically; however, USAID officials maintain that its preliminary findings "provide statistically significant evidence that crime rates are lower and public perceptions of security are higher in [USAID's] targeted communities in El Salvador and Guatemala."<sup>136</sup> Salvadoran communities with USAID-managed CARSI programs have reportedly

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(...continued)

CARSI Fact Sheet, June 2010); CRS interview with USAID officials in El Salvador, January 18, 2011.

<sup>130</sup> U.S. Congress, House Committee on Foreign Affairs, Subcommittee on the Western Hemisphere, *Assessing the Merida Initiative: A Report from the Government Accountability Office (GAO)*, Hearing, 111<sup>th</sup> Cong., 2<sup>nd</sup> sess., July 21, 2010, Serial No. 111-109 (Washington: GPO, 2010).

<sup>131</sup> The Defense Security Cooperation Agency, which is responsible for tracking FMF funding, reportedly does not track disbursements. "Committed funds" represent obligations that have been committed for expenditure; they may or may not have been disbursed.

<sup>132</sup> GAO, September 2013, op. cit.

<sup>133</sup> For more information on withholding requirements, see "Funding from FY2008 to FY2015" above and "Human Rights Concerns" below.

<sup>134</sup> GAO, July 2010, op. cit.

<sup>135</sup> GAO, September 2013, op. cit.

<sup>136</sup> Hogan Statement, April 2014, op. cit.

experienced a 33% reduction in robberies, a 67% reduction in homicides, and a 110% reduction in extortions and bribery.<sup>137</sup>

Most country-level security indicators have yet to show significant improvements. Homicide rates have begun to fall in some Central American countries—particularly in the southern half of the region (see **Table 1**). However, Belize, El Salvador, Guatemala, and Honduras still have some of the highest homicide rates in the world.<sup>138</sup> Moreover, polling data suggest that most Central American citizens have yet to experience the benefits of U.S.-backed efforts to strengthen institutions since they continue to express low levels of confidence in their police forces and justice systems.<sup>139</sup> It is unclear whether the Administration expects CARSI to alter country-level security trends; U.S. officials have asserted that while CARSI allows the United States to set up pilot programs that demonstrate potentially successful approaches to improving security conditions, it is up to Central American nations themselves to sustain successful programs and apply the lessons learned nationwide.<sup>140</sup>

**Table 3. Estimated Cocaine Seizures in Central America: 2007-2013**

In metric tons

Country	2007	2008	2009	2010 <sup>a</sup>	2011	2012	2013 <sup>b</sup>
Belize	0.0	0.0	0.0	2.6	0.3	0.1	0.0
Costa Rica	27.0	21.7	20.6	14.8	11.2	14.7	19.7
El Salvador	4.0	1.4	1.8	0.6	0.6	0.3	0.7
Guatemala	0.7	3.3	7.1	1.4	4.0	4.7	4.0
Honduras	6.0	6.5	6.6	6.1	22.0	22.0	1.7
Nicaragua	13.0	19.5	9.8	17.5	8.8	9.3	3.0
Panama	60.0	51.0	52.4	49.5	34.0	30.8	41.0
<b>Total</b>	<b>110.7</b>	<b>103.4</b>	<b>98.3</b>	<b>92.5</b>	<b>80.9</b>	<b>81.9</b>	<b>70.1</b>

**Source:** U.S. Department of State, *International Narcotics Control Strategy Reports*, 2008-2014.

**Notes:** Seizure figures are rounded to the nearest tenth of a metric ton. Statistics are reported by each Central American nation and may not be methodologically consistent. Some seizures resulted from joint operations with the United States.

- a. 2010 data only include seizures through 10 months of the year for El Salvador.
- b. 2013 data only include seizures through nine months of the year for Guatemala and Nicaragua and through 10 months of the year for Belize and El Salvador.

It is also unclear whether Central American nations have improved their drug interdiction capabilities. According to statistics included in the State Department’s annual *International Narcotics Control Strategy Reports*, the amount of cocaine seized in Central America has fallen

<sup>137</sup> U.S. Congress, House Committee on Foreign Affairs, Subcommittee on the Western Hemisphere, *Advancing U.S. Interests in the Western Hemisphere: The FY 2015 Foreign Affairs Budget*, Testimony of Elizabeth Hogan, Acting Assistant Administrator for Latin America and the Caribbean, USAID, 113th Cong., 2nd sess., April 9, 2014.

