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**Report to Congress on Narcotics Trafficking, Corruption, and Illicit Campaign Finance in Honduras, Guatemala, and El Salvador**

Consistent with section 1287 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (P.L. 115-232), this report, prepared by the Department of State in coordination with the Department of Defense and in consultation with the Department of Justice, is being submitted to the Congressional defense committees, the House Foreign Affairs Committee, and Senate Foreign Relations Committee.

Consistent with the requirements of section 1287, this report identifies the following persons in Honduras, Guatemala, and El Salvador: (1) senior government officials known to have committed or facilitated acts of corruption or to otherwise have engaged in corrupt practices or narcotics trafficking; and (2) elected officials known to have received campaign funds that are the proceeds of narco-trafficking or other illicit activities in the last two years.

Corruption in the Northern Triangle is endemic and systemic. Corruption undermines economic growth and development, weakens rule of law, and facilitates transnational crime, driving illegal migration to the United States. This report is not intended to identify the depth and breadth of corrupt actors in Honduras, Guatemala, and El Salvador who have not yet been convicted of their crimes, and who undermine security, prosperity, and governance in the Northern Triangle. Rather, this report identifies individuals who are known, based on convictions or on designations under applicable U.S. government sanctions regimes, to have committed or facilitated relevant acts as identified in section 1287. Based on this standard, we have not identified any individuals known to have facilitated the financing of political campaigns in any of the Northern Triangle countries with the proceeds of narco-trafficking or other illicit activities in the last two years.

**Section 1: Senior Government Officials**

***Honduras***

**Mario Zelaya Rojas**, the former director of the Honduran Social Security Institute (IHSS), former vice minister of health **Javier Pastor**, and former vice minister of labor **Carlos Montes** were sentenced in April 2017 for money laundering more than \$12 million from IHSS.

**Jose Valery Boris Espinal Ponce** and **Nelson Abdalah Ghawi**, two former congressmen, and **Dario Alberto Mejia Valdivieso**, former director of the Secretariat of the Environment and Natural Resources, were sentenced in 2016 for abuse of authority.

**Teodoro Bonilla**, former vice president of the now defunct Judicial Council, was sentenced in September 2017 to six years in prison for influence trafficking and abuse of authority.

**Marcelo Antonio Chimirri Castro**, former president of Hondutel, the national telecom company, was sentenced in August 2017 to nine years in prison on charges of illicit enrichment after being unable to account for \$680,000.

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**Yani Rosenthal**, former minister to the presidency, career politician, and prominent businessman, was sentenced in December 2017 to three years in prison for laundering drug proceeds for the Cachiros drug trafficking organization. Rosenthal is a Specially Designated Narcotics Trafficker under the Kingpin Act.

**Yankel Rosenthal**, former minister of investment under current Honduran President Juan Orlando Hernandez, was sentenced in August 2017 in U.S. courts to 29 months for attempted money laundering and is a Specially Designated Narcotics Trafficker under the Kingpin Act.

*Guatemala*

Former vice president **Ingrid Roxana Baldetti Elias** was sentenced in October 2018 to more than 15 years in prison for corruption.

**Mauricio Lopez Bonilla**, former minister of government, was sentenced to more than eight years in prison in September 2018 for illicit association, money laundering, and drug trafficking.

**Gudy Rivera Estrada**, former president of Congress, was sentenced to more than 13 years in prison in February 2018 for influence peddling and bribery.

**Erick Gustavo Santiago de Leon**, former Appeal Court magistrate and president of the Regional Appeal Civil Court, was sentenced in July 2018 to five years in prison for bribery.

**Juan de Dios de la Cruz Rodriguez Lopez**, former president of the Social Security Institute, was sentenced to more than 6 years in prison in September 2018 for awarding a contract to an unqualified company in exchange for kickbacks, which resulted in substandard care for dialysis patients being treated in public hospitals, resulting in at least 13 deaths.

**Edgar Baltazar Barquin Duran**, former Bank of Guatemala president and vice presidential candidate, was sentenced in 2016 to more than five years in prison for illicit association and influence trafficking.

**José Armando Ubico Aguilar**, a political party deputy, was sentenced to 46 months in prison in 2003 in the United States for heroin trafficking. After his early release on probation in 2005 and subsequent deportation, Ubico was elected to congress.

*El Salvador*

**Carlos Mauricio Funes Cartagena**, former president, was found guilty in 2017 of unjustly enriching himself with \$419 million and ordered to repay \$206 million. Funes and his family claimed asylum in Nicaragua in 2016 and the former Salvadoran attorney general requested his extradition on September 13, 2018. The request is currently pending with the Salvadoran Supreme Court.

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**Elias Antonio Saca**, former president, was convicted in September 2018 of misappropriation, money laundering, and embezzlement. He was sentenced to 10 years in prison and ordered to pay \$25 million. Saca also faces charges for bribing a judicial official for access to information.

**Luis Antonio Martinez Gonzalez**, a former attorney general, was sentenced in 2018 to five years in prison and ordered to pay \$125,000 restitution on purposely disclosing recordings obtained in a wiretap investigation. In 2016 Martinez was fined \$8,000 by the Government Ethics Tribunal of El Salvador for inappropriately accepting gifts from businessman Enrique Rais.

**Elmer Charlaix**, Saca's presidential secretary, was sentenced to ten years in prison and ordered to pay \$15 million in September 2018 for misappropriating funds and money laundering.

**Julio Rank**, former communications secretary under President Saca, was sentenced to five years in prison for money laundering and ordered to pay \$8 million in September 2018.

**Cesar Funes**, former youth secretary under President Saca, was sentenced to five years in prison in September 2018 for money laundering and ordered to pay \$886,000 in restitution.

**Francisco Rodriguez Arteaga**, former director of finances under President Saca, was sentenced to six years in prison for misappropriation of funds and money laundering in September 2018. Rodriguez also faces charges for diverting \$350 million of government funds in a similar scheme during the Funes administration.

**Pablo Gomez**, former assistant director of finances under President Saca, was sentenced to 16 years in prison for misappropriation of funds and money laundering and ordered to pay \$5 million in restitution in September 2018. He also faces similar charges for his role in diverting \$350 million in government funds during the President Funes administration.

**Jorge Herrera Castellanos**, former presidential office treasurer under President Saca, was sentenced to three years in prison for misappropriation and money laundering in September 2018, and ordered to pay \$3 million in restitution.

Section 2: Elected Officials

*El Salvador*

**Elias Hernandez**, former Apopa mayor, was sentenced to 12 years in prison in February 2018 for providing material support to the Eighteenth Street Gang in exchange for political and financial support for his campaign.

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