<sup>138</sup> UNODC, March 2014, op. cit.

<sup>139</sup> CRS analysis of 2006-2012 survey data from the Latin American Public Opinion Project, *AmericasBarometer*, <http://www.vanderbilt.edu/lapop/survey-data.php>.

<sup>140</sup> CRS interview with State Department official at the U.S. Embassy in Guatemala, January 19, 2011.

nearly 37% from an estimated 110.7 metric tons in 2007 to an estimated 70.1 metric tons in 2013 (see **Table 3**). While this is a significant reduction in the amount of cocaine seized, it could be the result of less cocaine moving through the region due to lower U.S. demand and increased trafficking through the Caribbean rather than ineffective interdiction efforts.

## Additional Issues for Congressional Consideration

### Funding and Sustainability

As Congress evaluates budget priorities and how to best utilize scarce resources, it is likely to consider the form of U.S. security assistance to Central America. When the Mérida Initiative was first announced, some Members of Congress questioned why the Bush Administration's budget request included only \$50 million for Central America, as compared to \$500 million for Mexico.<sup>141</sup> Then-Assistant Secretary of State for Western Hemisphere Affairs Thomas Shannon noted that it was an initial request and that the Administration hoped that it could work with Central American nations to build a larger program over time.<sup>142</sup> Although annual U.S. assistance provided to the region through Mérida/CARSI has generally been more than double the initial Bush Administration request, some Central American leaders assert that the resources being provided are insufficient given the challenges facing the region.<sup>143</sup> Many analysts note that CARSI, at its current funding level, is unlikely to alter outcomes given the relatively weak positions from which most Central American nations are starting.<sup>144</sup> At the same time, some U.S. officials maintain that the region must move away from the mind-set that the United States is the fundamental solution to every problem, and that current CARSI funding demonstrates that the United States is committed to working in partnership with the region to address security challenges.<sup>145</sup>

When debating future funding levels, Congress may consider the political will of Central American nations. Some analysts assert that even if the United States were to greatly increase the amount of assistance it provides through CARSI, it would do little good as long as Central American leaders lack the political will to tackle long-standing issues such as incomplete institutional reforms, precarious tax bases, and the lack of opportunities for young people.<sup>146</sup>

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<sup>141</sup> U.S. Congress, House Committee on Foreign Affairs, *The Merida Initiative: Assessing Plans to Step Up Our Security Cooperation with Mexico and Central America*, Hearing, 110<sup>th</sup> Cong., 1<sup>st</sup> sess., November 14, 2007, Serial No. 110-135 (Washington: GPO, 2008).

<sup>142</sup> Shannon, November 2007, op. cit.

<sup>143</sup> Mary Beth Sheridan, "Central American Leaders Plead for More U.S. Anti-drug Help," *Washington Post*, September 30, 2010; Pablo Ximénez de Sandoval, "'Central America Doesn't Get the Help It Needs in Drug Fight,'" *El País*, February 21, 2013; "Presidente Solicita a EEUU Asumir Corresponsabilidad," *El Tiempo* (Honduras), April 10, 2014.

<sup>144</sup> Kevin Casas-Zamora, "Paying Attention to Central America's Drug Trafficking Crisis," *Brookings Institution*, November 1, 2010 (Hereinafter: Casas-Zamora, November 2010); Andrew Selee, Cynthia J. Arnson, and Eric L. Olson, *Crime and Violence in Mexico and Central America: An Evolving but Incomplete U.S. Policy Response*, Woodrow Wilson International Center for Scholars and Migration Policy Institute, January 2013, p. 7, <http://www.migrationpolicy.org/research/crime-and-violence-mexico-and-central-america-evolving-incomplete-us-policy-response>.

<sup>145</sup> CRS interview with State Department official in El Salvador, January 18, 2011.

<sup>146</sup> Casas-Zamora, November 2010, op. cit.

Without greater commitment from partner countries to undertake necessary reforms and sustain current efforts, CARSİ programs could meet the same end as previous U.S.-backed counternarcotics programs in the region, which simply faded away once U.S. assistance declined.<sup>147</sup>

## Resource and Policy Coordination

Congress also may examine resource and policy coordination, both within the U.S. government and between the U.S. government and other international donors. From FY2008-FY2012, Congress appropriated \$496.5 million for Central American countries through CARSİ. During the same time period, U.S. agencies allocated approximately \$708 million in non-CARSİ funding to Central American countries for programs that support CARSİ goals.<sup>148</sup> For example, DOD has allocated funds to support counternarcotics efforts in the region, and USAID has used Development Assistance (DA) funds to support rule of law and human rights activities.

Although U.S. agencies assert that they are coordinating their efforts and the use of CARSİ and non-CARSİ funding to support host government priorities,<sup>149</sup> there are indications that U.S. agencies occasionally work at cross purposes. For example, some analysts maintain that U.S. law enforcement agencies working on the ground in Central America have been willing to overlook police and military corruption in order to protect assets or preserve particular programs.<sup>150</sup> If some U.S. agencies are using CARSİ funds to support efforts to remove corrupt officials and reform institutions while others are willing to work with those same officials and institutions, the U.S. government may be sending mixed messages to Central American governments and undermining its long-term goals.

While funding for CARSİ has been increasing in recent years, funding to support complementary activities carried out by U.S. Southern Command has been decreasing, potentially reducing the overall effectiveness of U.S. policy. Since January 2012, Southern Command's Joint Inter-Agency Task Force South (JIATF-S) has been coordinating Operation *Martillo*, an interdiction effort designed to prevent trafficking in the littoral waters of Central America and thereby “protect citizens in Central America from the violence, harm, and exploitation wrought by criminal networks.”<sup>151</sup> In 2012, Operation *Martillo* disrupted the trafficking of 152 metric tons of cocaine—nearly twice as much as was seized in all of Central America (see **Table 3**). Southern Command asserts that budget cuts have begun to take a toll on operational results, however, as

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<sup>147</sup> See, for example, GAO, August 1994, op. cit.; and GAO, *International Programs Face Significant Challenges Reducing the Supply of Illegal Drugs but Support Broad U.S. Foreign Policy Objectives*, GAO-10-921, July 21, 2010, p. 6, <http://www.gao.gov/assets/130/125042.pdf>.

<sup>148</sup> GAO, September 2013, op. cit., p. 9.

<sup>149</sup> Ibid

<sup>150</sup> Héctor Silva Ávalos, *The United States and Central America's Northern Tier: The Ongoing Disconnect*, Inter-American Dialogue, Working Paper, March 2014, p.11, [http://www.thedialogue.org/uploads/IAD9433\\_Silva\\_FINAL.pdf](http://www.thedialogue.org/uploads/IAD9433_Silva_FINAL.pdf).

<sup>151</sup> U.S. Congress, House Committee on Armed Services, *The Posture of the U.S. Northern Command and U.S. Southern Command*, Prepared Statement of General John F. Kelly, United States Marine Corps, Commander, United States Southern Command, 113th Cong., 2nd sess., February 26, 2014, pp. 16-17, <http://docs.house.gov/meetings/AS/AS00/20140226/101782/HHRG-113-AS00-Wstate-KellyUSMCJ-20140226.pdf>. (Hereinafter: Kelly, February 2014)

fewer aircraft and ships have been available to support Operation Martillo. In 2013, the amount of cocaine seized fell by 13% to 132 metric tons.<sup>152</sup>

Even if there is close coordination among U.S. agencies, U.S. assistance accounts for only a portion of the total security assistance being provided to the region. According to a 2011 study, international donors committed a combined \$1.7 billion in grants and loans to Central America for citizen security efforts between January 2009 and June 2011. Looking only at projects already being implemented, the United States accounted for approximately 28% of the funding provided by the international community. The study revealed a lack of coordination among the various donors' efforts, and indicated that, in some cases, donors funded programs that duplicated efforts or even supported conflicting goals.<sup>153</sup> Improved international coordination could allow the United States to better focus its own efforts and thereby increase the impact of its programs.

## Human Rights Concerns

Congress remains concerned about how alleged human rights abuses committed by military and police forces in some Central American countries are investigated and punished, the transparency of judicial systems in the region, and whether security forces accused of committing past abuses are being held accountable for their actions.<sup>154</sup> From FY2008 to FY2011, appropriations legislation that provided funding for Mérida Initiative and CARSI programs in Central America contained vetting requirements (per Section 620M of the Foreign Assistance Act [FAA] of 1961, as amended),<sup>155</sup> Guatemala-specific restrictions on FMF and international Military Education and Training (IMET) assistance, and human rights conditions on security aid to the region.

Specifically, P.L. 110-252, P.L. 111-8, P.L. 111-117, and P.L. 112-10 required that 15% of INCLE and FMF assistance be withheld until the Secretary of State reported in writing that the governments of Central America were taking action in three areas: (1) establishing police complaints commissions with authority and independence to receive complaints and carry out effective investigations; (2) implementing reforms to improve the capacity and ensure the independence of the judiciary; and (3) investigating and prosecuting members of the federal police and military forces who have been credibly alleged to have committed violations of human rights.

As noted above, Congress removed the 15% withholding requirement from the appropriations legislation (P.L. 112-74) that provided funding for CARSI in FY2012, and has not included it in subsequent years. Congress has, however, maintained vetting requirements and restrictions on FMF and IMET assistance to Guatemala, and placed new human rights conditions on assistance

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<sup>152</sup> Ibid.

<sup>153</sup> Inter-American Development Bank (IDB) and WOLA, *Mapeo de las Intervenciones de Seguridad Ciudadana en Centroamérica Financiadas por la Cooperación Internacional*, June 2011.

<sup>154</sup> For a summary of recent human rights developments in each country, see U.S. Department of State, *Country Reports on Human Rights Practices*, available at <http://www.state.gov/j/drl/rls/hrrpt/humanrightsreport/index.htm#wrapper>.

<sup>155</sup> Section 620M of the FAA of 1961, as amended, and a similar provision in annual DOD appropriations (Division C, Section 8057 of P.L. 113-76 for FY2014) prohibit the furnishing of assistance to any foreign security force unit that is credibly believed to have committed a gross violation of human rights. For more information, see CRS Report R43361, "*Leahy Law*" *Human Rights Provisions and Security Assistance: Issue Overview*, coordinated by Nina M. Serafino.

to military and police forces in Honduras (see “FY2012 Appropriations” and “FY2014 Appropriations”).

Human rights organizations have generally lauded the inclusion of human rights conditions on assistance to Central American nations, but some U.S. officials have privately complained about the number of restrictions and requirements placed on assistance. When combined with the delays in enacting appropriations legislation for each of the past several fiscal years, consultations with congressional appropriators related to human rights conditions have contributed to significant delays in funds being released. Furthermore, some U.S. officials maintain that legislative restrictions hinder security cooperation by limiting the ability of the United States to fully engage with partners in the region.<sup>156</sup>

## Relation to Other U.S. Government Policies

An innovative component of the Mérida Initiative, as it was originally conceived, was the principle of “shared responsibility,” or the idea that all countries involved in the initiative—the United States, Mexico, and the seven countries of Central America—would take steps to tackle domestic problems contributing to drug trafficking and crime in the region.<sup>157</sup> The Mexican and Central American governments committed to address corruption and reform their law enforcement and judicial institutions. For its part, the U.S. government pledged to address drug demand, money laundering, and weapons smuggling.<sup>158</sup> The importance of “shared responsibility” has been reiterated by President Obama and other Administration officials in meetings and public events with Mexican and Central American officials. While Mexican and Central American officials have welcomed the new rhetoric, they have periodically challenged the U.S. government’s commitment to matching words with deeds, particularly with respect to addressing drug consumption and U.S. gun policy.<sup>159</sup> When debating future support for CARSI, Congress may consider whether to provide additional funding simultaneously for these or other domestic activities that would enhance the United States’ abilities to fulfill its pledges.

## Drug Demand

In April 2013, the Administration released its 2013 National Drug Control Strategy, which continues to emphasize the need to reduce U.S. drug demand. The Strategy furthers the goal of cutting drug use among youth by 15% by 2015.<sup>160</sup> Drug policy experts have praised the Administration’s focus on reducing consumption, but criticized the Administration for requesting relatively modest budget increases in funding for treatment programs. In addition to federal

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<sup>156</sup> Kelly, February 2014, op. cit., p. 22.

<sup>157</sup> U.S. Department of State and Government of Mexico, “Joint Statement on the Mérida Initiative: A New Paradigm for Security Cooperation,” October 22, 2007.

<sup>158</sup> For more information, see CRS Report R41349, *U.S.-Mexican Security Cooperation: The Mérida Initiative and Beyond*, by Clare Ribando Seelke and Kristin Finklea.

<sup>159</sup> Sofia Miselem, “Grupo de Tuxtla Demanda a EEUU Frenar Flujos de Recursos del Narcotráfico,” *Agence France Presse*, December 4, 2011; Fred Hiatt, “What Felipe Calderón Wants from the United States,” *Washington Post*, March 4, 2011.

<sup>160</sup> That strategy is available at <http://www.whitehouse.gov/ondcp/2013-national-drug-control-strategy>. For more information on the National Drug Control Strategy and the Office of National Drug Control Policy (ONDCP), see CRS Report R41535, *Reauthorizing the Office of National Drug Control Policy: Issues for Consideration*, by Lisa N. Sacco and Kristin Finklea.

efforts, however, many state, local, and nonprofit agencies also channel funds toward demand reduction. According to the State Department, cocaine use in the United States has dropped by roughly 40% since 2008.<sup>161</sup>

## Illicit Financial Flows

In the past few years, U.S. Customs and Border Patrol (CBP) and U.S. Immigration and Customs Enforcement (ICE) have worked together to increase operations against bulk cash smuggling and other forms of money laundering. CBP has increased southbound inspections of vehicles and trains for bulk cash flowing into Mexico and Central America. In December 2009, ICE opened a bulk cash smuggling detection center to assist U.S. federal, state, and local law enforcement agencies in tracking and disrupting illicit funding flows. Despite these efforts, the vast majority of illicit monetary transfers and shipments continue to flow southward undetected.

## Arms Trafficking

The Department of Justice and its Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) have made efforts to staunch the flow of illegal guns from the United States to Mexico and Central America. They have stepped up enforcement of domestic gun control laws, and have sought to improve coordination with law enforcement bodies in the region. ATF maintains a foreign attaché in Mexico City and a Regional Firearms Advisor in El Salvador to support firearms-related investigations throughout the region. For example, ATF trains Central American law enforcement officers how to use the eTrace program, through which investigators are sometimes able to determine the origin and commercial trail of seized firearms, identify gun trafficking trends, and develop investigative leads.<sup>162</sup>

These efforts have failed to stem the continued flow of weapons across the Southwest border into Mexico and Central America. They have also proven more difficult in the wake of the failure of a Phoenix, AZ-based Project Gunrunner investigation known as Operation Fast and Furious. In 2011, ATF whistleblowers reported that suspected straw purchasers<sup>163</sup> had been allowed to acquire relatively large quantities of firearms as part of long-term gun trafficking investigations.<sup>164</sup> Some of these firearms are alleged to have “walked,” or been trafficked to gunrunners and other criminals, before ATF moved to arrest the suspects and seize all of their contraband firearms.

## Deportations

In addition to the issues mentioned above, policy makers in Central America have consistently expressed concerns that increasing U.S. deportations of individuals with criminal records are worsening the gang and security problems in the region. Analysts do not necessarily agree, with

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<sup>161</sup> *INCSR*, March 2014, op. cit.

<sup>162</sup> U.S. Department of State, Bureau of Western Hemisphere Affairs, “U.S. Actions to Combat Trafficking in Arms in the Western Hemisphere,” Fact Sheet, June 21, 2011.

<sup>163</sup> A “straw purchase” occurs when an individual poses as the actual transferee, but he is actually acquiring the firearm for another person. In effect, he serves as an illegal middleman. Straw purchases can be prosecuted under two provisions of the Gun Control Act of 1968, as amended (18 U.S.C. 922(a)(6) and 18 U.S.C. §924(a)(1)(A)).

<sup>164</sup> James v. Grimaldi and Sari Horwitz, “ATF Probe Strategy Is Questioned,” *Washington Post*, February 2, 2011.



many maintaining that recent deportees have had a minimal effect on gang violence in the region. The Central American countries of Honduras, Guatemala, and El Salvador have received the highest numbers of U.S. deportations (after Mexico) for the past several fiscal years. Central American countries have typically had a lower percentage of individuals deported on criminal grounds than other top-receiving countries like Mexico, Jamaica, and the Dominican Republic. In FY2011, the percentage of Central Americans deported on criminal grounds increased significantly before falling slightly in FY2012.

For the past several years, Central American officials have asked the U.S. government to consider providing a complete criminal history for each deportee who has been removed on criminal grounds, including whether he or she is a member of a gang. While ICE does not provide a complete criminal record for deportees, it may provide some information regarding an individual's criminal history when specifying why the individual was removed from the United States. ICE does not indicate gang affiliation unless it is the primary reason for the individual being deported. Law enforcement officials in receiving countries are able to contact the FBI to request a criminal history check on particular criminal deportees after they have arrived in that country. With support from CARSI, ICE and the FBI have developed a pilot program called the Criminal History Information Program (CHIP) to provide more information about deportees with criminal convictions to officials in El Salvador.

The U.S. government does not currently fund any deportee reintegration services programs for adults in Central America, although it has done so in the past. Between 2010 and 2013, USAID provided support to the International Organization for Migration (IOM) to administer a deportee reintegration project in Guatemala. As a result of budget shortfalls in many countries, the types of support services provided to deportees returning from the United States are very limited. The few programs that do exist tend to be funded and administered by the Catholic Church, nongovernmental organizations, or the International Organization for Migration.

## **Outlook**

The seven nations of Central America face significant security challenges. Well-financed and heavily armed criminal threats, fragile political and judicial systems, and persistent social hardships such as poverty and unemployment contribute to widespread insecurity. From FY2008 to FY2014, Congress appropriated \$803.6 million under what is now known as the Central America Regional Security Initiative (CARSI) to support security efforts in the region. It is unclear what has been accomplished with the funding appropriated thus far since U.S. agencies have not released the metrics they are using to assess the initiative's performance. While security conditions appear to be improving in some Central American nations, they remain poor in several others. As Congress evaluates budget priorities and debates the form of U.S. security assistance to the region, it might take into consideration the opinion of many analysts that improving security conditions in the region will be a difficult, multifaceted endeavor. Central American leaders will need to address long-standing issues such as incomplete institutional reforms, precarious tax bases, and the lack of opportunities for young people. International donors will need to provide extensive support over an extended period of time. And all of the stakeholders involved will need to better coordinate their efforts to support comprehensive long-term strategies that strengthen institutions and address the root causes of citizen insecurity.

## Appendix. Central America Social Indicators

**Table A-1. Central America Development Indicators**

Country	Human Development Index (HDI) Rank	Life Expectancy at Birth	Mean Years of Schooling (Adults)	Gross National Income (GNI) US \$ billions	GNI Per Capita US \$
	Out of 187 countries and territories	2012	2012	2012	2012
Panama	59	76.3	9.4	32.4	8,510
Costa Rica	62	79.4	8.4	42.4	8,820
Belize	96	76.3	8.0	1.4	4,490
El Salvador	107	72.4	7.5	22.6	3,590
Honduras	120	73.4	6.5	16.8	2,120
Nicaragua	129	74.3	5.8	9.9	1,650
Guatemala	133	71.4	4.1	47.1	3,120

**Sources:** HDI Rank, Life Expectancy at Birth, Mean Years of Schooling from the U.N. Country Profiles and International Human Development Indicators; GNI and GNI per capita from the World Bank Development Indicators.

**Definitions:** HDI Rank is from the U.N. Development Program’s Human Development Index, a composite measure of three basic dimensions of human development: health, education, and income. Calculated for 187 countries and territories, with 1 = highest human development. Life Expectancy at Birth is the number of years a newborn is expected to live if patterns of mortality prevailing at its birth were to stay the same throughout its life. Mean Years of Schooling = average number of years of education received by people 25 years old and older in their lifetime. Gross national income (GNI) from the World Bank is the broadest measure of national income. It measures total value added from domestic and foreign sources claimed by residents. GNI per capita is GNI divided by mid-year population.

**Table A-2. Central America Poverty and Inequality Indicators**

Country	Area in Square Miles	Population (2014 Estimate)	Population Living in Extreme Poverty	Income Gini Coefficients
Belize	8,867	340,000	N/A	N/A
Costa Rica	19,730	4,920,000	7.3%	0.504
El Salvador	8,008	6,365,000	13.5%	0.437
Guatemala	42,042	15,790,000	29.1%	0.585
Honduras	43,278	8,228,000	42.8%	0.567
Nicaragua	50,336	6,152,000	29.5%	0.478
Panama	29,157	3,927,000	12.4%	0.531

**Sources:** Area from U.S. Department of State, Background Notes; Population, Population Living in Extreme Poverty, and Gini Coefficients from U.N. Economic Commission for Latin America and the Caribbean, *Statistical Yearbook for Latin America and the Caribbean, 2013*, December 2013.

**Note:** Gini Coefficient—a value of 0.0 represents absolute equality; a value of 1.0 represents absolute inequality.

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